

Mendoza & Associates, Inc.

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FORM ADV PART 2A BROCHURE

This brochure provides information about the qualifications and business practices of Mendoza & Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (860) 563-1319 and/or info@mendoza-assoc.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 Mendoza & Associates, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Mendoza & Associates, Inc. is 125579.

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

Item 2 Material Changes

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

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

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Item 4 Advisory Business

Mendoza & Associates, Inc. is a registered investment adviser based in Rocky Hill, Connecticut. We were organized as a corporation under the laws of the State of Connecticut on November 1, 1978. Michael D. Mendoza is the principal owner of the corporation. We have been providing investment advice since 1985. The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. Mendoza & Associates, Inc. is primarily referred to herein as "Advisor." Associated persons of Advisor are referred to herein as "Advisory Representatives." As used in this brochure, the words "we", "our" and "us" also refer to Mendoza & Associates, Inc. and the words "you", "your" and "Client" refer to you as either a client or prospective client of our firm.

Financial and Retirement Planning Services

Advisor offers financial and retirement planning services. Advisor will gather financial information and history from Client including, but not limited to, retirement and financial goals, investment objectives, investment time horizon, financial needs, cash flow analysis, cost of living needs, educational needs, savings tendencies, and other applicable financial information required by Advisor in order to provide the investment Advisory services requested. Based upon Client's needs, Advisor will prepare a written financial plan addressing Client's needs.

Financial plans are based on the Client's financial situation at the time and are based on financial information disclosed by the Client to the Advisor. Clients are advised that certain assumptions may be made with respect to interest and inflation rates, and use of past trends and performance of the market and economy. However, past performance is in no way an indication of future performance. Advisor cannot offer any guarantees or promises that Client's financial goals and objectives will be met. Further, Client must continue to review and update the plan based upon changes in the Client's financial situation, goals, or objectives, or changes in the economy. Should Client's financial situation or investment goals and objectives change, Client must notify Advisor promptly of the changes. Clients are advised that neither Advisor nor its Advisory Representatives offer any advice or guidance on a Client's property, casualty or liability insurance needs.

Advisor's Financial Plans typically include general recommendations for a course of activity or specific actions a Client should take. For example, recommendations may be made that Clients establish an individual retirement account, increase or decrease funds held in saving accounts, invest monies in certain securities or investments, or obtain new or revise existing insurance coverage. Other financial planning services that Advisor may provide include on-going financial counseling, account review, securities research, and other Advisory services related to investments.

Financial planning services provided to Clients will be outlined in the Client Agreement.

Third Party Management Services

Advisor and its Advisory Representatives will qualify Clients for investment in certain Third Party Management Services. In order to assist Clients in the selection of a Third Party Management Service, Advisory Representatives will typically gather information from the Client about Client's financial situation, investment objectives, risk tolerance, as well as any reasonable restrictions the Client wants imposed on the management of the account. Upon review of Client's information, Advisory Representative will recommend the services of a Third Party Manager with which the Advisor has completed due diligence and has a solicitation arrangement. Advisory Representatives will assist the Client in the completion of documents in order to utilize the services of the Third Party Manager.

Advisory Representatives will monitor the relationship between the Third Party Manager and the Client and will periodically review reports that are provided to the Client. Additionally, the Advisor will contact Client at least annually to review the Client's financial situation and objectives, communicate information to the Third Party Manager as warranted, and assist the Client in understanding and evaluating the services provided by the Third Party Manager. Clients will be expected to notify the Advisory Representatives of any changes in the Client's financial situation, investment objectives, risk tolerance or account restrictions. Clients may also directly contact the Third Party Manager managing the account or sponsoring the program. Advisor will share in a portion of the Third Party Manager's fee.

Clients should know that the services provided by the Advisor through the use of Third Party Management Services are, under certain conditions, directly offered to Clients by the Third Party Managers. The fees charged by Third Party Managers that offer programs directly to Clients may be more or less than the combined fees charged by the Third Party Managers and the Advisor for participation in the investment programs. However, when using the services of Third Party Managers directly, Clients do not receive the Advisor's expertise in developing an investment strategy, selecting a Third Party Management Service, monitoring the performance of an account, and/or changing a Third Party Management Service provider when appropriate.

Genworth Financial Wealth Management

Advisor recommends a mutual fund asset allocation program known as Genworth Financial Wealth Management ("GFWM"). Advisor will assist the Client in establishing a custodial clearing account with an independent third-party custodian to participate in the GFWM program, and may, with the consent of the Client, direct the purchase of no-load mutual funds or load funds at NAV (Net Asset Value) as well as consult with the Client in the selection of individual private account managers.

Advisor does not take any independent discretionary authority over Client accounts. Advisor does, however, recommend some Clients participation in the GFWM Platform, and asset allocation Platform more fully described in Form ADV Part 2A Appendix 1 of GWFM's Platform Disclosure Brochure (wrap brochure). Asset allocations composed by a group of independent investment strategists (Portfolio Strategists) are offered within the Platform, with the different model allocations designed to satisfy a gradient of risk/return objectives. The Portfolio Strategists have no direct relationship with the Advisor or Client. They make no analysis of, nor do they consider the Client's individual circumstances or objectives, and do not tailor the model asset allocation to any specific Client's needs, circumstances or objectives, but only to the stated risk return objectives. Clients with similar objectives may have the same or similar models and/or holdings.

Advisor assists the Client in selecting the risk/return objective and Portfolio Strategists that best suit the Client's objectives. The Client then specifically directs the account to be invested in accordance with the chosen asset allocation. When the Client selects the asset allocation, the Client further directs that the account be automatically adjusted to reflect any adjustment in the asset allocation by the selected Portfolio Strategists. This Client authorization results in the purchase and sale of certain mutual funds or Exchange Traded Funds (ETFs) without further authorization by the Client, or any other party at such time as the Portfolio Strategists changes the composition of the selected model asset allocation. The Client may, at any time, impose reasonable restrictions on the management of his/her account or choose a new investment strategy.

The Client receives confirmation of all transactions in the account and is free to terminate participation in the Platform and retain or dispose of any assets in the account at any time. Advisor has no authority to cause any purchase or sale of securities in any Client account, change the selected model asset allocation, or direct the account to be invested in any manner other than as previously authorized by the Client.

