

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

OMB APPROVAL

OMB Number: 3235-0049
Expires: July 31, 2008
Estimated average burden
Hours per response... .9.402

Name of Investment Adviser:

KR Financial Services, Inc.

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code: Telephone Number:

4000 Hollywood Boulevard, Suite 215 South**Hollywood****FL****33021****(954) 989-7462**

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

Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees	2
2	Types of Clients	2
3	Types of Investments	3
4	Methods of Analysis, Sources of Information and Investment Strategies	3
5	Education and Business Standards	4
6	Education and Business Background	4
7	Other Business Activities	4
8	Other Financial Industry Activities or Affiliations	4
9	Participation or Interest in Client Transactions	5
10	Conditions for Managing Accounts	5
11	Review of Accounts	5
12	Investment or Brokerage Discretion	6
13	Additional Compensation	6
14	Balance Sheet	6
	Continuation Sheet	Schedule F
	Balance Sheet, if required.	Schedule G

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

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

FORM ADV**Part II - Page 2**

Applicant:

KR Financial Services, Inc.

SEC File Number:

801-N/A

Date:

09/12/2007**1. A. Advisory Services and Fees.** (check the applicable boxes)For each type of service provided, state the approximate % of total advisory billings from that service.
(See instruction below.)**Applicant:**

- | | | | |
|-------------------------------------|-----|-------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services | 70% |
| <input type="checkbox"/> | (2) | Manages investment advisory accounts not involving investment supervisory services | % |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above | 10% |
| <input type="checkbox"/> | (4) | Issues periodicals about securities by subscription | % |
| <input type="checkbox"/> | (5) | Issues special reports about securities not included in any service described above | % |
| <input type="checkbox"/> | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities | % |
| <input checked="" type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | 10% |
| <input type="checkbox"/> | (8) | Provides a timing service | % |
| <input checked="" type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | 10% |

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

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

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

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

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

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

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

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

FORM ADV**Part II - Page 3**

Applicant:

KR Financial Services, Inc.

SEC File Number:

801- **N/A**

Date:

09/12/2007**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

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

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

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

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

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

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

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

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

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

FORM ADV**Part II - Page 4**

Applicant:

KR Financial Services, Inc.

SEC File Number:

801-N/A

Date:

09/12/2007**5. Education and Business Standards.**

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

Yes No
☒ ☐

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

6. Education and Business Background.

For:

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

On Schedule F, give the:

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

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

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

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

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

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

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

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

Yes No
☐ ☒

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

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

FORM ADV**Part II - Page 5**

Applicant:

KR Financial Services, Inc.

SEC File Number:

801- **N/A**

Date:

09/12/2007**9. Participation or Interest in Client Transactions.**

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

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

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

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

Yes No
☒ ☐

(If yes, describe on Schedule F.)

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

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

Please see Schedule F, Item 11.A.

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

Please see Schedule F, Item 11.B.

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

Applicant:

KR Financial Services, Inc.

SEC File Number:

801-N/A

Date:

09/12/2007

12. Investment or Brokerage Discretion.

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

(1) securities to be bought or sold?

Yes No

☒ ☐

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

Yes No

☒ ☐

(3) broker or dealer to be used ?

Yes No

☒ ☐

(4) commission rates paid?

Yes No

☒ ☐

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

Yes No

☒ ☐

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

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

13. Additional Compensation.

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

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

Yes No

☒ ☐

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

Yes No

☒ ☐

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

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

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

Has applicant provided a Schedule G balance sheet?

