



Form ADV Part 2A: Appendix 1

Wrap Fee Brochure

This wrap fee brochure provides information about the qualifications and business practices of The Strategic Financial Alliance, Inc. (“SFA”). If you have any questions about the contents of this Brochure, please contact us at (678) 954-4000. 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.

SFA is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about SFA also is available on the SEC’s website at www.adviserinfo.sec.gov.

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VERSION DATE: 3/30/2012

ITEM 2 – MATERIAL CHANGES

MATERIAL CHANGES SINCE LAST UPDATE

This brochure dated 3/30/2012 has not been materially changed since the last brochure dated 3/25/2011.

ANNUAL UPDATE

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

BROCHURE AVAILABILITY

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting Shayna Marshall, Chief Compliance Officer, at (678) 954-4018 or smarsall@thesfa.net. Our Brochure is also available on our web site www.thesfa.net, also free of charge.

Additional information about SFA is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with SFA who are registered, or are required to be registered, as investment adviser representatives of SFA.

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ITEM 4 – SERVICES, FEES AND COMPENSATION

The Strategic Financial Alliance, Inc. (“SFA”) is a registered broker-dealer with Financial Industry Regulatory Authority (“FINRA”) and is also registered as an Investment Adviser with the Securities and Exchange Commission (“SEC”). SFA has built a strong reputation within the Financial Services Industry through its open-architecture model and commitment to service. SFA offers portfolio management through its Strategic Choice programs (“the program” or “Strategic Choice”). Within the program, qualified investment adviser representatives assist clients in making investment decisions. Strategic Choice offers clients a personalized approach to implementing an individual investment strategy designed to meet their investment goals and objectives through asset allocation, portfolio monitoring and consolidated reporting.

PROGRAM DESCRIPTION

The program is designed to offer clients a diversified, long-term approach to their personal investment goals and objectives through asset allocation, portfolio monitoring, consolidated reporting, and, most importantly, individualized portfolio management. It allows clients to invest in no-load or load-waived mutual funds, variable products, stocks, bonds, commercial paper, money market shares, CDs and exchange traded funds, according to the investor’s needs, goals, objectives and preferences. The program is available to individual clients, high net worth individuals, pension, profit sharing plans, corporations, trusts, estates, charitable organizations, and other business entities.

Clients considering participation in the program will receive an initial consultation with a SFA representative to determine the client’s financial situation including investment history, goals and objectives, and special interests or concerns. Based on this consultation and client account documents, the client and the SFA representative will design a portfolio using appropriate investments intended to meet the client’s goals. The SFA representative will review the strategy periodically, and may request changes in the asset allocation among securities as needed. It is imperative, therefore, for the client to contact the SFA representative if the client’s financial situation or objectives change.

FEES, BILLING AND COMPENSATION

The SFA program is offered in two fee structures, an All-Inclusive account in which clients pay an asset-based advisory fee and, occasionally, fees such as a stock reorganization fees passed on by the clearing firm, and a Non-Inclusive account in which investors pay transactions costs as well as an asset-based management fee.

Clients will be charged advisory fees based on an annualized percentage of the value of the assets in the Strategic Choice account. The fee will be assessed and billed quarterly in advance. The fee for any given calendar quarter is debited by the custodian from the client’s account at the beginning of the calendar quarter, based on the total portfolio value as of the last business day of the preceding calendar quarter. All clients will receive a debit notice showing the fee for that quarter and how it was calculated.

The first fee will be billed upon execution of the Agreement and will be based upon the opening value of the account. If the Agreement is executed at any time other than the first day of a calendar quarter, the payment will be prorated. Alternatively, clients may elect to pay all advisory fees described above from a source other than their Strategic Choice account. Direct payments will be calculated in the same manner and billed on the same time frame. Such payments must be received by the 25th day of the beginning of

the quarter. If such funds are not deposited timely, SFA is expressly authorized, in its discretion, to liquidate securities in the Account in an amount sufficient to cover such fees. Any delinquent payments may result in the loss of all direct pay privileges and SFA may debit the client's SFA program account for all future advisory fees.

The following are the maximum advisory fees applied to this program.

STRATEGIC CHOICE - ALL INCLUSIVE PROGRAM

Program fees presented are the maximum allowed under the program.