SEI Investment Management Corporation

Advisor also recommends a mutual fund asset allocation program with SEI Investments Management Corporation ("SEI"). Advisor may assist the Client in establishing a custodial clearing account with SEI or affiliates of SEI and may, with the consent of the Client, direct the purchase of no-load mutual funds affiliated with SEI in the account (SEI accounts) on a non-discretionary basis.

The Asset Allocation Program composed by SEI has different model allocations designed to satisfy a gradient of risk/return objectives. SEI has no direct relationship with the Advisor or Client. They make no analysis of, nor do they consider the Client's individual circumstances or objectives, and do not tailor the model asset allocation to any specific Client's needs, circumstances or objectives, but only to the stated risk return objectives. Clients with similar objectives may have the same or similar models and/or holdings.

Advisor assists the Client in selecting the risk/return objective that best suits their objectives. The Client then specifically directs the account to be invested in accordance with the chosen asset allocation. When the Client selects the asset allocation, the Client further directs that the account be automatically adjusted to reflect any adjustment in the asset allocation made by SEI. This Client authorization results in the purchase and sale of certain mutual funds without further authorization by the Client, or any other party at such time as SEI changes the composition of the selected model asset allocation. The Client may, at any time, impose reasonable restrictions on the management of his/her account or choose a new investment strategy.

The Client receives confirmation of all transactions in the account and is free to terminate participation in the Platform and retain or dispose of any assets in the account at any time. The Advisor has no authority to cause any purchase or sale of securities in any Client account, change the selected model asset allocation, or direct the account to be invested in any manner other than as previously authorized by the Client.

VISION2020 Advisor Program

The Advisor previously recommended and has a number of Clients participating in the VISION2020 Advisor Program ("V2A" or "Program") sponsored by Royal Alliance. The Program provides comprehensive investment management of Client assets through the provision of web based asset allocation tools, as well as execution, clearing and custodial services.

Investment Advisory Representatives work with Clients to identify their investment goals and objectives in order to create an initial portfolio allocation designed to complement the Client's financial situation and personal circumstances. V2A provides a risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and rebalancing tools. Utilizing these tools, and based on the Client's responses to a risk tolerance questionnaire or discussions that the Advisory Representatives have with Clients regarding among other things, investment time horizon, account restrictions, and overall financial situation, the Advisory Representatives construct a portfolio of investments for Clients.

The Investment Advisory Representatives create portfolios consisting of various securities that may include stocks, bonds, options, ETFs, or mutual funds. The investment strategies utilized in V2A depend upon the individual Client's investment objectives and goals as provided to the Investment Advisory Representative. Model portfolios, option trading and/or margin may be employed as a part of the chosen strategy. Portfolios are constructed along basic investment objective categories; however, each Client has the opportunity to place reasonable restrictions on the type of investments to be held in the portfolio. The Advisory Representatives may periodically rebalance Client accounts. Clients with

similar objectives may have the same or similar models and/or holdings. Clients are also provided a V2A Wrap Fee Program Brochure either prior to or concurrent with their enrollment in V2A and are advised to read it thoroughly before investing.

Vision2020 Wealth Management Platform - Advisor Managed Portfolios Program

The Wealth Management Platform - Advisor Managed Portfolios Program ("Advisor Managed Portfolios") provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC ("Pershing").

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire ("Questionnaire") and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, variable annuity sub-accounts (certain restrictions may apply) and other investments.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

For further Advisor Managed Portfolios details, please see the Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing.

Assets Under Management

As of December 31, 2011, the Advisor had approximately \$42,500,000 in total assets under management. \$9,000,000 of which in non-discretionary assets under management using SEI and GFWM (Third Party Management Services), and approximately \$33,500,000 in discretionary assets under management using V2A. V2A is no longer offered to new clients. Although, we do not currently have any assets under management using the Vision2020 Wealth Management Platform - Advisor Managed Portfolios Program; it is anticipated that Clients currently participating in the V2A program will transition to the Advisor Managed Portfolio Program within the next few months.

Item 5 Fees and Compensation

Financial and Retirement Planning Fees

The financial planning fee is determined after completion of the data review session. When a determination can be made of the approximate time required to complete the plan, the agreed upon fee is established. This fee may range from \$1,500 to \$5,000, and will be included in the agreement prior to the Advisory Client signing the agreement. Fees are negotiable; however, once the fee is mutually agreed upon, it is included in the Financial Consulting Agreement and paid in one payment. Fee is due upon execution of the agreement. The initial plan will generally be presented to the Client within 30-90 days. The engagement grants the Client access to Advisor for a period of one year. This agreement will terminate at the end of 12 months. Thereafter, Client may renew the annual engagement and receive an annual review. The renewal fee will be due in the anniversary month.

Client contact, consultation and review will be periodic throughout the year based on Client's preference. In no situation will a Client be charged 6 or more months in advance for services. The Client may terminate the Financial Consulting Agreement without penalty within 5 business days from

the date set forth on the contract and the entire fee will be refunded. After 5 business days, and prior to the delivery of the plan, there will be a pro-rata refund of the fee after the deduction of a reasonable amount for the work that has been completed up to that point. There will be no refund if the Agreement is terminated after the delivery of the plan. Client is advised that fees for financial planning are strictly for financial planning services. Therefore, Client may pay fees and/or commissions for additional services obtained such as asset management, or products purchased such as securities or insurance.

When Clients receive financial planning services from Advisor, they are advised that Advisory Representatives are also Registered Representatives of Royal Alliance Associates, Inc., a registered broker/dealer, member of the Financial Industry Regulatory Authority ("FINRA") and SIPC. Therefore, Advisory Representatives may have a conflict of interest in that they offer, and may recommend various other securities or insurance products for which they may be paid a commission. They would receive those commissions as Registered Representatives of Royal Alliance or as Insurance Agents in connection with such transactions. Thus, there may be an incentive for them to recommend specific courses of action through financial planning services that may lead to additional compensation. Although Advisor's security sales are reviewed for suitability by an appointed supervisor at Royal Alliance, Clients are encouraged to ask about any conflicts presented, and are under no obligation to purchase products or services recommended by Advisory Representatives in connection with the financial planning services. Clients may purchase products or services independently through an unaffiliated broker.