Yes No

☐ ☒

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
KR Financial Services, Inc.	801- N/A	09/12/2007

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KR Financial Services, Inc.	IRS Empl. Ident.No.:
Item of Form (identify)	Answer
Item 1.D.	<p><u>Advisory Services and Fees</u></p> <p>KR Financial Services, Inc. (hereinafter “KRFS” or the “Firm”) offers personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities. The Firm’s services and fee arrangements are described in the following pages.</p> <p>KRFS is a corporation formed under the laws of the State of Florida. This Schedule F narrative provides clients with information regarding KRFS and the qualifications, business practices, and nature of advisory services that should be considered before becoming an advisory client of KRFS.</p> <p>Please contact Jeffrey B. Koch, President/Director, if you have any questions about this Schedule F narrative. Additional information about KRFS is available on the Internet at “www.adviserinfo.sec.gov”. You can search this site by a unique identifying number, known as a CRD number. The CRD number for KRFS is 126603.</p> <p>Individuals associated with KRFS will provide its investment advisory services. These individuals are appropriately licensed, qualified, and authorized to provide advisory services on behalf of KRFS. Such individuals are known as Investment Adviser Representatives (“IARs”).</p> <p><u>Financial Planning Services</u></p> <p>KRFS provides broad-based, modular, and consultative financial planning services. Financial planning services will typically involve providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of their individual needs. An IAR of KRFS will first conduct a complimentary initial consultation. After the initial consultation, if the client decides to engage KRFS for financial planning services, an IAR will conduct follow up meetings as necessary, during which pertinent information about the client’s financial circumstances and objectives is collected. In most instances, financial planning addresses specific topics of client concern. Planning topics may include but are not limited to estate planning, retirement planning, college planning, asset evaluation and analysis. The primary objective of this process is to allow KRFS to assist the client in developing a strategy for the successful management of income, assets, and liabilities in meeting the client’s financial goals and objectives.</p> <p>Financial plans are based on the client’s financial situation at the time the plan is presented and are based on financial information disclosed by the client to KRFS. 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. Past performance is in no way an indication of future performance. KRFS cannot offer any guarantees or promises that the client’s financial goals and objectives will be met. As the client’s financial situation, goals, objectives, or needs change, the client must notify KRFS promptly. In limited circumstances, some clients may only require advice on a single aspect of the management of their financial resources. For these clients, KRFS offers financial plans in a modular format and/or general consulting services that address only those specific areas of interest or concern.</p> <p>KRFS utilizes the following financial planning/consulting fee schedule:</p>

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
KR Financial Services, Inc.	801- N/A	09/12/2007

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KR Financial Services, Inc.		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
Item 1.D. (continued)	<ul style="list-style-type: none"> ▪ Fixed Fees: Fixed fees for financial planning generally range between \$500.00 and \$5,000.00 depending on the scope and complexity of the contracted services. ▪ Hourly Fees: Typically, the Firm charges an hourly fee ranging from \$200 to \$400.00 depending on the scope and complexity of the contracted services. For hourly consulting services, the fee is due and payable upon completion of the consultation. <p>When the scope of the financial planning services has been agreed upon, a determination will be made as to applicable fee, and an estimate will be provided to the client. The final fee, subject to negotiation, is directly dependent upon the facts and circumstances of the client's financial situation and the complexity of the financial plan or services requested.</p> <p>Generally, the Firm will require that the client pay an initial retainer of 50% of the estimated financial planning in advance of any services rendered. The remaining balance is invoiced and payable upon completion of the services and/or presentation of the written plan, if applicable. Under no circumstance will the Firm require payment more than six months in advance in excess of \$500. However, at the Firm's discretion, other fee payment arrangements may be negotiated. The fees and terms of the financial planning services will be clearly set forth in the client agreement executed between the client and KRFS.</p> <p>The Firm, in its sole discretion, may reduce or waive the financial planning fee for clients who participate in the Firm's portfolio management program.</p> <p>Clients may act on the Firm's recommendations by placing securities transactions with any brokerage firm the client chooses. The client is under no obligation to act on the Firm's financial planning recommendations. Moreover, if the client elects to act on any of the recommendations, the client is under no obligation to implement the financial plan through KRFS.</p> <p>If the disclosure brochure – Part II of the Form ADV – is not delivered to the client within 48 hours prior to the client entering into a financial planning agreement, the client may terminate a financial planning agreement within five business days of the date of acceptance without penalty. After this five-day period, either party may terminate the agreement upon written notice to the other. If a deposit has been collected by the Firm, a pro rata refund will be made to the client. Conversely, the client may incur a pro rata charge for bona fide financial planning and/or consulting services rendered prior to such termination.</p> <p>Portfolio Management Services</p> <p>KRFS provides discretionary portfolio management services where the investment advice provided is custom tailored to meet the needs and investment objectives of the client. Subject to any written guidelines, which the client may provide, the Firm will be granted discretion and authority to manage the account. Accordingly, KRFS is authorized to perform various functions, at the client's expense, without further approval from the client. Such functions include the determination of securities to be purchased/sold, the amount of securities to be purchased/sold, the broker/dealer to be used, and the commission rates to be paid. Once the portfolio is constructed, KRFS provides continuous supervision and re-optimization of the portfolio as changes in market conditions and client circumstances may require.</p>	

