

Uniform Application for Investment Adviser Registration

OMB APPROVAL

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| | | | | |
|--|----------------------------|----------------------|----------------------------|---|
| Name of Investment Adviser: KCS Advisors, LLC | | | | |
| Address: (Number and Street) 50 Clifford Farm Road | (City) Dunbarton | (State) NH | (Zip Code) 03046 | Area Code: Telephone number: (603) 774-8500 |

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

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(Schedules A, B, C, and D, 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
KCS Advisors, LLC

SEC File Number
801-

Date
04/23/2009

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 instructions below.)

Applicant:

| | | | |
|-------------------------------------|-----|---|-------------|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services | 98 % |
| <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 | 2 % |
| <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 type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities | % |
| <input type="checkbox"/> | (8) | Provides a timing service | % |
| <input type="checkbox"/> | (9) | Furnishes advice about securities in any manner not described above | % |

(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 type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input type="checkbox"/> (2) Hourly charges | <input type="checkbox"/> (5) Commissions |
| <input 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).

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Equity securities | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities | <input type="checkbox"/> I. Options contracts on: |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input checked="" type="checkbox"/> (1) securities |
| <input checked="" type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (2) commodities |
| <input checked="" type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input checked="" type="checkbox"/> D. Commercial paper | <input type="checkbox"/> (2) intangibles |
| <input type="checkbox"/> E. Certificates of deposit | <input type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities | <input type="checkbox"/> (1) real estate |
| <input type="checkbox"/> 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 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 type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input 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 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).

5. Education and Business Standards.

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

Yes ☒ No ☐

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

6. Education and Business Background

For:

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

On Schedule F, give the:

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

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

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

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

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

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

- ☐ (6) banking or thrift institution ☐ (12) entity that creates or packages limited partnerships

(For each checked in 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).

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 refer to the disclosure under Item 11A of Schedule F.

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

Please refer to the disclosure under Item 11B of Schedule F.

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

12. Investment or Brokerage Discretion.

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

- | | Yes | No |
|--|-------------------------------------|--------------------------|
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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 product 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 <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

(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); 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
☐ ☒

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: |
| KCS Advisors, LLC | 801- | 04/23/2009 |

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| | |
|---|--|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: | IRS Empl. Ident. No.: 22-0709725 |
| Item of Form (identify) | Answer |

1D

SERVICES

KCS Advisors, LLC (hereinafter "KCS"), offers the following services to advisory clients.

PORTFOLIO MANAGEMENT SERVICES

KCS provides Investment Supervisory Services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, KCS develops a client's suitability information and creates and manages a portfolio based on that information. KCS provides this service to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations. KCS will manage advisory accounts on a discretionary basis only. Account supervision is guided by the stated objectives of the client.

KCS will create a portfolio consisting of one or all of the following: individual equities, bonds, other investment products and, on occasion if requested by the client at the inception of the advisory relationship, no-load and load-waived mutual funds. KCS will allocate the client's assets among various investments taking into consideration the client's objectives and KCS' management style.

When appropriate to the needs of the client, and on rare occasions, KCS may recommend the use of option writing and/or hedging strategies, specifically in the management of concentrated and low cost-basis positions. Because this investment strategy involves a certain additional degree of risk, it will only be recommended when consistent with the client's stated tolerance for risk.

CONSULTING

Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as asset allocation, investment policy statement preparation, reviewing a client's existing portfolio, or any other specific non-active management related topic. KCS also provides specific consultation and administrative services regarding investment and financial concerns of the client.

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:

KCS Advisors, LLC

SEC File Number:

801-

Date:

04/23/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

IRS Empl. Ident. No.:

22-0709725

Item of Form
(identify)

Answer

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

FEE SCHEDULE

PORTFOLIO MANAGEMENT SERVICES

The annual fee for portfolio management services will be charged as a percentage of assets under management, according to the following schedules:

Equity/Balanced Accounts:

| <u>Assets under management</u> | <u>Annual Fee (%)</u> |
|--------------------------------|-----------------------|
| First \$1 million | 1.00% |
| Next \$2 million | 0.80% |
| Over \$3 million | 0.60% |

KCS generally recommends that clients with equity or balanced accounts managed by KCS maintain an account size of \$250,000. Clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter. The first payment is due within the first quarter of signing of the advisory agreement and will be based upon the opening value of the account. The first payment will be prorated to cover the period from the date the account is opened through the end of the next full calendar quarter. Thereafter, the fee will be based on the account value on the last business day of the preceding calendar quarter and will be due as soon as practicable within the quarter.