Program Fees:

Account Value	Annual Mgmt. Fee	Negotiated Fee (if other than maximum)
From \$0 To \$50,000	2.50%	_____
Next \$50,001 To \$100,000	2.50%	_____
Next \$100,001 To \$250,000	2.50%	_____
Next \$250,001 To \$500,000	2.25%	_____
Next \$500,001 To \$1,000,000	2.00%	_____
Next \$1,000,001 and Over	1.75%	_____

Transaction Charges

No transaction charges are assessed for trades in these accounts except for nominal transaction charges beyond SFA's control such as those imposed by the Securities and Exchange Commission and reorganization charges.

STRATEGIC CHOICE – NON-INCLUSIVE PROGRAM

Program fees presented are the maximum allowed under the program.

Program Fees:

Account Value	Annual Mgmt. Fee	Negotiated Fee (if other than maximum)
From \$0 To \$50,000	2.00%	_____
Next \$50,001 To \$100,000	2.00%	_____
Next \$100,000 To \$250,000	2.00%	_____
Next \$250,001 To \$500,000	2.00%	_____
Next \$500,001 To \$1,000,000	1.50%	_____
Next \$1,000,001 and Over	1.00%	_____

Transaction Charges

In addition to the asset management fee listed above, the following chart sets forth the charges that will be applied to transactions:

Listed Equities <= 5000 Shares	\$ 18.00 + \$ 0.025 per share
Listed Equities > 5000 Shares	\$ 23.50 + \$ 0.015 per share
OTC Equities	\$ 24.50 per trade
Corporate Bonds – Listed	\$ 26.40 + \$ 1.25 per bond
Corporate Bonds –	\$ 26.40 per trade
Treasury Securities	\$ 26.40 per trade
Agency Bonds, Zero Coupon Bonds and CMOs	\$ 26.40 per trade
Money Market Instruments (BAs/CDs/Commercial Paper)	\$ 26.40 per trade

Mutual Funds – No-Load and Institutional Class	\$ 22.50 per trade
Load Funds at NAV	\$ 14.00 per trade
Load Fund Exchanges	\$ 10.00 per exchange

Transaction charges may be subject to change upon 30 days' notice. Transaction charges for the Non-Inclusive accounts may be assessed by the clearing firm or directly by the product sponsors as described in the prospectuses. Accounts will be charged for postage and handling per transaction and certain other miscellaneous charges may apply.

The transaction costs listed above are maximum costs. Occasionally clients will pay a nominally reduced fee based on the clearing firm's methods of executing transactions, which is outside the control of SFA.

The scheduled cost of the All-Inclusive Program is higher than the Non-Inclusive Program because most or all transaction charges are included in the fee. When deciding on whether to select an All-Inclusive or Non-Inclusive account, clients should base their decision upon the degree of trading activity anticipated and the types of securities utilized in the account.

Regarding pricing for the program, please consider that depending upon the level of the wrap fee charges, the amount of portfolio activity in the account, the value of services that are provided under the investment program, and other factors, the wrap fee may cost the Client more than the aggregate cost of services if they were to be provided separately. Therefore, representatives may have a financial incentive to recommend the wrap fee program over other programs or services. Generally, wrap programs are relatively less expensive for actively traded accounts. However, they may result in higher overall costs to the Client in accounts that experience little trading activity.

ADDITIONAL EXPENSES

Clients who purchase mutual fund shares and variable insurance contracts within their Strategic Choice account or move existing funds or contracts into their Strategic Choice account should also understand that they will pay annual fees assessed by mutual fund and insurance companies that are not included in the SFA management fee. Furthermore, Class B, C, and similar mutual fund shares, and variable products held in accounts may incur sales charges when sold or redeemed. For more specific information about fees and charges, including Contingent Deferred Sales Charges (CDSC), surrender charges and annual 12b-1 fees, clients should refer to the fund or variable product prospectus.

SFA REPRESENTATIVE COMPENSATION

The investment advisor representative managing the Strategic Choice account will receive a portion of the advisory fee as a result of their services and the client's participation in the program. Such portion ranges from .50% to 2.10% per year. The amount of this compensation may be more or less than the amount the SFA representative would receive if the client participated in other company programs or paid separately for investment advice, brokerage, and other services.