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
KR Financial Services, Inc.	801- N/A	09/12/2007

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KR Financial Services, Inc.		IRS Empl. Ident.No.:								
Item of Form (identify)	Answer									
Item 1.D. (continued)	<p>The annual fee for portfolio management services is billed quarterly in advance based on the asset value on the last day of the previous quarter. Fees will be assessed pro rata in the event the portfolio management agreement is executed at any time other than the first day of a calendar quarter. On an annualized basis, the Firm's fees for portfolio management services, subject to negotiation, are based on the following fee schedule:</p> <table border="0"> <thead> <tr> <th><u>Assets Under Management</u></th> <th><u>Annualized Fee</u></th> </tr> </thead> <tbody> <tr> <td>First \$500,000</td> <td>1.50%</td> </tr> <tr> <td>Next \$500,000</td> <td>1.25%</td> </tr> <tr> <td>Over \$1,000,000</td> <td>1.00%</td> </tr> </tbody> </table> <p>A minimum account size of \$250,000 is required to participate in the Firm's portfolio management services. In its sole discretion, KRFS may waive or lower this minimum. Additional services beyond the scope of portfolio management will incur additional fees billed at KRFS' hourly rate of \$200 to \$400, depending upon the scope and complexity of the service rendered. An estimate of additional fees, including the rate per hour, will be determined and provided to the client prior to any service rendered. The additional fees will be invoiced and payable separately from portfolio management services.</p> <p>KRFS, in its discretion may allow accounts of members of the same household to be aggregated for purposes of determining the advisory fee and/or meeting the minimum account size. The Firm may allow such aggregation, for example, where the Firm services accounts on behalf of minor children of current clients, individual and joint accounts for a spouse, and other types of related accounts. This consolidation practice is designed to allow clients the benefit of an increased asset total, which could potentially cause the accounts to be assessed a reduced advisory fee based on the breakpoints available in KRFS' fee schedule as stated above.</p> <p>KRFS will either invoice the client directly for the management fee, or payment of fees will be made by the qualified custodian holding the client's funds and securities provided the client supplies written authorization permitting the fees to be paid directly from the account. KRFS will not have access to client funds for payment of fees without written consent by the client. Further, the qualified custodian agrees to deliver an account statement, at least quarterly, directly to the client, showing all disbursements from the account. The client is encouraged to review all account statements for accuracy. KRFS will receive a duplicate copy of the statement delivered to the client.</p> <p>If the disclosure brochure – Part II of the Form ADV – is not delivered to the client within 48 hours prior to the client entering into a portfolio management agreement, the client may terminate the portfolio management agreement within five days of acceptance without penalty to the client. After the five-day period, either party may terminate the agreement by providing written notice to the other party. The management fee will be pro-rated for the quarter in which the cancellation notice was given and any unearned fees will be refunded to the client.</p> <p>Selection of Other Advisers</p> <p>KRFS may recommend that clients utilize the services of a third party investment adviser ("TPA") to manage a portion of, or their entire portfolio. All TPAs that the Firm recommends to its clients must either be exempt from registration or registered as investment advisers with the Securities and Exchange Commission or with the appropriate state authority(ies).</p>		<u>Assets Under Management</u>	<u>Annualized Fee</u>	First \$500,000	1.50%	Next \$500,000	1.25%	Over \$1,000,000	1.00%
<u>Assets Under Management</u>	<u>Annualized Fee</u>									
First \$500,000	1.50%									
Next \$500,000	1.25%									
Over \$1,000,000	1.00%									

