

Guardian Plus, Inc.

Mercator Financial Group

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This Brochure provides information about the qualifications and business practices of Guardian Plus, Inc., Mercator Financial Group and William H McElroy & Co. If you have any questions about the contents of this brochure, please contact us at (425) 483-2169 or email us at guardianplus@frontier.com. The information in this brochure has not been approved or verified by the United State Securities and Exchange Commission or by any state securities authority.

Material Changes

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) made significant changes to the regulation of investment adviser and instructed the U.S. Securities and Exchange Commission (“SEC”) to develop rules to implement those changes. The Dodd-Frank Act increases the states’ authority in the area of investment adviser regulation by raising the threshold of assets under management thus requiring Guardian Plus, Inc., Mercator Financial Group, William H McElroy & Co., de-register from the SEC and instead be registered with the State of Washington.

The following requirements for State-Registered Advisers have been added and corrections made per instructions from State of Washington Department of Financial Institutions including:

- Physical address added – cover page
 - CRD# added – cover page
 - Cover page added to Table of Contents
 - Disclosure of discretionary and non-discretionary assets under management – page 1
 - Descriptions of types of advisory Services – page 1 - 2
 - Customization of Portfolios expanded – page 1 – 2
 - Minimum fee removed – page 3
 - Methods of Analysis, Investment Strategies, and Risk of Loss expanded
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 - Disciplinary Information expanded – page 6
 - Other Financial Industry Activities and Affiliations expanded – page 6
 - Addition of disclosure to offer Code of Ethics - page 7
 - Fees for client referrals only to registered firms or individuals added – page 11
 - Financial Information expanded - page 11
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Table of Contents

Cover Page.....	cover
Material Changes	ii
Advisory Business	1
Fees and Compensation	2
Performance-Based Fees and Side-By-Side Management	4
Types of Clients	4
Methods of Analysis, Investment Strategies and Risk of Loss ..	4
Disciplinary Information	6
Other Financial Industry Activities and Affiliations	6
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	7
Brokerage Practices	9
Review of Accounts	10
Client Referrals and Other Compensation	10
Custody	11
Investment Discretion	11
Voting Client Securities	11
Financial Information	11
Requirements for State-Registered Advisers	11

Advisory Business

Guardian Plus is a fee only, Registered Investment Advisor that specializes in wealth planning and the managing of portfolios for individuals and corporations.

Guardian Plus manages over 26,000,000¹ for financial planners, individuals, corporations and non-profits portfolios. Of which 24,276,206 is discretionary and 2,443,119 is non-discretionary.

Personalized service is the cornerstone of Guardian Plus. No matter what your questions or requests are, we pride ourselves in always being available to assist you. Unlike larger firms which use a pool of personnel to give you advice and watch over your account, Guardian Plus has assigned key personnel to your account which assures consistency and provides a personalized service that will last for years

Guardian Plus provides several services for our clients:

Portfolio Management – Investing in securities involves risk of loss. Our money management process focuses on diversification through proper asset allocation by minimizing risk while enhancing returns. Specializing in Asset Allocation, our active management portfolio strategy rebalances the percentage of assets held in various components in order to take advantage of market pricing anomalies or strong market sectors. In addition to asset allocation understanding the ability to tolerate market fluctuations is important in designing a portfolio. A portfolio is constructed with specific goals, needs and constraints in mind that will help ensure that any downside potential falls within your level of comfort and tolerance for risk.

When developing and managing portfolios for our clients we follow a consistent four-step process.

1. Planning - Working with a client we develop the framework in which assets in their account may be invested to help attain their goals and objectives, while taking into account risk tolerance level and unique needs and preferences/restrictions.
2. Construction - Portfolios are constructed and customized to attain a clients' goal and objectives that were developed during the planning stage.
3. Management – Periodic changes of the portfolio components and asset allocation as outlook for the market changes.
4. Review – Quarterly meetings with clients. Clients receive quarterly statements showing where they started, what they have, how much they have made, how

¹ Assets computed as of 12/31/2010,

much they have withdrawn and their rate of return. During the review process, any modifications to the framework and management of their portfolio is adjusted.

Our Director of Portfolio Management is William H McElroy, founder and CEO of Guardian Plus who has over 34 years industry experience.

Fee only Financial Planning—We work closely with clients to achieve their financial goals and counsel clients on money issues; working with them to get a better understanding of the emotional side of money, and helping them make better financial decisions. For many clients, we work through issues of over spending; getting a grasp on what is happening to their funds, actually setting money aside for future needs.