Third Party Management Fees

We do not charge you a separate fee for the selection of other advisers. We will share in the advisory fee you pay directly to Third Party Manager(s). The advisory fee you pay to Third Party Manager(s) is established and payable in accordance with the brochure provided by each Third Party Manager to which you are referred. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each Third Party Manager. As such, a conflict of interest may exist where our firm or persons associated with our firm may have an incentive to recommend one Third Party Manager over another with which we may have more favorable compensation arrangements or no compensation arrangements. Typically, a Third Party Manager will deduct its advisory fee directly from your account through the qualified custodian holding your funds and securities. Generally, they will only do so when you have provided written authorization to the qualified custodian permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. If you have questions regarding your statements, or if you did not receive your most recent statement, you should contact us for assistance; or, you can contact the Third Party Manager, or the qualified custodian directly.

When the Advisor recommends Advisory accounts with GFWM, SEI, or V2A, Vision2020, no-load or load at NAV (Net Asset Value) funds are used. Therefore, the Client does not pay an up-front sales commission in addition to the Advisory fee. If the Advisor recommends mutual funds not in an Advisory program, an up-front sales commission could be paid. In these situations, the Advisor will always try to incorporate Rights of Accumulation or a Letter of Intent to reduce any sales charges.

Mutual fund investments may be subject to early redemption fees, management fees, as well as other mutual fund expenses. Load and no-load mutual funds may also pay annual distribution charges or trail commissions sometimes referred to 12b-1 fees. These fees come from fund assets, therefore, indirectly from Client assets. These fees are paid directly to Royal Alliance and a portion is passed on to the Advisor. The receipt of such fees could represent an incentive for Advisory Representatives to recommend funds with 12b-1 fees over funds that do not and create a potential conflict of interest; however, the Advisory Representatives do not factor 12b-1 fees into their research process. Mutual

fund prospectuses are provided to Clients for each recommended mutual fund which further explains the above-mentioned fees and expenses. When considering investment recommendations for Clients, the Advisory Representatives always places the interest of their Clients first.

Genworth Financial Wealth Management Fees

Genworth Financial Wealth Management Client fees are payable quarterly, in advance, on a non-tiered basis and allow for account aggregation with like accounts, based on assets under management using the fee schedules below. Clients may terminate GFWM accounts at any time and receive a full pro-rata refund of any unearned fees. Royal Alliance provides certain assistance to GFWM and will receive an administrative fee collected by GFWM. While Clients who have these GFWM accounts may also be Clients of other Royal Alliance Advisory programs, Mendoza & Associates, Inc. is the Investment Advisor with respect to the GFWM accounts and not Royal Alliance. The fee schedules are as follows:

Mutual Fund/ETF/VA Accounts

Amount Invested Maximum Advisory Fee Maximum Program Fee

First \$250,000	1.55%	0.75%
Next \$250,000	1.40%	0.70%
Next \$500,000	1.20%	0.65%
Next \$1,000,000	0.90%	0.55%
Next \$2,000,000	0.60%	0.45%

Privately Managed Accounts

Amount Invested Maximum Advisory Fee Maximum Program Fee

First \$250,000	1.75%	0.75%
Next \$250,000	1.40%	0.50%
Next \$500,000	1.25%	0.50%
Next \$1,000,000	0.95%	0.45%
Next \$1,000,000	0.75%	0.45%
Next \$2,000,000	0.60%	0.40%

SEI Investment Management Corporation Fees

SEI Client fees are payable quarterly, in arrears, on a non-tiered basis and allow for account aggregation, based on assets under management using the fee schedule below. Clients may terminate SEI accounts at any time and will have the pro-rata portion of the current quarterly fee deducted prior to refunding the balance of the account. Royal Alliance provides certain assistance to SEI or its affiliates and will receive an administrative fee collected by SEI. While Clients who have these SEI accounts also may be Clients of other Royal Alliance advisory programs, Mendoza & Associates, Inc. is the Investment Advisor with respect to the SEI accounts and not Royal Alliance. The fee schedule is as follows:

Account Size Maximum Advisor Fee

First \$250,000	1.00%
Next \$250,000	0.90%
Next \$500,000	0.75%
Next \$1,000,000	0.55%
Next \$2,000,000	0.35%

VISION2020 Advisor Program Fees

The Vision2020 Advisor Program is offered as an account where no separate transactions charges apply and a single fee is paid ("Wrap Fee") which includes advisory services, custody, brokerage, and administrative fees. In Wrap Fee accounts, the Client pays a quarterly account fee in advance, based upon the market value of the assets held in the Client's account as of the last business day of the preceding calendar quarter. The fee structure is tiered and allows for account aggregation. Account fees are non-negotiable. If a Wrap Fee program is selected, the Client will also receive the schedule H or equivalent Wrap Fee Brochure provided by the sponsor of the Program, Royal Alliance.

In computing the market value of assets, mutual fund shares will be calculated at their respective net asset values as of the valuation date in accordance with each mutual fund prospectus. With respect to Client accounts that utilize margin, the "net worth" or "net equity" value of the account, not the long or short market value, shall be used to determine the Client Advisory fee. With respect to Client accounts that purchase or sell option contracts, the positive or negative value of the option will be included in the net equity value of the account for purposes of determining the Client Advisory fee. Clients should be aware that option contracts are a "wasting" asset, in that they have value only through the date on which they expire. If call option contracts are sold in conjunction with securities held in a Client account, (often referred to as "covered call options") the cash received on the sale of the option may have the effect of temporarily increasing the net equity value of the Client account, and thus increasing the amount of the Client Advisory fee.