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
KR Financial Services, Inc.	801- N/A	09/12/2007

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KR Financial Services, Inc.		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
Item 1.D. (continued)	<p>After gathering information about the client's financial situation and objectives, an IAR of KRFS will make recommendations regarding the suitability of a TPA or investment style based on, but not limited to, the client's financial needs, investment goals, tolerance for risk, and investment objectives. Upon selection of a TPA(s), KRFS will monitor the performance of the TPA(s) to ensure their performance and investment style remains aligned with the investment goals and objectives of the client.</p> <p>KRFS will share in the fee paid by the client to the TPA. Clients who are referred to TPAs will receive full disclosure, including services rendered and fee schedules, at the time of the referral by delivery of a copy of the relevant TPA's Form ADV Part II or equivalent disclosure document. The Firm or the TPA will provide to each client all appropriate disclosure statements, including disclosure of solicitation fees paid to KRFS and its IARs.</p> <p>Fees paid by the client to the TPA are established and payable in accordance with the Form ADV Part II or other equivalent disclosure document provided by each TPA to whom the client is referred and these fees may or may not be negotiable. Such compensation may differ depending upon the individual agreement KRFS has with each TPA. As such, KRFS or its IARs may have an incentive to recommend one TPA over another TPA with whom it has less favorable compensation arrangements or other advisory programs offered by TPAs with which it has no compensation arrangements.</p> <p>Clients may be required to sign an agreement directly with the TPA(s) selected. The client, KRFS or the TPA, in accordance with the provisions of those agreements, may terminate the advisory relationship. If the TPA is compensated in advance, the client will typically receive a pro rata refund of any prepaid advisory fees upon termination of an advisory agreement.</p> <p>Pension Consulting Services</p> <p>KRFS will provide pension-consulting services to employee benefit plans and their fiduciaries based upon an analysis of the needs of the plan. In general, these services may include an existing plan review, asset allocation advice, money management services, communication and education services where KRFS will assist the plan sponsor in providing meaningful information regarding the retirement plan to its participants, investment performance monitoring, and/or ongoing consulting. The Firm may have agreements with third party administrators ("TPA") to provide these services as part of the TPA's agreement with the plan. In these instances, the TPA may pay a portion of the fee charged to the plan to KRFS for their services. In other instances, the Firm may be introduced to a plan through a TPA and will provide service directly to the plan.</p> <p>KRFS will hold educational seminars for the plan employees and provide information on the plan specifics and allocation choices. They will also meet with individual plan participants and offer personalized information based on their individual objectives.</p> <p>The compensation arrangement for these services will be based upon a percentage of plan assets under management. On an annualized basis the fees charged for pension consulting services will range from 1% to 3% of plan assets, subject to a minimum annual fee of \$2,500. The type and amount of the fees charged to the client, subject to negotiation, will be based on the scope and complexity of the qualified plan and the requested services. KRFS requires the payment of fees for pension consulting services to be paid quarterly in advance based on the asset value on the last day of the previous quarter. KRFS will either invoice the client directly for the management fee, or payment of fees will be made by the qualified custodian holding the client's funds and securities</p>	

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
KR Financial Services, Inc.	801- N/A	09/12/2007