Fixed Income Accounts:

KCS charges an annual fee of 0.25% for its management of fixed income accounts. A minimum of \$500,000 of assets under management is required for this fixed income management service. However, this account size may be negotiable under certain circumstances.

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:

KCS Advisors, LLC

SEC File Number:

801-

Date:

04/23/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

IRS Empl. Ident. No.:

22-0709725

Item of Form
(identify)

Answer

Clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value, plus any credit balance or minus any debit balance), of the client's account at the end of the previous quarter.

The first payment is due within the first quarter of signing of the advisory agreement and will be based upon the opening value of the account. The first payment will be prorated to cover the period from the date the account is opened through the end of the next full calendar quarter. Thereafter, the fee will be based on the account value on the last business day of the preceding calendar quarter and will be due as soon as practicable within the quarter.

CONSULTING

Fees for specific administrative and consulting services will be billed at an hourly rate of \$180 per hour, upon mutual agreement with the client, and shall be due and payable as earned.

50% of the estimated fee may be due upon signing the advisory agreement, with the balance (based on actual hours) due upon completion of the consulting service.

GENERAL INFORMATION ON FEES

Negotiability of Fees: In certain circumstances, KCS' fees may be negotiable.

Fee Calculation: The fee charged is calculated as described above and is 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 (Section 205(a)(1) of the Investment Advisers Act of 1940, as amended).

Termination of Advisory Relationship: A client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

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:

KCS Advisors, LLC

SEC File Number:

801-

Date:

04/23/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

IRS Empl. Ident. No.:

22-0709725

Item of Form
(identify)

Answer

Mutual Fund Fees and Expenses: All fees paid to KCS for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without the services of KCS. In that case, the client would not receive the services provided by KCS which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives.

Accordingly, the client should review both the fees charged by the funds and the fees charged by KCS to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Proxies: As a matter of firm policy, KCS does not vote proxies on behalf of clients. Clients are responsible for voting their own proxies. However, KCS may provide clients with consulting assistance regarding proxy issues.

Short-term Gains and Losses for Tax Purposes: Clients should note that if KCS effects shortterm transactions on behalf of client accounts, such transactions may result in short-term gains or losses for federal and state tax purposes. Clients should review the treatment of such tax consequences with his/her accountant or tax counsel.

Privacy Policy: KCS does not disclose any non-public, personal information (such as name, address or tax identification number) about its clients or former clients to anyone except as permitted by applicable law or required by regulation. KCS maintains physical safeguards to protect such unauthorized disclosure and will notify clients of its policies and practices in this regard on an annual basis or at any time at which there is a material change in its policies which would require their consent.

KCS does not sell customer lists and has no affiliated companies. Even if you are no longer a client of KCS, our Privacy Policy will continue to apply to you. To conduct regular business, KCS may collect non-public personal information from sources such as: (a) information provided by you on applications or other forms you provide to us; and/or (b) information about your investment and securities transactions.

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

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Date:

04/23/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

IRS Empl. Ident. No.:

22-0709725Item of Form
(identify)

Answer

5**EDUCATION AND BUSINESS STANDARDS**

Advisory persons associated with KCS must possess, minimally, the following: A college degree and/or appropriate business experience and all required licenses.

6**EDUCATION AND BUSINESS BACKGROUND****KEVIN C. SOLES** Born: 1956Education:

Graduated in 1980 with a B.S. from the Institute of Natural & Environmental Resources, University of New Hampshire.

Employment:

Registered Representative of PaineWebber from 10/85 to 4/89.
Registered Representative of A.G. Edwards & Sons, Inc. from 4/89 to 3/99.
Portfolio Manager of E.R. Taylor/Boston Private Value Investors from 3/99 to 9/02.
Planning and development of KCS Advisors, LLC from 10/02 to 6/03.
Independent Insurance Agent from 11/02 to Present.
Managing Member of KCS Advisors, LLC from 7/03 to Present.

9D**OTHER BUSINESS ACTIVITIES**

KCS is an investment adviser. However, the sole Member of KCS, Kevin C. Soles, is separately licensed as an insurance agent/broker for one or more insurance companies. As such, this individual will be able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients.

While this individual endeavors at all times to put the interest of the clients first as part of KCS' fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of this individual when making recommendations.

Mr. Soles will typically spend less than 1% of his time with this related activity.

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

**Schedule F of
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04/23/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

IRS Empl. Ident. No.:

22-0709725Item of Form
(identify)

Answer

9E**PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

KCS has adopted a Code of Ethics that sets forth high ethical standards of business conduct that the KCS requires of its employees, including compliance with applicable federal securities laws.

KCS' Code of Ethics also includes policies and procedures for the review of periodic securities transactions reports as well as initial and annual securities holdings reports that must be submitted by KCS' covered persons. Among other things, KCS' Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering.