Furthermore, clients should understand that some mutual funds and insurance companies may pay 12b-1 fees to SFA for mutual fund shares and variable contracts held in the Strategic Choice. To that extent, the SFA representative may be compensated through both the SFA program and through any such fees paid by mutual fund companies and insurance companies. SFA and its representatives consider costs, fees and the client's interests when recommending investments; however, clients should consult mutual fund and variable product prospectus to determine all fees and compensation when considering the purchase of such products.

Mutual funds and variable insurance contracts that were not purchased at their Net Asset Value ("NAV") may only be deposited into a SFA program account if they were purchased through SFA at least two years prior to opening the account, or if they were purchased at any time through another broker/dealer, unless there is an economic or practical reason for doing so.

NEGOTIATION OF FEES AND COMPENSATION

Fees are negotiated on a case-by-case basis, depending on a variety of factors, including the nature and complexity of the particular service, your relationship with SFA and our Representative, the size of the Account, the potential for other business or clients, the amount of work anticipated and the attention needed to manage your Account. Please note that the same or similar services to those described above may be available elsewhere to you at a lower cost.

SERVICES

Affiliated and unaffiliated service providers may develop asset allocation models. The SFA investment advisor representative may also develop asset allocation models or use others from outside independent sources. Each representative develops his or her own methods of analysis, sources of information, and investment strategies. As such, recommendations by representatives and individual investment portfolios will differ.

The representative will manage accounts on an ongoing basis and will review accounts at least annually with the client or upon the client's request. The purpose of the review is to determine whether there have been any changes in the client's financial situation and investment goals and to determine whether any changes in the client's investment portfolio are appropriate. The representative also reviews the client's asset mix and makes recommendations regarding changes to the portfolio. Clients will receive monthly brokerage statements, except for months in which no account activity has occurred, and quarterly statements and performance reports. Clients may call at any time during normal business hours to speak directly with their representative or the SFA home office about their account, financial situation, or investment needs.

OPTIONAL LIMITED TRADING AUTHORIZATION/DISCRETION

Clients may choose to sign a limited trading authorization in order to facilitate management of portfolios consistent with clients' stated investment objectives. This limited authority gives investment discretion as to the selection of securities, number of shares to be bought or sold and the time of execution.

Discretion applies to general securities, including but not limited to, stocks, bonds, commercial paper, money market shares, exchange traded funds, variable insurance sub-accounts, open-end and closed-end mutual funds. Discretion does not extend to deposits into or withdrawals from client accounts. All Strategic Choice accounts are held at, and trades executed through, Pershing LLC except certain products which cannot be bought directly through Pershing LLC and must be transferred into the Pershing account.

TERMINATION

Both the client and SFA have the right to initiate termination of the investment advisory contract and relationship at any time with or without cause. Termination by the client is effective within 30 days of receipt of written notice to SFA, unless a later date is requested in the client's notice and agreed to by SFA. For the client's convenience, SFA may accept client's termination notice by telephone. Termination by SFA is effective within 30 days from the date of written notice to the Client, unless a later date is

stated in the notice. Client may terminate this Agreement without penalty within five business days of Client's signature.

If the Agreement is terminated during a quarter, SFA will not refund any portion of the quarterly fee but reserves the right, at its sole discretion, to refund any or all of the fee paid in individual circumstances. Client understands and agrees that SFA, its clearing firm, their affiliates and representatives, consultants, and other agents in connection with the performance of their respective services, shall be entitled to and will share in the Asset-Based Fee.

If a Client chooses to terminate an Account within the first calendar year after the Account is opened, Client agrees to pay a fee ("Administrative Fee") of \$200 to defray initial account setup and administration costs and such fee may be paid in the same manner as the Asset-Based Fee.

SFA may waive the Administrative Fee in its sole discretion. The Client shall be responsible for any transactions initiated prior to termination. Such redemption or liquidation may affect the asset allocation and/or market value of the Account, and may also have tax consequences. In addition, early redemption fees or similar fees for mutual funds and other products may be applicable as described in product's prospectus or other offering documents. Certain assets that may be transferred or held in the Account may not be accepted by another broker/dealer. SFA will use reasonable efforts to follow Client instructions regarding the disposition of Account assets to the extent permitted by law and policies of the receiving firm.

ITEM 5 – ACCOUNT REQUIREMENTS AND TYPES OF CLIENTS

SFA requires a minimum account size of \$25,000 for Strategic Choice accounts. This limit may be met by a single account or by aggregating the assets within multiple related accounts. This minimum account size serves as a guideline, only. SFA, at its sole discretion, may waive this minimum account requirement.