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KR Financial Services, Inc.		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
Item 1.D. (continued)	<p>provided the client supplies written authorization permitting the fees to be paid directly from the account. Under no circumstance will the Firm require prepayment of a fee more than six months in advance and in excess of \$500.</p> <p>All client accounts are regulated under the Employee Retirement Income Securities Act ("ERISA"). KRFS will provide consulting services to the plan fiduciaries as described above. Typically, the named plan fiduciary must make the ultimate decision as to retaining the services of such investment advisers as KRFS recommends. The plan fiduciary is free to seek independent advice about the appropriateness of any recommended services for the plan.</p> <p>If the disclosure brochure - Part II of the Form ADV - is not delivered to the client within 48 hours prior to the client entering into the pension consulting agreement, the client may terminate the agreement within five business days of the date of acceptance without penalty. If the client received the disclosure documents 48 hours in advance or if the five-day grace period has expired, either party may terminate the agreement upon written notice to the other party. The pension consulting fees will be pro-rated for the quarter in which the cancellation notice was given and unearned fees will be refunded to the client.</p> <p><u>General Information on Advisory Services and Fees</u> The fees charged are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds of an advisory client (15 U.S.C. §80b-5(a)(1)).</p> <p>KRFS does not represent, warrant, or imply that the services or methods of analysis employed by the Firm can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines.</p> <p>KRFS shall never have custody of any client funds or securities, as the services of a qualified and independent custodian will be used for these asset management services.</p>	
Item 3.L.	<p><u>Types of Investments</u> KRFS reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. KRFS may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship.</p>	
Item 5.	<p><u>Education Requirements</u> IARs of KRFS are required to meet all examination or experience requirements of the state(s) and/or jurisdiction(s) in which the individual provides advisory services.</p>	
Item 6.	<p><u>Education and Business Background</u> Jeffrey Bruce Koch <i>Year of Birth:</i> 1945 <i>Formal Education after High School:</i></p> <ul style="list-style-type: none"> • University of Florida, Gainesville, FL, B.S.B.A., Accounting, 1967 • Broward Community College, Davie, FL, A.S., Business, 1965. <p><i>Business Background for the Previous Five Years:</i></p> <ul style="list-style-type: none"> • KR Financial Services, Inc., President/Director, 04/1996 to Present. • Koch Reiss & Company, P.A., President/Director, 07/1975 to Present. 	

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
KR Financial Services, Inc.	801- N/A	09/12/2007

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KR Financial Services, Inc.		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
Item 6. (continued)	<p>Richard R. Russo, Sr., CFP® <i>Year of Birth:</i> 1938 <i>Formal Education after High School:</i></p> <ul style="list-style-type: none"> University of Miami, Miami, FL, M.B.A., Business Administration, 1979 Mt. St. Mary's University, Emmitsburg, MD, B.S., Economics/Mathematics/History 1960. Rutgers University, New Brunswick, NJ <p><i>Business Background for the Previous Five Years:</i></p> <ul style="list-style-type: none"> KR Financial Services, Inc., Investment Adviser Representative, 11/2002 to Present. International Money Management Group, Registered Representative, 01/2001 to Present. <p>Bernard Jay Schinder <i>Year of Birth:</i> 1936 <i>Formal Education after High School:</i></p> <ul style="list-style-type: none"> University of Miami, Coral Gables, FL, B.B.S., Accounting, 1958 University of Pennsylvania, Philadelphia, PA <p><i>Business Background for the Previous Five Years:</i></p> <ul style="list-style-type: none"> KR Financial Services, Inc., Vice President/Director, 04/1996 to Present. Koch Reiss & Company, P.A., Shareholder, 11/1991 to 10/2000. Koch Reiss & Company, P.A., Partner <i>Emeritus</i>, 10/2000 to Present. 	
Item 7.C. & Item 8.C.(7)	<p><u>Other Business Activities</u> Jeffery B. Koch, President of KRFS is also the President of Koch Reiss & Company, P.A., a certified public accounting firm. The Firm expects that clients to whom it offers advisory services may also be clients for whom Koch Reiss & Company, P.A. offers accounting services. Clients are instructed that the fees paid to the Firm for advisory services are separate and distinct from fees paid to Koch Reiss & Company, P.A., for accounting services. Clients to whom the Firm offers advisory services are advised that they are under no obligation to use Koch Reiss & Company's accounting services.</p> <p>IARs of KRFS may also be licensed insurance agents, whereby they can effect transactions in insurance products for their clients and earn commissions for these activities. The Firm expects that clients to whom it offers advisory services may also be clients for whom an IAR acts as an insurance agent. Clients are instructed that the fees paid to the Firm for advisory services are separate and distinct from the commissions earned by an IAR for placing the client in insurance products. Clients to whom the Firm offers advisory services are informed that they are under no obligation to use KRFS' IARs for insurance services and may use the insurance brokerage firm and agent of their choosing.</p>	
Item 9.E.	<p><u>Participation or Interest in Client Transactions</u> KRFS or individuals associated with the Firm may buy or sell – for their personal account(s) - investment products identical to those recommended to clients. It is the expressed policy of KRFS that employees shall not have priority in any purchase or sale over clients' accounts. ⁽¹⁾⁽²⁾</p> <p>KRFS has adopted a Code of Ethics, the full text of which is available to clients and prospective clients upon request. KRFS has several goals in adopting this Code. First, the</p>	