Our Director of Financial Planning is Mary Kay Voss, a Certified Financial Planner with over 30 years industry experience. .

Selection of Third Party Advisor, Monitoring and Consultation—Guardian Plus provides consultation in the selection, review and/or monitoring of third party advisors for those clients wishing to receive non-biased independent advice with regards to investments that are with different companies or advisors.

Guardian Plus is a fiduciary by law and exercises the highest degree of care and utmost good faith in maintenance and preservation of client's assets and rights.

Guardian Plus is not the custodian of your funds. Firms like Charles Schwab are the custodians providing safety and security for your assets.

Guardian Plus is an independent Registered Investment Advisor. There is no affiliation with any security, broker-dealer, insurance, mutual fund or investment firms.

The company was founded in 2004 and is 100% owned by its founder William H McElroy.

Fees and Compensation

Guardian Plus is a fee only firm and does not collect nor receive any commissions or referral fees paid by other products or service providers.

All fees are negotiable and are billed on a quarterly basis in advance except for consultation and monitoring. Clients have a choice of having fees deducted directly from their brokerage accounts or pay them separately.

All services may be terminated at any time by Guardian Plus, Inc. or the client upon written notice to the other. Termination shall be effective immediately upon receipt of written notice. Since Portfolio management service fees are billed quarterly in advance, Guardian Plus will refund the pro rata share of their fees computed on a daily basis for a 90-day quarter.

PART 2A OF FORM ADV: FIRM BROCHURE

There is a one-time initial setup fee of \$150 for individuals and \$250 for corporations.

Portfolio management services are paid in accordance with the following fee schedules.

DISCRETIONARY PORTFOLIO MANAGEMENT

EQUITY, BALANCED, AND MUTUAL FUNDS

Assets Under Management

1.0%	\$0	To	\$999,999
0.75%	\$1,000,000	To	\$4,999,999
0.5%	\$5,000,000	To	and above

FIXED INCOME

Assets Under Management

0.6%	\$0	To	\$999,999
0.5%	\$1,000,000	To	\$4,999,999
0.325%	\$5,000,000	To	and above

OUTSIDE INVESTMENT ADVISOR

Add 1% to Assets Under Management

OPTIONS

Add 3/4% to Assets Under Management

ACCOUNTS ON MARGIN

Fees Calculated on Market Value

MONITORING SERVICES

Guardian Plus provides portfolio monitoring for those clients that wish to have an oversight arrangement established on a portfolio managed elsewhere.

Monitoring charges (per account)

Once per year - \$300

Semi annually - \$400

CONSULTATION SERVICES

Private consultations, expert witnessing, and other related services are available at a cost of \$400 per hour plus out-of-pocket expenses.

FINANCIAL PLANNING

Guardian Plus will create a personal Financial Plan. Fee for Financial Plan creation or review is \$150 per hour plus out-of-pocket expenses.

Performance-Based Fees and Side-By-Side Management

Guardian Plus does not participate in Performance-Base fees or Side-By-Side management.

Types of Clients

Understanding a clients' financial situation and risk tolerance as well as their need for financial stability is paramount in the management of portfolios. We work with financial planners, individuals, corporations and non-profits in the planning and arrangement of their financial affairs, such as savings, retirement provisions and tax treatment.

Investing can be complicated and any adviser has responsibilities ethically to see that a client's risk is minimized, and monetarily, that money is maximized within the established risk boundaries.

There is no minimum portfolio size that is required, however there is a minimum fee. (See Fee and Compensation section).

Methods of Analysis, Investment Strategies and Risk of Loss

Methodology

One of the greatest contributions for our clients is asset allocation: determining how to maximize the return on investment while satisfying the client's risk tolerance.

Asset allocation is an investment strategy that centers on altering investment proportions to take advantage of differences in expected performance of various asset classes. As an asset allocation strategy, the technique attempts to evaluate the expected performance of broad asset classes (such as stocks, bonds, and cash), rather than predicting which individual securities are likely to outperform in the upcoming period.

Guardian Plus evaluates the relative performance of each asset class, and then adjusts the exposure of their investment portfolios to each of the classes.

In making investment decisions we begin by setting an Investment Policy Statement (IPS). The IPS establishes the long-term proportions to be invested in each asset class. The IPS asset allocation must be suitable for the investor in terms of risk exposure and expected return. Risk is the possibility of an investment losing or not gaining value. Expected return is the percentage gain that an investment must produce for an investment to be made. Normally, an investment with low risk is an investment with a low return.