SFA provides investment advisory services to individuals, pension and profit-sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

ITEM 6 – PORTFOLIO MANAGER SELECTION AND EVALUATION

Your Advisory Representative is the sole portfolio manager available with respect to the Program.

SERVICES

Affiliated and unaffiliated service providers may develop asset allocation models. The SFA investment advisor representative may also develop asset allocation models or use others from outside independent sources. Each representative develops his or her own methods of analysis, sources of information, and investment strategies. As such, recommendations by representatives and individual investment portfolios will differ.

The representative will manage accounts on an ongoing basis and will review accounts at least annually with the client or upon the client's request. The purpose of the review is to determine whether there have been any changes in the client's financial situation and investment goals and to determine whether any changes in the client's investment portfolio are appropriate. The representative also reviews the

client's asset mix and makes recommendations regarding changes to the portfolio. Clients will receive monthly brokerage statements, except for months in which no account activity has occurred, and quarterly statements and performance reports. Clients may call at any time during normal business hours to speak directly with their representative or the SFA home office about their account, financial situation, or investment needs.

CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS

Each SFA advisor representative develops and recommends a unique strategy based on his or her knowledge, experience and understanding of the client's needs. This individualized approach allows advisor and client to work together to achieve the client's investment goals. SFA extends maximum latitude to advisor and client, within this individualized approach as to the method in which the account will be managed. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

WRAP FEE PROGRAMS

Clients may select an all-inclusive program wherein all fees, except certain fees beyond the control of SFA and its clearing firm such as stock reorganization fees, are included in the asset-based fee. Alternatively, clients may select a program wherein minimal transaction charges are paid by the client as well as an asset-based fee. The client and advisor, together, agree on the asset-based fee schedule applied to the management of the account. There are no differences in management for wrap accounts and other accounts. A portion of the Total Account Fee is allocated to the Administrative Fee, which covers administrative and supervisory services provided by SFA as well as transaction, execution, clearing and custodial services as provided by the clearing broker-dealer. The Administrative Fee is set on a sliding scale depending on the size of the assets in the account.

PERFORMANCE BASED FEES AND SIDE BY SIDE MANAGEMENT

SFA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

SFA's Representatives may rely on various types of tools and methods to assist in recommending or selecting investment strategies to you, including asset allocation and various types of software. SFA's methods of analysis include charting analysis, fundamental analysis, technical analysis, and cyclical analysis. The main sources of information used to formulate investment advice and/or manage assets includes financial newspapers and magazines, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the SEC, and company press releases. The investment strategies used to implement any investment advice given to clients includes long term purchases (securities held at least a year), short term purchases (securities purchased and sold within a year), margin transactions, and option writing. Investment returns are highly dependent on the value of underlying securities which are impacted by trends in the various investment markets.

We generally recommend stocks, bonds and mutual funds. Investing in stocks, bonds, and mutual funds involves the assumption of the following risks:

Investing in **stocks** involves the assumption of risk including:

- Financial Risk: the risk that the companies we recommend to you may perform poorly which will affect the price of your investment.
- Market Risk: risk that the Stock Market will decline, decreasing the value of the securities we recommend to you with it.
- Inflation Risk: the risk that the rate of price increases in the economy deteriorates the returns associated with the stock.
- Political and Governmental Risk: risk that the value of your investment may change with the introduction of new laws or regulations.

Investing in **bonds** involves the assumption of risk including:

- Interest Rate Risk: the risk that the value of the bond investments we recommend to you will fall if interest rates rise.
- Call Risk: risk that your bond investment will be called or purchased back from you when conditions are favorable to the bond issuer and unfavorable to you.
- Default Risk: the risk that the bond issuer may be unable to pay you the contractual interest or principal on the bond in a timely manner or at all.
- Inflation Risk: the risk that the rate of price increases in the economy deteriorates the returns associated with the bond.

Investing in **mutual funds** involves the assumption of risk including:

- Manager Risk: the risk that an actively managed mutual fund's investment adviser will fail to execute the fund's stated investment strategy.
- Market Risk: the risk that the Stock Market will decline, decreasing the value of the securities contained within the mutual funds we recommend to you.
- Industry Risk: 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: the risk that the rate of price increases in the economy deteriorates the returns associated with the mutual fund.

