



COUTURE FINANCIAL, INC.

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6/30/2011

FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of Couture Financial, Inc. If you have any questions about the contents of this brochure, please contact us at (941) 366-3551. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Couture Financial, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Couture Financial, Inc. is 134303.

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

Table of Contents

<i>Advisory Business</i>	<i>1</i>
<i>Fees and Compensation</i>	<i>1</i>
<i>Performance-Based Fees and Side-By-Side Management</i>	<i>3</i>
<i>Types of Clients</i>	<i>3</i>
<i>Methods of Analysis, Investment Strategies and Risk of Loss</i>	<i>3</i>
<i>Disciplinary Information</i>	<i>4</i>
<i>Other Financial Industry Activities and Affiliations</i>	<i>4</i>
<i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</i>	<i>4</i>
<i>Brokerage Practices</i>	<i>5</i>
<i>Review of Accounts</i>	<i>5</i>
<i>Client Referrals and Other Compensation</i>	<i>6</i>
<i>Custody</i>	<i>6</i>
<i>Investment Discretion</i>	<i>6</i>
<i>Voting Client Securities</i>	<i>7</i>
<i>Financial Information</i>	<i>7</i>
<i>Additional Information</i>	<i>7</i>

Advisory Business

Form ADV Part 2A, Item 4

Couture Financial, Inc. ("Couture Financial") is an investment advisory and financial planning services firm incorporated in 1996 in the State of Florida (formerly known as Couture & Associates Financial Services, Inc.). It is a Registered Investment Advisor with the Securities and Exchange Commission file number 801-64298. The firm maintains its current investment advisory registration with the State of Florida Office of Financial Regulation. Phillip Couture, CFP® is the principal owner, President and Chief Compliance Officer. M Lance Couture serves as Vice President and Compliance Officer.

The firm provides investment management services for clients in accordance to their goals, objectives and risk tolerance primarily through mutual funds or subaccounts within variable annuity and variable life programs. We utilize these types of investments as they provide greater asset diversification, a stronger ability to control market volatility risk and the potential for outperformance.

In addition to the above, we offer advice on limited partnership programs offered through Calton & Associates that are equipment leasing, research & development and operating business, as well as fixed and variable insurance evaluation, advice, and sales.

As of June 30, 2011 Couture Financial advises approximately \$27,300,000 of which \$26,500,000 (174 accounts) is under discretion while \$800,000 (5 accounts) is non-discretionary.

Fees and Compensation

Form ADV Part 2A, Item 5

Couture Financial is compensated for advisory services as a percentage of total assets under management in accordance with the following schedule:

Dynamic Asset Allocation Management

No Load

Custodian Accounts

Account Value	Annualized	Quarterly
\$100,000 through \$249,999	2.00%	0.50%
\$250,000 through \$499,999	1.50%	0.38%
\$500,000 through \$999,999	1.25%	0.31%
\$1,000,000 through \$1,499,999	1.00%	0.25%
\$1,500,000 through \$2,999,999	0.90%	0.23%
\$3,000,000 and above	0.85%	0.21%

Advisory fees are negotiable and the advisor is authorized to collect fees quarterly in advance, and immediately when new capital is added. If the account is placed under our management mid quarter, the advisor is authorized to collect a prorated amount to cover fees through the end of the current management period. Fees are deducted directly from client's account (unless separate billing is requested) based on "the average daily account value" of all invested assets under management related to discretionary management agreement. These fees may be higher or lower than those charged by other advisors for similar services. A client that terminates the management agreement in writing may request a refund of unearned advisory fees by sending a written request to Couture Financial's home office. Refunds are determined by calculating the remaining days before the end of the quarter subject by the date in which the written request is received.



Consideration for accounts less than \$100,000 will be evaluated on a case-by-case basis. All fees listed above are annualized and billings are a proportionate share of total and billed quarterly. Accounts falling below \$100,000 will be subject to a minimum quarterly fee of \$500. Manually maintained accounts will be billed an additional quarterly processing fee of \$50.00 per individual account until the account achieves a value of \$50,000.

A non-recurring establishment fee of \$250 to cover the costs of necessary documentation and establishment of accounts and tracking with the appropriate mutual fund and custodian companies shall be payable during the initial contracting and account selection. A fee from \$50 to \$250 may be charged for processing of full termination.