KCS' Code also includes oversight, enforcement and recordkeeping provisions. A copy of KCS' Code of Ethics is available to KCS' advisory clients upon request to the Kevin Soles at KCS' principal office address.

10**CONDITIONS FOR MANAGING AN ACCOUNT**

KCS generally recommends that clients with equity or balanced accounts managed by KCS maintain an account size of \$250,000.

A minimum of \$500,000 of assets under management is required for KCS' fixed income management service. However, this account size may be negotiable under certain circumstances.

Please refer to Item 1.D. of this Schedule F narrative for complete detail.

11A**REVIEWS AND REVIEWERS OF ACCOUNTS**

While the underlying securities within Portfolio Management Service accounts are continuously monitored, these accounts are screened monthly for asset allocation and performance exceptions. In addition, these accounts are formally reviewed quarterly by Kevin C. Soles, sole Member of KCS.

Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

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

**Schedule F of
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Continuation Sheet for Form ADV Part II

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04/23/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

IRS Empl. Ident. No.:

22-0709725

Item of Form
(identify)

Answer

11B

Consulting client accounts will be reviewed as contracted for at the inception of the advisory relationship and at the time of delivery of product to the client.

REGULAR REPORTS PROVIDED TO CLIENTS

In addition to the monthly statements and confirmations of transactions that Investment Supervisory Service clients receive from their broker-dealer, KCS will provide detailed quarterly account reports that show performance measurement for the account (comparing the account with market standards and an industry competitive standard), a summary of all transactions, costs, and market values for all securities. KCS also provides a year-end summary that shows all annual activity.

Consulting clients will receive no regular reports from KCS.

12A(1) & 12A(2)

INVESTMENT DISCRETION

For discretionary clients, KCS requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

12B

BROKERAGE RECOMMENDATIONS

PORTFOLIO MANAGEMENT SERVICES

As KCS does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid, clients must direct KCS as to the broker-dealer to be used.

In directing the use of a particular broker or dealer, it should be understood that KCS will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients.

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

**Schedule F of
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Date:

04/23/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

IRS Empl. Ident. No.:

22-0709725Item of Form
(identify)

Answer

13A

Although clients are required to direct the use of a particular broker, clients should understand that KCS may place orders (typically fixed income transactions) through other brokers if KCS believes that better execution may be achieved by doing so, thereby preventing KCS from breaching its fiduciary duty.

KCS participates in the Fidelity Registered Investment Advisor Group ('FRIAG') program, sponsored by Fidelity Brokerage Services, Inc., an NASD registered broker-dealer. Clients in need of brokerage and custodial services will have Fidelity Brokerage Services, Inc. recommended to them. As part of the FRIAG program, KCS receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 13A of this Schedule F narrative). KCS is not affiliated with Fidelity, and each client is responsible for all commissions and other transaction charges and any charge relating to the custody of securities in the Account.

KCS will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple clients accounts so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading allows KCS to execute equity trades in a more timely, equitable manner and to reduce overall commission charges to clients. However, no personal trades will ever be included in any client blocks.

ADDITIONAL COMPENSATION

As indicated under the disclosure for Item 12.B., KCS utilizes the services of the Fidelity Investments Institutional Brokerage Group (FIIBG) program sponsored by Fidelity Brokerage Services, Inc. ('Fidelity'). While there is no direct linkage between the investment advice given to clients and KCS' participation in the FRIAG program, economic benefits are received by KCS which would not be received if KCS did not give investment advice to clients.

These benefits may include any or all of the following: A dedicated trading desk that services FIIBG participants exclusively, a dedicated service group and an account services manager dedicated to KCS' accounts, access to a real-time order matching system, ability to "block" client trades, electronic download of trades, balances and positions, access, for a fee, to an electronic interface with FIIBG's software, duplicate and batched client statements, confirmations and year-end summaries, the ability to have advisory fees

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: |
| KCS Advisors, LLC | 801- | 04/23/2009 |

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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|---|--|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: | IRS Empl. Ident. No.: 22-0709725 |
|---|--|

| Item of Form (identify) | Answer |
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| | <p>directly debited from client accounts (in accordance with federal and state requirements), a quarterly newsletter, access to Fidelity mutual funds, access to AdvisorChannel.com (internet access to statements, confirmations and transfer of asset status), and the ability to have custody fees waived (when negotiated by the adviser and allowed under certain circumstances).</p> <p>The benefits received through participation in the FIIBG program do not depend upon the amount of transactions directed to, or amount of assets custodied by, Fidelity Brokerage Services, Inc.</p> |
|--|---|

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