When using third party investment managers, each third party investment manager will have its own methods of analysis, investment strategies and unique investment risks that should also be reviewed and considered. In instances where we recommend that a third party manage your assets, please refer to the third party's ADV and associated disclosure documents for details on their investment strategies, methods of analysis and associated risks.

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

VOTING CLIENT SECURITIES

As a matter of firm policy and practice, SFA does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. SFA may provide advice to clients regarding the clients' voting of proxies.

ITEM 7 – CLIENT INFORMATION PROVIDED TO PORTFOLIO MANAGERS

SFA appreciates the trust you place in us, and we respect your right to privacy.

We are committed to safeguarding the personal information you entrust to us. At SFA, we believe that it is important that you understand the uses and safeguarding of your personal information.

SFA receives information:

- From paperwork you provide such as Client Account Forms and product applications;
- From conversations, discussions and interviews; and
- From product or service vendors, as a result of your transactions with SFA.

At SFA we:

- Maintain all client records in a secured environment;
- Protect computer programs through physical and electronic safeguards; and
- Limit access to responsible employees who require access to the information in order to act on your behalf.

SFA may disclose certain types of information to qualified entities that perform administrative services on our behalf, and as required or permitted by law for legal or regulatory purposes. The information that falls within this category is:

- Information provided by you on Client Account Forms and product applications; and
- Information provided by product or service vendors, as a result of your transactions with SFA.

SFA maintains physical, electronic and procedural safeguards to help ensure that your personal information is safe and accessed only according to these policies, and we will continue to make safeguarding your privacy our highest priority.

ITEM 8 – CLIENT CONTACT WITH PORTFOLIO MANAGERS

You are encouraged to contact your Advisor with respect to any changes regarding your investment objectives, risk tolerance and requested restrictions with respect to management of your Program Investments.

You should direct any questions that you have regarding the Program to your Advisor.

ITEM 9 – ADDITIONAL INFORMATION

DISCIPLINARY ACTION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SFA or the integrity of SFA's management. SFA has no information applicable to this Item

CODE OF ETHICS

SFA's related persons may buy and sell securities that they also recommend to clients. Assuming similar investment strategies, client transactions are executed first and further measures may be taken to place clients' interest ahead of that of SFA personnel. Commensurate with its activities, SFA adopts and follows policies and procedures regarding securities transactions of its related persons. SFA requires related persons to submit periodic reports of securities transactions for review.

At times SFA investment advisor representatives may take positions in the same securities as clients, and will try to avoid conflicts with clients. SFA and its access persons will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. SFA will not violate its fiduciary responsibilities to clients. Scalping (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

- All access persons of SFA must report securities holdings and personal securities transactions to the Chief Compliance Officer or his designee, whether the transactions are done through SFA or outside the firm with a third party. SFA has developed internal policies and procedures to review and monitor personal securities transactions of its access persons.
- Officers, employees and representatives of SFA may purchase the same securities that are recommended to clients. However, SFA does not engage in principal or agency cross-transactions. Because SFA or individuals associated with SFA may buy or sell securities in their personal accounts identical to those recommended to customers, SFA has established the following restrictions in order to ensure its fiduciary responsibilities:
 - A director, officer or employee of SFA shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his position, unless the information is also available to the investing public or reasonable inquiry. No employee or investment advisor representative of SFA shall prefer his or her own interest to that of the advisory client.
 - SFA emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where SFA is granted discretionary authority in the client's account.
 - SFA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
 - Any individual not in observance of the above may be subject to termination.

By SEC rule under the Advisors Act, SFA has adopted a Code of Ethics ("Code"). The SFA Code goes beyond a code of ethical standards and requires specific procedures for advisory personnel to report personal securities transactions and obtain pre-approval of certain transactions. It sets forth standards of conduct and requires compliance with federal securities laws. Prospective or existing clients may request a copy of SFA's Code by contacting their investment advisor representative or by contacting SFA using the contact information on the cover of this brochure.

The policy of SFA is to protect the interests of each of the firm's clients and to place the client's interests first and foremost in each and every situation. The firm's fiduciary duty also includes providing full and fair disclosure of all relevant facts and any potential or actual conflicts of interest, a duty of loyalty and good faith, providing recommendations that are suitable, and seeking best execution of all client transactions.