In the event the account is terminated, or that additions to, or withdrawals from the account are made during any given quarter, the applicable fee will be adjusted on a pro-rata basis to the account from which the charge was debited, based on the market value of the assets at such time to reflect the addition or withdrawal. The Advisor does not bill directly as the fees are deducted from the Client accounts quarterly. Clients will receive a full account fee refund in the event that they terminate the Client agreement with us within 5 business days of signing. If Client terminates after the first 5 days, the account fee will be credited back on a pro-rata basis for the unused portion of the quarter. The fee schedule is as follows:

Wrap Fee Schedule

<u>Amount Invested</u>	<u>Maximum Advisory Fee</u>	<u>Maximum Program Fee</u>
\$50,000 - \$99,999	1.650%	0.000%
\$100,000 - \$249,999	1.400%	0.400%
\$250,000 - \$499,999	1.375%	0.375%
\$500,000 - \$749,999	1.300%	0.350%
\$750,000 - \$1,249,999	1.275%	0.325%
\$1,250,000 - \$1,999,999	1.200%	0.300%
\$2,000,000 - \$4,999,999	0.875%	0.275%
\$5,000,000 - \$24,999,999	0.550%	0.250%
Over \$25,000,000	0.475%	0.225%

Advisory Representatives may receive such benefits such as assistance with conferences and educational meetings by product sponsors assisting with the costs of such events.

Clients will be charged an additional fee of \$1.50 for each trade confirmation and statement that is not received electronically. There are additional fees relating to IRA and Qualified Retirement Plan accounts that Clients may incur such as ongoing maintenance and termination fees. These fees are disclosed in the account application paperwork provided to Clients associated with these accounts.

Vision2020 Wealth Management Platform - Advisor Managed Portfolios Program Fees

We offer Advisor Managed Portfolios as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your Client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary fees may apply. Please see the Advisor Managed Portfolios Wrap Fee Program Brochure for further details.

Our Advisor Managed Portfolios account fee schedule is as follows:

Wrap Fee Schedule

<u>Amount Invested</u>	<u>Maximum Advisory Fee</u>	<u>Maximum Program Fee</u>
\$50,000 - \$99,999	1.650%	0.000%
\$100,000 - \$249,999	1.400%	0.400%
\$250,000 - \$499,999	1.375%	0.375%
\$500,000 - \$749,999	1.300%	0.350%
\$750,000 - \$1,249,999	1.275%	0.325%
\$1,250,000 - \$1,999,999	1.200%	0.300%
\$2,000,000 - \$4,999,999	0.875%	0.275%
\$5,000,000 - \$24,999,999	0.550%	0.250%
Over \$25,000,000	0.475%	0.225%

Advisory Representatives may receive such benefits such as assistance with conferences and educational meetings by product sponsors assisting with the costs of such events.

Clients will be charged an additional fee of \$1.50 for each trade confirmation and statement that is not received electronically. There are additional fees relating to IRA and Qualified Retirement Plan accounts that Clients may incur such as ongoing maintenance and termination fees. These fees are disclosed in the account application paperwork provided to Clients associated with these accounts.

Compensation for the Sale of Securities or Other Investment Products

Principals and other Associated Persons that provide investment advice on behalf of our firm are also registered representatives of Royal Alliance Associates, Inc. ("Royal Alliance"). Royal Alliance is a registered full services general securities broker-dealer with the Securities and Exchange Commission, a registered investment adviser, a member of the Financial Industry Regulatory Authority, and the Securities Investor Protection Corporation. Royal Alliance is a diversified financial services company engaged in the sale of specialized investment products. Our advisory representatives may recommend securities or insurance products offered by Royal Alliance to you as part of your investment portfolio. If you purchase these recommended products through an Associated Person of our firm, those individuals will receive the normal commissions associated with these products in their separate capacity as a registered representative of Royal Alliance. All such compensation is separate and in addition to our advisory fees. We may have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than

others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we may have to sell certain securities products and are encouraged to ask us about any conflict presented. This practice may present a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives may have an incentive to effect securities and/or insurance transactions that generate commissions. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm unless done in conjunction with an investment management program as disclosed above under the *Advisory Business* section.

As Registered Representatives of Royal Alliance, our Associated Persons on behalf of our firm may recommend the purchase or sale of investment products in which the Associated Person and Royal Alliance or a related entity may have some financial interest, including the receipt of commission based compensation. Certain mutual funds (and/or their related persons) in which you may invest make 12b-1 fee payments to broker dealers. These payments may be distributed pursuant to a 12b-1 distribution plan or pursuant to another arrangement as compensation for distribution or administrative services and may be paid out of the fund's assets. Royal Alliance and/or our Associated Persons may receive such 12b-1 fees or other compensation to the extent permitted by applicable law.

Our company is a licensed insurance agency and persons providing investment advice on behalf of our firm are licensed as independent insurance agents. Our company and these persons may earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice may present a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents may have an incentive to recommend insurance products to you that would generate commissions. You are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

We may recommend that you purchase variable annuities to be included in your investment portfolio(s). Persons providing investment advice on behalf of our firm may earn commissions on the sale of the variable annuities in his or her capacity as a registered representative of Royal Alliance. Management fees earned on advisory accounts may be offset if we have earned a commission within the past 24-months on any product held in your advisory account. You are under no obligation, contractually or otherwise, to purchase variable annuities through any person affiliated with our firm. Please refer to the *Other Financial Industry Activities and Affiliations* section below for additional disclosures on this topic.

Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges and early redemption fees. In addition, variable annuity companies generally impose mortality charges of approximately 1.30% annually. These fees are in addition to the fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

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

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a Client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. We do not charge or share in performance-based fees or participate in side-by-side management. Our fees are calculated as described above in the *Fees and Compensation* Section of this brochure, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

The majority of the Advisor's Clients are individuals either retired or nearing retirement. However, we do also advise some pension and profit sharing plans, corporations or other businesses.

The account size minimums vary for each Third Party Management Service, however, most of them are generally set at \$50,000. Specific information is fully disclosed in each of the Third Party Management Service's disclosure brochures, as well as in the associated paperwork that is given to Clients. The minimum account size for Vision2020 programs is \$50,000. Some Third Party Management Services may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

When analyzing investments and investment managers that may be appropriate for a Client, Advisor researches investment managers through Morningstar's Analytical Program who use both Fundamental and Technical Analysis. Fundamental analysis is security analysis grounded in basic factors such as company earnings, balance sheet variables, and management quality which are used to predict the future value of an investment. Information such as interest rates, GNP (Gross National Product), inflation and unemployment may be used to predict the direction of the economy and therefore the stock market. Technical analysis is the practice of using statistics to determine trends in security prices and make or recommend investment decisions based on those trends. Technical analysis focuses on matters such as trade volume, demand, and volatility to help determine the market forces at work on a certain security or on the securities market as a whole.