Additional Advisory Services

Couture Financial provides various financial planning services to many clients periodically. The available services include but are not limited to tax planning, retirement evaluation and planning, estate planning, insurance evaluation as well as total overall financial planning. The services can be contracted for on an hourly basis at the rate of \$200.00 per hour for advisor time and \$100.00 per hour for staff time. An estimate of costs for additional advisory services will be provided for the client's approval prior to implementation.

Tax & cash flow planning

Continuous tax & cash flow strategy development is available at an additional one-tenth (0.1%) of a percent annual fee with a minimum annual charge of \$100.00, and a maximum of \$1,000.00.

Special notes

The above advisor compensation may, in rare situations, be provided through the receipt of commissions from the purchase of investment products (Investment products utilized for this compensation must be approved in advance by our due diligence review). This practice presents a conflict of interest and gives our advisors an incentive to recommend investment products based on the compensation received, rather than on a client's needs. As a result, commissions received in this manner will be credited to cover management fees. In addition some investment companies pay a small internal service fee to advisors for account maintenance. Couture Financial accounts with "internal trailing fees" have been structured to utilize this revenue, if any, as a normal part of overall compensation. Clients have the option to purchase investment products that we recommend through other brokers that are not affiliated with us.

Only "approved" mutual funds and investment companies or existing client account assets that meet appropriate Couture Financial requirements will be acceptable for this service. The strategic allocation methodology is available for those situations, which do not allow for more frequent allocation adjustments. However, we utilize the "active" approach as the preferred choice. In addition to stronger control of the portfolio volatility risk factors, more frequent account adjustments will provide greater profit potential.

All mutual funds and insurance companies pay a management fee to their respective managers. Many of these companies charge Rule 12b-1 or similar fees. These fees are deducted from the net asset or unit value of the fund or sub-account. Such fees paid by a fund or sub-account managed pursuant to this agreement shall be an indirect expense to the managed account. Many mutual funds and insurance companies pay a portion of their management or Rule 12b-1 fees to the Custodian or Advisor. Such payments are currently used to reduce the expenses incurred to pay for administrative and custodial charges incurred by the Advisor. The advisor has adjusted the current fee schedule, where applicable, to reduce the direct fee charges to the client and reflect this supplemental income source. Since such payments are made to the Advisor by a mutual fund or insurance company based on the amount of its account assets with them, the Advisor may face a potential conflict of interest in determining whether to invest or maintain an investment of account assets in such mutual fund or sub-account.



Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

Couture Financial does not accept performance-based fee accounts. (e.g., fees based on a share of capital gains on or capital appreciation of assets in a client's account)

Types of Clients

Form ADV Part 2A, Item 7

Couture Financial provides investment advisory services to individuals, trusts, estates, charitable organizations and corporations. Couture Financial suggests an initial minimum account size of \$100,000.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

Three factors influence the performance of a mutual fund:

- The fund manager. Are the fund's management and research team good at identifying investments with the potential to excel?
- The fund's directive. There are times when a fund, regardless of the skill of the manager, will lag other investment sectors as a result of the business cycle, the mood of the market towards its area of investment or other reasons.
- Overall direction of the market. In a severe market downturn, few if any investments are safe from loss.

Our investment approach addresses those factors by:

- Using fundamental and technical analysis to identify no-load or load-waived mutual funds with managers who have strong track records as superior individual investment pickers.
- Allocating client assets among fund classes with investment objectives that our indicators identify to exhibit the best potential for gain given current market circumstances. To do so, we monitor the performance of a targeted universe of funds on an ongoing basis to assure that selected managers continue to excel and that new fund opportunities are waiting on the sidelines should a manager or sector begin to lag expectations.
- Determining, through daily monitoring of proprietary market indicators and independent market analysis, when market conditions appear to support rising values and invest accordingly. If the market conditions appear to be deteriorating, client assets are moved incrementally to the protection of a money market fund or alternative investment categories.

By investing client assets in mutual funds with managers who appear to have exceptional investment selection skills, Couture Financial's goal is to outperform market indices and index funds designed to mirror those indices.

But even the best fund managers have been unable to avoid losses when the market or the industry sector in which the fund is focused encounters a major decline. There are times when cash is the best investment. This is where Couture Financial's technical market analysis comes into play. Client positions are trimmed back when market conditions appear to be unfavorable for gains and may reach up to 100% cash in severe downturns.