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
KR Financial Services, Inc.	801- N/A	09/12/2007

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KR Financial Services, Inc.		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
Item 9.E. (continued)	<p>Firm desires to comply with all applicable laws and regulations governing its practice, and the management of KRFS has determined to set forth guidelines for professional standards, under which all associated persons of KRFS are to conduct themselves. KRFS has set high standards, the intention of which is to protect client interests at all times and to demonstrate its commitment to its fiduciary duties of honesty, good faith and fair dealing with clients. All associated persons are expected to adhere strictly to these guidelines. In addition, KRFS maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by KRFS or any person associated with the Firm.</p> <p>Footnotes:</p> <p>(1) This investment policy has been established recognizing that some securities being considered for purchase and/or sale on behalf of KRFS' clients trade in sufficiently broad markets to permit transactions by clients to be completed without an appreciable impact on the markets of the securities. Under certain circumstances, exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with KRFS' records in the manner set forth above.</p> <p>(2) The foregoing does not apply to certain types of securities, such as obligations of the U.S. Government, and shares in open-end mutual funds. Open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds by Advisory Representatives are not likely to have an impact on the prices of the fund shares in which clients invest.</p> <p>Privacy Policies</p> <p>The Firm views protecting its customers' private information as a top priority and, pursuant to the requirements of the federal Gramm-Leach-Bliley Act, the Firm has instituted policies and procedures to ensure that customer information is kept private and secure.</p> <p>KRFS does not disclose any nonpublic personal information about its customers or former customers to any nonaffiliated third parties, except as permitted by law. In the course of servicing a client's account, KRFS may share some information with its service providers, such as transfer agents, custodians, broker-dealers, accountants, and lawyers.</p> <p>KRFS restricts internal access to nonpublic personal information about the client to those associated persons of the Firm who need access to that information in order to provide services to the client. As emphasized above, it has always been and will always be the Firm's policy never to sell information about current or former customers or their accounts to anyone. It is also the Firm's policy not to share information unless required to process a transaction, at the request of a customer, or as required by law.</p>	
Item 10.	<p>Conditions for Managing Accounts</p> <p>KRFS generally imposes a minimum of \$250,000 to open and maintain an advisory account. However, this account minimum may be waived at the discretion of KRFS. For pension consulting services, KRFS imposes a minimum annual fee of \$2,500.</p>	
Item 11.A. & 11.B.	<p>Review of Accounts/Reports to Clients</p> <p>Client accounts are monitored on a continuous basis, with formal reviews conducted on an annual basis. Triggering factors that may stimulate additional reviews include, but are not limited to, changes in economic conditions, changes in the client's financial situation or investment objectives, or at the request of the client. The Investment Adviser Representatives assigned to the client account will be responsible for overseeing all reviews. Clients will receive statements, at least quarterly, directly from their account</p>	

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
KR Financial Services, Inc.	801- N/A	09/12/2007