When researching Third Party Advisory Services, the Advisor analyzes the longevity of the firm, the methodology used in their investment process, and their investment performance as compared to relative benchmarks. The Advisor will continue to monitor the Third Party's process and performance, and make changes or additional recommendations as needed.

Subject to suitability requirements, Advisor generally advises the long-term purchase of mutual funds to Clients. Long-term purchases are typically defined as the purchase of securities held for at least a year.

Associated Risks

When using Fundamental Analysis, the investment managers selected by the Advisor generally rely on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Data they review is generally considered reliable but cannot be guaranteed for its accuracy. In addition, the data that they review is sometimes

subjective in nature and open to interpretation. Even if the data and interpretations of the data are correct, there may be other factors that determine the value of securities other than those considered in Fundamental Analysis.

When using Technical Analysis, the managers selected by the Advisor generally review statistics to determine trends in security prices and make their investment decisions based on those trends. This analysis may only be able to predict how an investment will perform short-term. In addition, this analysis does not take into account the more fundamental properties of what an investment may be worth, such as company performance and balance sheet variables, which may play a part in determining the value of an investment.

When pursuing a long-term purchase strategy, Advisor assumes that Financial Markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that Clients are invested in, or perhaps just a Client's particular investment, will go down over time even if the overall Financial Markets advance. In addition, purchasing investments long-term may create an opportunity cost by "locking-up" assets that may be better utilized in the short-term in other investments.

Advisor primarily recommends mutual funds to Clients. Investing in mutual funds involves the assumption of risk including:

- **Manager Risk:** Which is the risk that an actively managed mutual fund's investment manager will fail to execute the fund's stated investment strategy.
- **Market Risk:** Which is the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds recommended to Clients.
- **Industry Risk:** Which is the risk that a group of stocks in a single industry will decline in price due to adverse developments in that industry, decreasing the value of mutual funds that are significantly invested in that industry.
- **Inflation Risk:** Which is the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.
- Listed above are some of the primary risks associated with the way the Advisor recommends investments for Clients. Clients should not hesitate to contact the Advisor to discuss these risks and/or others in more detail. In instances where the Advisor recommends that a Third Party manage Client assets, please refer to the Third Party's ADV and associated disclosure documents for details on their investment strategies, methods and analysis, and associated risks.

Advisor also offers advice on a Limited Partnership that utilizes professional commodity trading Advisors to engage in the trading of commodity futures contracts, other commodity interests, forward contracts, options, swaps and securities. This program has substantial volatility; therefore, it is not suitable for all Clients.

Advisor does not represent, warrant or imply that the services or methods of analysis used by Advisor can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to major market corrections or crashes.

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

Recommendation of Other Advisers

We will not perform quantitative or qualitative analysis of individual securities. Instead, we will advise you on how to allocate your assets among various classes of securities or third party money managers. We primarily rely on investment model portfolios and strategies developed by third party

money managers and their portfolio managers. We may recommend replacing certain third party money managers if there is a significant deviation in characteristics or performance from the stated strategy and/or benchmark.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in Client accounts on or after January 1, 2011. For information regarding the accounting method used by your custodian for calculating the cost basis of your investments, contact the custodian directly. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Item 9 Disciplinary Information

The Advisor and/or Advisory Representatives have not had any legal or disciplinary actions brought against them.

Item 10 Other Financial Industry Activities and Affiliations

Registrations with a Broker-Dealer

Persons providing investment advice on behalf of our firm are registered representatives with Royal Alliance, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

Because the Advisory Representatives are also Registered Representatives of Royal Alliance, Royal Alliance has certain supervisory and administrative duties pursuant to the requirements of FINRA Conduct Rule 3040. In that regard, Royal Alliance will require and furnish certain account opening documentation to be completed by the Client and the Advisory Representatives. Once all such materials and forms have been completed by Clients in consultation with their Advisory Representatives, the Advisory Representatives are required to submit these materials and forms to Royal Alliance for its review and approval in its capacity as the Broker/Dealer of record. Such review does not include the provision of investment Advisory services to the Advisor's Client accounts.

Advisory Representatives may have limited access to certain product sponsors where selling agreements have been executed by Royal Alliance. FINRA Conduct Rule 3040 may also restrict Registered Representatives from conducting securities transactions away from Royal Alliance unless Royal Alliance provides the Representative with written authorization. Therefore, Clients are advised that Advisory Representatives may be limited to conducting securities transactions through Royal Alliance and its clearing firm, Pershing. Clients are also advised that account maintenance fees and transaction charges may be higher or lower at Royal Alliance than at other broker/dealers offering similar services.

In certain instances, Royal Alliance will collect, as paying agent for the Advisor, the investment advisory fee due the Advisor from the account custodian. Royal Alliance will retain a portion as an administrative charge to the Advisor (not the Client) for the functions Royal Alliance is required to carry out by FINRA. Royal Alliance does not provide investment Advisory services in connection with such programs

Certain Third Party Investment Advisors may also execute transactions through Royal Alliance. Sun America Trust Company, an affiliate of Royal Alliance, or another affiliate of Sun America, may act as custodian and receive compensation in connection with certain Third Party Advisory programs.

Advisory Representatives may, from time to time, recommend investment products to Clients including mutual funds, variable and fixed annuities, and other insurance products sponsored by Sun America or AIG affiliates. Such recommendations may be deemed to create a conflict of interest because they may result in an increase in compensation for Royal Alliance affiliates and Advisory Representatives.

The Advisory Representatives do not factor in additional compensation when determining a course of action for a Client. The Advisory Representatives will always recommend investments and/or products that are most suitable for each Client regardless of the compensation paid.

Recommendation of Other Advisers

We may recommend that you use a Third Party Manager based on your needs and circumstances. We will receive compensation from the Third Party Manager for recommending that you use their services. These compensation arrangements may present a conflict of interest because we have a financial incentive to recommend the services of Third Party Managers. You are not obligated, contractually or otherwise, to use the services of any Third Party Manager we recommend.

Other than the Third Party Management Services as described above in the Advisory Services Section of this brochure, we do not have a business relationship or any affiliation through common control or ownership with any recommended Third Party Manager.