Disciplinary Information

Form ADV Part 2A, Item 9

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Couture Financial. Couture Financial has no history of any legal or disciplinary action.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

Advisory affiliates of Couture Financial may also be Registered Representatives ("RR") of Calton & Associates, Inc and may sell securities to clients of Couture Financial. This arrangement creates a potential conflict of interest between registered representatives of Calton & Associates and Couture Financial. This office and its RRs and "associated persons" are subject to the rules of the Financial Industry Regulatory Authority ("FINRA"), formerly known as the National Association of Securities Dealers ("NASD").

Associated persons of Couture Financial are licensed insurance agents, and at times will be in the business of selling insurance products as a service to clients. Insurance associates may receive compensation for the sale of an insurance product. The client is under no obligation to purchase an insurance product through an associate of Couture Financial and is free to choose the sources through which to implement a recommendation.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Form ADV Part 2A, Item 11

Couture Financial has adopted a Code of Ethics that will apply to all of our employees, associates and access or supervised persons. This Code of Ethics is based on ethical conduct premised on fundamental principles of openness, integrity, honesty, and trust. The Code of Ethics describes our standards of business conduct, compliance with federal and state securities laws, as well as our fiduciary duty to our client. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of our clients at all times. This Code of Ethics also covers our Insider Trading and Personal Securities Transactions Policies and Procedures designed to prevent the misuse of material non-public information by Couture Financial or any person. All employees, associates, access or supervised persons are required to sign an acknowledgement that they have read, understand and agree to comply with Couture Financial's Code of Ethics as well as provide securities holdings and personal securities transactions reports to the Chief Compliance Officer for review.

A copy of our Code of Ethics is available, free of charge, to any client or prospective client upon request.

At times Couture Financial and/or its access persons may take positions in the same securities as clients. This creates a potential conflict of interest. It is the express policy of Couture Financial that all access and supervised persons with the firm must place the interests of our clients ahead of their own when implementing personal investments. As such, we will strive to avoid conflicts with our clients by effecting personal trades on a "last in" and "last out" basis when trading occurs in close proximity to client trades. 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. purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), will not be disclosed at the time of trading.



Brokerage Practices

Form ADV Part 2A, Item 12

Best execution has been defined by the Securities and Exchange Commission as the “execution of securities transactions for clients in such a manner that the client’s total cost or proceeds in each transaction is the most favorable under the circumstances.” Best execution applies to the circumstances of each particular transaction.

In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker dealer services, including among others, the value of research provided, client service and responsiveness, familiarity and financial strength. Couture Financial does not normally recommend or transact the purchase of individual securities for clients. Our portfolio management services are primarily structured around the use of mutual funds and/or similar investment vehicles. As a result, more than 99% of our trading activity occurs with an end of day market price for each mutual fund.

As a fiduciary and based on the needs of each client’s portfolio situation, Couture Financial recommends that clients maintain their brokerage assets in accounts with Constellation Trust and/or Calton & Associates.

Not all investment advisers require their clients to direct brokerage. Couture Financial is required to disclose that by directing brokerage, Couture Financial may not be able to achieve most favorable execution of client transactions and that this practice may cost clients more money.

While Couture Financial does receive access to investment research through our association with Calton & Associates, we do not receive soft dollars. (an economic benefit received such as research from a brokerage firm for executing trades through that broker)

Since Couture Financial does not normally engage in the recommendation or purchase of individual securities (stocks or bonds), we do not aggregate orders or block trade. The costs associated with not aggregating orders are not applicable for our type of investment strategy.

Review of Accounts

Form ADV Part 2A, Item 13

Client accounts will be reviewed by Couture Financial staff on an annual, semi-annual, quarterly or monthly basis and as required due to the client’s situation or according to the terms of the advisory contract. The scope of the review will be limited to aspects of the client’s situation which require attention at that time (e.g. investment portfolio, insurance policy, estate planning, etc.) and based on the specific services that the client has contracted.

Planning clients will receive annual reviews to identify specific areas of needed adjustment. Written planning reports will be provided as needed with recommended strategy changes. The reports will encompass only the financial aspects currently being reviewed.

Managed investment portfolios will receive from us a full quarterly reconciliation of activity and performance report. Clients are urged to compare the account statements they receive from the qualified custodian with those they receive from us.



Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

Couture Financial does not utilize or compensate solicitors or pay finder's fees and does not act as a solicitor to other investment advisors.