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KR Financial Services, Inc.		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
Item 12.A. (1),(2),(3), & (4)	<p>custodian(s). The Firm will also provide clients with quarterly performance reports.</p> <p><u>Investment or Brokerage Discretion</u> Generally, clients grant KRFS complete discretion over the selection and amount of securities to be purchased or sold, the broker/dealer to be used and the commission rates to be paid for their account without obtaining their prior consent or approval. However, KRFS's investment authority may be subject to specified investment objectives, guidelines and/or conditions imposed by the client. For example, a client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio, restrictions or prohibitions of transactions in the securities of a specific industry.</p>	
Item 12.B.	<p><u>Suggestion of Brokers</u> KRFS will recommend that securities be purchased through facilities of Fidelity Investments, among others. All firms recommended to clients for these services are independent and unaffiliated. It may be the case that the recommended broker charges a higher fee for a particular type of service, such as commission rates, than can be obtained from another broker. Clients may utilize the broker/dealer of their choice and have no obligation to purchase or sell securities through such broker as KRFS recommends.</p> <p>In selecting a broker dealer based on discretionary authority or in suggesting a broker dealer on behalf of a non-discretionary account, the Firm will endeavor to select those brokers or dealers that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, and other services.</p> <p>The research products and services that KRFS may receive from brokerage firms (e.g Fidelity Investments, among others) may include financial publications, information about particular companies and industries, research software, and other products or services that provide lawful and appropriate assistance to the Firm in the performance of its investment decision-making responsibilities. Such research products and services are provided to all investment advisers who utilize the custodian, and are not considered to be paid for with soft dollars. However, the commissions charged by a particular broker for a particular transaction, or set of transactions, may be greater than the amounts another broker who did not provide research services or products might charge.</p> <p>While KRFS and its associated persons, endeavor at all times to put the interest of the clients first as part of their fiduciary duty, clients should be aware that receipt of additional compensation in itself creates a potential conflict of interest.</p> <p><u>Directed Brokerage</u> In limited circumstances and in the Firm's discretion, some clients may instruct KRFS to use one or more particular brokers for the transactions in their accounts. Clients who may want to direct the Firm to use a particular broker should understand that this may prevent KRFS from effectively negotiating brokerage compensation on their behalf and may also prevent KRFS from obtaining the most favorable net price and execution. Moreover, clients that direct brokerage may incur additional costs for performance reporting. Thus, when directing brokerage business, clients should consider whether the commission expenses and execution, clearance and settlement capabilities that they will obtain through their broker are adequately favorable in comparison to those that KRFS would otherwise obtain</p>	

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

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
KR Financial Services, Inc.	801- N/A	09/12/2007

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: KR Financial Services, Inc.		IRS Empl. Ident.No.:
Item of Form (identify)	Answer	
Item 13.A.	<p>for its clients.</p> <p><u>Additional Compensation</u> As disclosed above, IARs of KRFS in their capacities as insurance agents may sell insurance products, including, but not limited to, life, health, and long-term care products, and may receive additional compensation, in the form of commissions, on the sale of such products.</p>	
Item 13.B.	<p><u>Compensation For Client Referrals</u> KRFS may enter into referral arrangements with individuals or entities (the "Solicitor"). Under such arrangements, the Solicitor will refer potential clients to KRFS for investment advisory and/or insurance related services. In return, KRFS will agree to pay to such Solicitor a referral fee, which may be a fixed amount or a percentage of the advisory fee or insurance commission collected. Remuneration to the Solicitor is predicated on the prospect entering into an advisory agreement with KRFS. Such arrangements will comply with the requirements set forth in Rule 206(4)-3 under the Investment Advisers Act of 1940, and/or applicable state statutes, to the extent they apply. Under these arrangements, the client will not be charged higher fees than advisory fees normally or typically charged by KRFS.</p> <p><u>Miscellaneous</u> <i>Proxy Voting</i> KRFS will not be required to take any action or render any advice with respect to voting of proxies solicited by, or with respect to, the issuers of securities in which client's assets may be invested. Although KRFS may, on rare occasions and only at the client's request, offer clients advice regarding corporate actions and the exercise of proxy voting rights.</p> <p><i>Class Action Lawsuits</i> From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. The Firm has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the Firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct or negligence by corporate management of issuers whose securities are held by clients.</p> <p>Where the Firm receives written or electronic notice of a class action lawsuit, settlement or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms and other materials, to the client. Electronic mail is acceptable where appropriate, and the client has authorized contact in this manner.</p>	

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