Licensed Insurance Company

In addition to being registered as an investment adviser, our firm is also licensed as an insurance agency. Therefore, persons providing investment advice on behalf of our firm are licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Please see the *Fees and Compensation* section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

Other Affiliations or Activities

We do not have any relationship or arrangement that is material to our advisory business or to our Clients with a investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund); a futures commission merchant, commodity pool operator, or commodity trading advisor; a banking or thrift institution; an accountant or accounting firm; a lawyer or law firm; a pension consultant; a real estate broker or dealer; or a sponsor or syndicator of limited partnerships.

Item 11 Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our

fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective Clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any persons associated with our firm has any material financial interest in Client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest may exist in such cases because we may have the ability to trade ahead of you and may potentially receive more favorable prices than you might otherwise receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Item 12 Brokerage Practices

Associated Persons of our firm are separately registered as securities representatives of Royal Alliance Associates, Inc. ("Royal Alliance"), a FINRA member broker-dealer. In general, we may recommend the use of Royal Alliance and these individuals to clients for implementation of financial planning and consulting recommendations, provided that this recommendation is consistent with our fiduciary duty to you. Any commissions or other compensation received from the implementation of financial planning recommendations is separate and distinct from our advisory fee. It may be the case that Royal Alliance charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through Royal Alliance, these individuals (in their separate capacities as registered representatives of Royal Alliance) may earn commission-based compensation as a result of placing the recommended securities transactions through Royal Alliance. This practice may present a conflict of interest because these registered representatives may have an incentive to effect securities transactions that generate commissions. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend. However, if you do not use Royal Alliance, we may not be able to accept your account. Please see the "Fees and Compensation" section in this Brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

Clients should be aware that best execution and lower commissions may not necessarily be achieved if recommended transactions are placed through these individuals, in their separate capacities as registered representatives or insurance agents/brokers.

Brokerage for Client Referrals

We do not receive Client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Third Party Programs

The third party managers GFWM and SEI provide their own custody and trading and the charges are reflected in the WRAP Fee accounts.

The Advisor does not receive any soft dollars however, under GFWM's Gold/Platinum Premier Consultant Program, Advisor is entitled to receive a quarterly business development allowance for reimbursement for qualified marketing/practice management expenses incurred by the Advisor. These amounts range from \$5,000 to \$105,000 annually, depending on the amount of the Advisor's Client assets managed with the Platform.

GFWM may also bear the cost of airfare for Advisors to attend GFWM's annual conference, or to conduct due diligence visits to GFWM's offices. In addition, GFWM may, from time to time, contribute to the cost incurred by participating Advisory firms in connection with conferences or other Client events conducted by such firms and their Advisory Representatives.

GFWM may also provide opportunities for participating firms such as the Advisors to receive fee reductions and/or allowances in the amounts ranging from .02% - .07% of the amount of Client assets invested through the Platform. These arrangements are entered into between GFWM and a firm such as the Advisors on an individually negotiated basis. Advisor may agree to provide GFWM with introductions to and information about its Advisory Representatives, provide the Representatives with information concerning GFWM's platform and products, and permit GFWM to participate in broker/dealer meetings and workshops. In addition to the fee reductions and/or allowances granted the Advisory firm by GFWM, GFWM may agree to provide the Advisory firm or its Representatives with organizational consulting, education, training and marketing support. To date, the Advisor has not received any quarterly business development allowances, fee reductions, or any other allowances from GFWM.

Aggregation of Trades

If a bunch order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation. Partial fills will be allocated in a way that does not consistently advantage or disadvantage particular Client accounts and are generally filled pro-rata among participating accounts.

The aggregation and allocation practices of mutual funds and Third Party Managers that Advisor recommends to Clients are disclosed in the respective mutual fund prospectuses and Third Party Manager disclosure documents that are provided to Clients.

Item 13 Review of Accounts

All reviews will be conducted by Advisory Representatives (Michael Mendoza, Kenneth Mendoza, or both), with Clients not less than annually or as agreed by Client and Advisory Representative. Clients may request more frequent reviews and may set thresholds for triggering events that would cause a review to take place. Generally, Advisory Representatives will monitor for changes or shifts in the economy, changes to the management and structure of a mutual fund or company in which Clients assets are invested, and market shifts and corrections.

Clients are advised that they should notify their Advisory Representatives promptly of any changes to their financial goals and objectives, or financial situation; as such changes may require Advisory Representatives to review the Client's portfolio and make recommendations for changes. Third Party Manager Accounts such as SEI and GFWM are reviewed quarterly. Financial plans will be reviewed periodically as needed as a result of qualifying events or at the request of a Client. Accounts are not assigned to a particular Advisory Representative and there is no limited to the number of accounts serviced.

When a decision is made to rebalance a Client's portfolio and one Advisory Representative is not able to implement the transaction, then another Advisory Representative in the office can do so.

Item 14 Client Referrals and Other Compensation

The Advisor does not compensate anyone for Client referrals.

As disclosed above in the *Fees and Compensation* section of this brochure, we share in advisory fees paid to third parties such as GFWN and SEI. The Advisor does not receive any sales awards or prizes other than participating in the educational conferences provided by Royal Alliance.

As previously discussed, the Advisory Representatives are also Registered Representatives of Royal Alliance. This arrangement requires Advisor to offer Clients Advisory services and programs sponsored or approved by Royal Alliance. Royal Alliance sets limits on how much Advisor can charge Clients for these Advisory services. Some Advisory programs have higher fee limits than others. As such, there may be an incentive for Advisory Representatives to recommend to Clients Advisory services or programs with higher limits. In addition, Royal Alliance may charge Advisor certain usage fees and expenses to use their Advisory programs which may decrease the amount of compensation Advisor makes when offering investment advice to Clients. Therefore, there may be an incentive to provide Clients with Advisory programs and services that may be less expensive for the Advisor to use, but not as suitable to Client needs as other Advisory programs that Royal Alliance sponsors which may be more expensive for the Advisor to use.

In addition, Royal Alliance offers Advisory Representatives educational, training, and incentive programs for those Representatives that meet certain sales production goals. There may be an incentive for the Advisor to manage Client accounts in ways that assist the Advisor in meeting these production goals even if such strategies may not always be suitable for Client accounts.