Couture Financial occasionally receives reimbursement of marketing expenses from investment companies. This economic benefit presents a potential conflict of interest by providing an incentive for Couture Financial to select certain investment companies over others. As a result, Couture Financial will monitor all reimbursements against client trading activity and holdings to ensure investments are in the best interest of the client and not as a result of marketing reimbursements.

On occasion Couture Financial may receive credits from service fees paid by mutual funds held in accounts at Constellation Trust. Any portion of those fees that exceed Constellation Trust's normal custodian charge will be applied to cover the normal account charges for Couture Financial's managed accounts. Any remaining balance of these custodian account charges not covered by these credits will be billed directly to the managed accounts on a prorated basis by the number of accounts. Any remaining service fee credits will be applied toward the administration fees of Orion Advisor Services. Orion Advisor Services provides client database management and reporting services.

Couture Financial occasionally sends a person, usually an existing client, a small "thank you" gift within regulatory guidelines when someone is referred to us and that person chooses to hire our firm. Since this gives the appearance of a conflict of interest by providing an incentive to clients, Couture Financial will record and review all gifts sent to ensure regulatory guidelines are abided by.

Custody

Form ADV Part 2A, Item 15

Couture Financial does not have direct custody of client funds and/or securities. A qualified custodian maintains client funds and securities. Couture Financial notifies the client in writing of the qualified custodian's name, address, and the manner in which the funds or securities are maintained. Account statements are sent at least quarterly by the qualified custodian. These statements identify the amount of funds, each security, and all transactions in the account for the period. Couture Financial receives copies of client statements directly from the custodian and maintains those records for periodic review.

Couture Financial sends quarterly portfolio evaluation reports to all actively managed client accounts. Clients are urged to compare the account statements they receive from the qualified custodian with those they receive from us.

Investment Discretion

Form ADV Part 2A, Item 16

When opening an account, Couture Financial requires that each advisory client sign a limited power of attorney that authorizes Couture Financial discretion over the management of their account, subject to the investment parameters designated by the client and Couture Financial to meet the client's investment objectives. We exercise discretion over the securities to be bought or sold and the amount of securities purchased or sold.

This authority does not permit full/general power of attorney and will not allow withdrawals of client funds or securities, other than advisory fees when included in the client agreement. In addition, clients may impose reasonable limitations or restrictions on the discretionary power granted so long as the limitations or restrictions are specifically set forth or included as an attachment to the client agreement.



Couture Financial will be instructed to continue full management of client accounts in the event of death or disability until alternative instructions are received from the executor, conservator or alternative trustee. If 401k accounts (s) are included to be managed, the client authorizes the advisor to hold and maintain the necessary personal identifying number (PIN) to provide instructions to the plan sponsor.

Voting Client Securities

Form ADV Part 2A, Item 17

Couture Financial does not have any authority to vote proxies on behalf of managed client accounts. These clients retain the responsibility for receiving and voting proxies for any and all securities maintained in the client portfolio. Clients will receive proxies or other solicitation directly from their custodian or transfer agent. Clients may contact Couture Financial with questions about their particular proxy solicitation. When providing unsolicited proxy voting advice to clients, we shall abide by the following conditions:

- Disclose any significant relationship with the issuer, its affiliates, or a security holder proponent of the matter on which proxy voting advice is given, as well as any material interest of our firm in the matter;
- We shall receive no special commission or remuneration for furnishing the voting advice from any person other than the security holder recipient thereof; and
- The voting advice will not be furnished on behalf of any person soliciting proxies, or on behalf of a participant in an election contest subject to SEC Rule 14a-11.

Couture Financial does not communicate with the press pertaining to a proxy.

Financial Information

Form ADV Part 2A, Item 18

Under certain circumstances, registered investment advisors are required to provide you with financial information or disclosures about their financial condition. Since Couture Financial does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we are not required to include a balance sheet for our most recent fiscal year.

We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Couture Financial has not been the subject of a bankruptcy petition at any time.

Additional Information

It is the responsibility of the client to promptly notify Couture Financial if there are any current or anticipated changes in their financial situation, investment objective or risk tolerance. Clients may call in at any time during normal business hours to discuss directly with the investment advisor about their client account, financial situation, or investment needs. Additionally, Couture Financial shall not be required to verify any information received or omitted from the client or from the client's other professionals. The client retains absolute discretion over all investment implementation decisions and is free to accept or reject any recommendation made by Couture Financial.

Couture Financial requires that any change of address for client accounts must be accomplished with a signed statement received from the client.