SFA reviews all managed accounts on a regular basis by routinely monitoring transactions and conducting portfolio reviews. In addition, reviews may be conducted at the request of the client, Investment Advisor Representative or, if merited, by a change in the client's investment objectives.

REVIEW OF ACCOUNTS

Each security purchase or sale effected by Representative in your Account is monitored for suitability by an appointed supervisor. Representatives review client accounts in their entirety on a quarterly basis and meet with clients annually. Transactions in the accounts are reviewed on an ongoing basis. Interim reviews may occur upon a change in the client's situation and take into consideration the client's needs at the time of review as well as any changes in financial status, goals, objectives, current market conditions, performance standards, and suitability, among other factors.

For financial planning clients, reviews occur upon the engagement as part of the financial planning process. The extent of reviews depends on the arrangement with the client. Thereafter, reviews are conducted according to the arrangement agreed upon with the client. Financial planning clients review a report in the agreed upon form upon completion of the plan. Updates to the financial plan and subsequent reviews are conducted as determined by advisor and client, based on the expressed needs of the client.

SFA has many advisory representatives who render investment supervisory services to clients with different methods. Some advisors manage accounts, solicit for third-party money managers, and/or engage in financial planning or consulting. SFA instructs each investment advisory agent to review accounts, no less than quarterly, as to suitability of the portfolio to client's financial needs and objectives, and to determine what action, if any, is indicated.

Investment advisory agents acting only as solicitors referring clients to third party investment managers review client accounts on an annual basis to assure that the investment manager is performing as intended for the client and as otherwise provided in the arrangement with the investment manager. Additional reviews of the clients' accounts depend on the agreement entered into with the investment manager.

Broader reviews are performed quarterly by members of the SFA Compliance Department, or their qualified designees. All members of the Compliance Department are officers of the company with the title of vice-president or president. Designees are persons qualified by experience, reviewing under the supervision of the Compliance Department.

SFA's clearing firm and account custodian provides Strategic Choice clients with brokerage account statements monthly, unless there has been no activity in the account, and comprehensive account and performance reports, quarterly. The clearing firm also sends confirmations of transactions to clients when activity occurs in accounts.

Third party money managers to whom SFA has referred clients provide statements and performance reports to clients, monthly or quarterly, based on the manager's company policy and their agreement with the client.

CLIENT REFERRALS AND OTHER COMPENSATION

In its capacity as a broker-dealer, SFA and its registered representatives may earn brokerage commissions and/or fees from the sale or services of investment products such as stocks, bonds, mutual funds, variable annuities and variable universal life products. Commissions vary depending upon the type of security and service offered.

SFA may receive 12b-1 distribution fees and/or sales commissions from investment companies in connection with the placement of client funds into investment company products as set forth in the prospectus or other disclosure document for the investment company and may distribute a portion of those fees to investment advisor representatives.

In certain instances, product sponsors, investment companies, and third party money managers (“product sponsors”) may participate in activities that are designed to help facilitate the distribution of their products, such as marketing activities and educational programs, and by offsetting expenses that result from the cost of doing business. Additionally, SFA may enter into arrangements with product sponsors whereby SFA receives a marketing allowance or other financial benefit based on sales of the product sponsor’s products or by providing access to registered representatives affiliated with SFA’s broker-dealer. In return for assistance in facilitating the activities described above, SFA may receive additional compensation from product sponsors. However, SFA does not recommend these products over others. These companies may have greater access to our representatives to provide training, education presentations and product information. And this additional compensation may give rise to a financial incentive for SFA to recommend these products over other products where such financial incentives are not present.

While SFA and its registered representatives endeavor at all times to put the interest of the clients first as part of SFA’s fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest and may potentially affect the judgment of these individuals when making recommendations. Additionally because of the revenue sharing arrangements referenced above, though they do not impact advisor compensation, advisors may prefer recommending products offered by a sponsor who is participating in the revenue sharing program over other mutual funds, variable products, DPPs, REITs or third party money managers available through SFA. You should feel free to ask your advisor how he or she will be compensated for any transaction involving a product sponsor.

FINANCIAL INFORMATION

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about SFA’s financial condition. SFA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

ITEM 10 – REQUIREMENTS OF STATE-REGISTERED ADVISERS

Not applicable. We are an SEC registered investment adviser.