Certain Third Party Advisory Service programs may provide Advisory Representatives with the opportunity to attend training or education conferences. Such conferences include the payment or reimbursement of travel, meals and lodging expenses for attendees. Payment/reimbursement of expenses is not contingent upon sales targets or contests, but rather on total assets managed on their respective Third Party Advisory Service Platforms. Advisor may have an incentive to recommend Third Party Advisory Service programs that provide the above-referenced opportunities over those that do not.

Royal Alliance has provided Advisory Representatives with funding in the form of loans, as incentives to establish, maintain or expand the Advisor's broker-dealer relationships with Royal Alliance. Such loans are typically used to assist in the transition and expansion of the Advisor's practice. All or a portion of the loans require cash repayments of principal and interest if specific production levels are not achieved over a specified time frame. In any year which the practice achieves its production levels, a pro-rata loan forgiveness is initiated by Royal Alliance. Thus, there may be an incentive for Advisor to offer Advisory services and programs to Clients that may not be suitable, in an effort to achieve specific production levels. The Advisor and its Advisory Representatives always places the interest of their Clients first.

As disclosed under the *Fees and Compensation* section in this brochure, our company is a licensed insurance company and persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with Royal Alliance, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the *Fees and Compensation* section.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

Item 16 Investment Discretion

Under the V2A Program, Clients may grant Advisor authorization to manage Client's account on a discretionary basis. Discretionary authorization provides Advisor the ability to determine the securities to be purchased and sold and when such securities are purchased and sold. Client will grant such authority to Advisor by execution of the Client Agreement. Client may terminate discretionary authorization at any time by sending written notice to the Advisor. Additionally, Client is advised that:

Client may set parameters with respect to when account should be rebalanced and set trading restrictions or limitations;

- Advisory Representatives must obtain written Client consent to establish any mutual fund, variable annuity, or brokerage account.
- Advisor requires the use of Advisory Representative's broker/dealer for sales in commissionable mutual funds or variable annuities.
- With the exception of the deduction of Advisory fees from Client's account, if Client has authorized automatic deductions, Advisor will not have the ability to withdraw Client's funds or securities from Client accounts.

Advisor does not have discretionary authorization when recommending Third Party Manager Services such as GFWM and SEI.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18 Financial Information

Advisor is well capitalized and does not foresee any financial conditions that may impair Advisor's fulfillment of reasonable obligations or contractual commitments to Clients. We do not take physical custody of Client funds or securities, or serve as trustee or signatory for Client accounts, and, we do not require the prepayment of more than \$500 in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

Item 19 Requirements for State Registered Advisers

Please refer to the Form ADV Part 2B Brochure Supplement(s) for background information about management personnel and any individuals providing investment advice on behalf of our firm.

In addition to providing investment advice, our company is also a licensed insurance agency. We spend approximately 5% of our time providing insurance-related services. Please refer to the *Other Financial Industry Activities and Affiliations* section in this brochure for more information.

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

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

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

Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Michael D. Mendoza

Mendoza & Associates, Inc.
35 Cold Springs Road
Rocky Hill, CT 06067
(860) 563-1319

May 18, 2012

**FORM ADV PART 2B
BROCHURE SUPPLEMENT**

This brochure supplement provides information about Michael D. Mendoza that supplements the Form ADV Part 2A disclosure brochure for Mendoza & Associates, Inc. You should have received a copy of that brochure. Please contact Michael D. Mendoza at (860) 563-1319 if you did not receive our firm brochure or if you have any questions about the contents of this brochure supplement.

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

Item 2 Educational Background and Business Experience

Michael D. Mendoza

Year of Birth: 1964

Formal Education:

- Fairfield University, Fairfield, CT, B.S., Business Marketing, 1989

Business Background Preceding Five Years:

- Mendoza & Associates, Inc., President, 01/2011 - Present; Chief Compliance Officer, 04/2012 - Present; Investment Adviser Representative, 05/2001 - Present; Vice President, 04/1999 - 04/2012.
- Royal Alliance Associates, Inc., Branch Office Managing Executive, 04/2012 - Present; Registered Representative, 07/1999 - Present

Certifications:

Chartered Financial Consultant (ChFC), The American College - Bryn Mawr, PA, 1982

This designation is issued by The American College and is granted to individuals who have at least three years of full-time business experience within the five years preceding the awarding of the designation. The candidate is required to take seven mandatory courses which include the following disciplines: financial, insurance, retirement and estate planning; income taxation, investments and application of financial planning; as well as two elective courses involving the application of the aforementioned disciplines. Each course has a final proctored exam and once issued, the individual is required to submit 30 hours of continuing education every two years.

Item 3 Disciplinary Information

Mr. Mendoza does not have, nor has he ever had, any disciplinary disclosure.

Item 4 Other Business Activities

Mr. Mendoza is a registered representative with Royal Alliance Associates, Inc. ("Royal Alliance"). Royal Alliance is a diversified financial services company engaged in the sale of specialized investment products. Royal Alliance is a registered securities broker/dealer and member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

In this capacity, Mr. Mendoza may recommend securities or insurance products offered by Royal Alliance as part of your investment portfolio. If his clients purchase these products through Mr. Mendoza, he will receive the customary commissions in his separate capacity as a registered representative of Royal Alliance. Additionally, Mr. Mendoza could be eligible to receive incentive awards such as Royal Alliance may offer. He may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation may present a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives may have an incentive to effect securities transactions that generate commissions. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Mendoza & Associates, Inc. is a registered branch location for Royal Alliance. Mr. Mendoza also serves as the Managing Executive for the branch location. The majority of Mr. Mendoza's professional time is spent in his capacities providing advisory services through Mendoza & Associates, Inc.

Please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of Mendoza & Associates, Inc.'s firm brochure for additional disclosures on this topic.

Item 5 Additional Compensation

Please refer to the *Other Business Activities* section above for disclosures on Mr. Mendoza's receipt of additional compensation as a result of his activities as a registered representative Royal Alliance and licensed insurance agent.

Also, please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of Mendoza & Associates, Inc.'s firm brochure for additional disclosures on this topic.

Item 6 Supervision

We have established reasonable compliance procedures designed to provide guidance in the supervision of our associated persons and to assist our firm in detecting and preventing violations of securities laws. In addition, as registered representatives of Royal Alliance Associates, Inc. ("Royal Alliance") we are subject to annual audits by Royal Alliance and we are only permitted to conduct our advisory practice in accordance with strict controls and limitations set by Royal Alliance.

In the supervision of our associated persons, advice provided is limited based on the restrictions set by Royal Alliance, and by internal decisions as to the types of investments that may be included in client portfolios. We conduct periodic reviews of each investment adviser representatives' client holdings and documented suitability information to provide reasonable assurance that the advice provided remains aligned with each client's stated investment objectives and with our internal guidelines.

Mr. Mendoza, President and Chief Compliance Officer of Mendoza & Associates, Inc. is responsible for the supervision of the firm's advisory and compliance activities. As such, he is not directly supervised by others. Mr. Mendoza can be contacted directly by telephone 860-563-1319, email; info@mendoza-assoc.com; or by writing to 35 Cold Spring Road, Suite 114 Rocky Hill, CT 06067.

Item 7 Requirements for State Registered Advisers

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

Kenneth G. Mendoza

Mendoza & Associates, Inc.

35 Cold Springs Road
Rocky Hill, CT 06067
(860) 563-1319

May 18, 2012

FORM ADV PART 2B BROCHURE SUPPLEMENT

This brochure supplement provides information about Kenneth G. Mendoza that supplements the Form ADV Part 2A disclosure brochure for Mendoza & Associates, Inc. You should have received a copy of that brochure. Please contact Michael D. Mendoza, President and Chief Compliance Officer at (860) 563-1319 if you did not receive our firm brochure or if you have any questions about the contents of this brochure supplement for Kenneth G. Mendoza.

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

Item 2 Educational Background and Business Experience

Kenneth G. Mendoza

Year of Birth: 1941

Business Background Preceding Five Years:

- Mendoza & Associates, Inc., President, 11/1978 - 01/2012; Chief Compliance Officer, 03/2007 - 04/2012; Investment Adviser Representative, 03/1985 - Present.
- Royal Alliance Associates, Inc., Branch Office Managing Executive, 10/2002 - 04/2012; Registered Representative, 11/1989 - Present; Investment Adviser Representative, 10/1992 - 05/2012.

Certifications:

Chartered Life Underwriter® (CLU®), The American College - Bryn Mawr, PA, 1977

This designation is issued by The American College and is granted to individuals who have at least three years of full-time business experience within the five years preceding the awarding of the designation. The candidate is required to take a series of mandatory courses which include, for example, the following: insurance planning, life insurance law, fundamentals of estate planning, planning for business owners, income taxation, group benefits, planning for retirement needs, and investments. Each course has a final proctored exam and once issued, the individual is required to submit 30 hours of continuing education every two years. Mr. Mendoza's credentials were granted prior to the implementation of the continuing education requirement. Therefore, he has been exempted from such requirements and his credentials remain in good standing.

Chartered Financial Consultant (ChFC), The American College - Bryn Mawr, PA, 1982

This designation is issued by The American College and is granted to individuals who have at least three years of full-time business experience within the five years preceding the awarding of the designation. The candidate is required to take seven mandatory courses which include the following disciplines: financial, insurance, retirement and estate planning; income taxation, investments and application of financial planning; as well as two elective courses involving the application of the aforementioned disciplines. Each course has a final proctored exam and once issued, the individual is required to submit 30 hours of continuing education every two years. Mr. Mendoza's credentials were granted prior to the implementation of the continuing education requirement. Therefore, he has been exempted from such requirements and his credentials remain in good standing.

Certified Financial Planner™ (CFP®), College for Financial Planning - Denver, CO, 1992

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education - Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- Examination - Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- Experience - Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics - Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education - Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics - Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Item 3 Disciplinary Information

Mr. Mendoza does not have, nor has he ever had, any disciplinary disclosure.

Item 4 Other Business Activities

Mr. Mendoza is a registered representative with Royal Alliance Associates, Inc. ("Royal Alliance"). Royal Alliance is a diversified financial services company engaged in the sale of specialized investment products. Royal Alliance is a registered securities broker/dealer and member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC).

In this capacity, Mr. Mendoza may recommend securities or insurance products offered by Royal Alliance as part of your investment portfolio. If his clients purchase these products through Mr. Mendoza, he will receive the customary commissions in his separate capacity as a registered

representative of Royal Alliance. Additionally, Mr. Mendoza could be eligible to receive incentive awards such as Royal Alliance may offer. He may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation may present a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives may have an incentive to effect securities transactions that generate commissions. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

The majority of Mr. Mendoza's professional time is spent in his capacities providing advisory services through Mendoza & Associates, Inc.

Please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of Mendoza & Associates, Inc.'s firm brochure for additional disclosures on this topic.

Item 5 Additional Compensation

Please refer to the *Other Business Activities* section above for disclosures on Mr. Mendoza's receipt of additional compensation as a result of his activities as a registered representative Royal Alliance and licensed insurance agent.

Also, please refer to the *Fees and Compensation* section and the *Client Referrals and Other Compensation* section of Mendoza & Associates, Inc.'s firm brochure for additional disclosures on this topic.

Item 6 Supervision

We have established reasonable compliance procedures designed to provide guidance in the supervision of our associated persons and to assist our firm in detecting and preventing violations of securities laws. In addition, as registered representatives of Royal Alliance Associates, Inc. ("Royal Alliance") we are subject to annual audits by Royal Alliance and we are only permitted to conduct our advisory practice in accordance with strict controls and limitations set by Royal Alliance.

In the supervision of our associated persons, advice provided is limited based on the restrictions set by Royal Alliance, and by internal decisions as to the types of investments that may be included in client portfolios. We conduct periodic reviews of each investment adviser representatives' client holdings and documented suitability information to provide reasonable assurance that the advice provided remains aligned with each client's stated investment objectives and with our internal guidelines.

Mr. Michael D. Mendoza, President and Chief Compliance Officer of Mendoza & Associates, Inc. is responsible for the supervision of the firm's advisory and compliance activities. Mr. Mendoza can be contacted directly by telephone 860-563-1319, email; info@mendoza-assoc.com; or by writing to 35 Cold Spring Road, Suite 114 Rocky Hill, CT 06067.

Item 7 Requirements for State Registered Advisers

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