Once a portfolio with the proper asset allocation has been established we monitor and adjust the various percentage in the various asset classes based on risk and expected returns

Portfolio Structure

Guardian Plus uses the following investments when constructing and managing a portfolio:

Exchange Traded Funds - ETF

By owning an ETF, you get the diversification of an index fund as well as the ability to buy and sell as little as one share. Another advantage is that the expense ratios for most ETF's are lower than those of the average mutual fund. When buying and selling ETF's, you have to pay the same commission to your broker that you'd pay on any regular order.

Income – Taxable and Non-Taxable Bonds, CD's

- U.S. Treasuries
- Municipal Bonds
- Corporate Bonds
- Certificate of Deposits

Cash

- Money Market Funds
- Ultra Short Term Fixed Income

Options

- Covered Calls only

Mutual Funds

- Used for smaller accounts.

Disciplinary Information

There are no legal or disciplinary events.

Other Financial Industry Activities and Affiliations

Guardian Plus nor any of its management persons has no affiliations, registrations or registrations pending as a:

- Broker-dealer
 - Or a registered representative of a broker-dealer
- Futures Commission Merchant
- Commodity Pool Operator
- Commodity Trading Advisor
 - Or an associated person of the futures or commodities entities

Guardian Plus nor any of its management persons have no relationship of arrangement for the following:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker
- Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- Other investment adviser or financial planner

- Futures commission merchant, commodity pool operator, or commodity trading advisor
- Banking or thrift institution
- Accountant or accounting firm
- Lawyer or law firm
- Insurance company or agency
- Pension consultant
- Real estate broker or dealer
- Sponsor or syndicator of limited partnerships

Guardian Plus does not receive any compensation directly or indirectly from advisers that we recommend.

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

Guardian Plus' Fiduciary Duties and Code of Ethics are available upon request.

Fiduciary Duties

In relationships with clients, employees shall use particular care in determining applicable fiduciary duty and shall comply with such duty as to those persons and interests to whom the duty is owed. Employees must act for the benefit of their clients and place their clients' interests before their own.

Employees shall:

- Act with integrity, competence, dignity, and in an ethical manner when dealing with the public, clients, prospects, employers and employees.
- Practice and encourage others to be active in a professional and ethical manner.
- Strive to maintain and improve their competence and the competence of others in the profession.
- Use reasonable care and exercise independent professional judgment.
- Maintain knowledge of and comply with all applicable laws, rules, and regulations of any government, governmental agency, regulatory organizations, licensing agency, or professional association governing the employees' activities.
- Not knowingly participate or assist in any violation of such laws, rules, or regulations.
- Not engage in any professional conduct involving dishonesty, fraud, deceit or misrepresentation or commit any act that reflects adversely on their honesty, trustworthiness, or professional competence.

- Inform their employer in writing, through their direct supervisor, that they are obligated to comply with the Code and Standards and are subject to disciplinary sanctions for violations thereof.
- Disclose to their employer all matters, including beneficial ownership of securities or other investment, which reasonably could be expected to interfere with their duty to their employer or ability to make unbiased and objective recommendations.
- Employees with supervisory responsibility, authority, or the ability to influence the conduct of others shall exercise reasonable supervision over those subject to their supervision or authority to prevent any violation of applicable statutes, regulation, or provision of the Code and Standards.

Code of Ethics

Employees shall:

- Exercise diligence and thoroughness in making investment recommendations or in taking investment actions.
- Have a reasonable and adequate basis, supported by appropriate research and investigation, for such recommendations or actions.
- Make reasonable and diligent efforts to avoid any material misrepresentation in any research report or investment recommendation.
- Use reasonable care and judgment to achieve and maintain independence and objectivity in making investment recommendations or taking investment action.
- Make a reasonable inquiry into a client's financial situation, investment experience, and investment objectives prior to making any investment recommendations and shall update this information as necessary.
- Consider the appropriateness and suitability of investment recommendations or actions for each client.
- Not make a recommendation unless they reasonably determine that the recommendation is suitable to the client's financial situation, investment experience, and investment objectives.
- Transactions for clients shall have priority over transactions for employees in securities or other investments.
- Preserve the confidentiality of information communicated by clients or prospects.
- Not make any statements, orally or in writing that misrepresents.
- Disclose to clients and prospects any consideration or benefit received by the employee.
- Not make any statements, orally or in writing that misrepresents the investment performance.

Employee Transaction

No employee of the firm may engage in personal securities transactions involving securities which are being bought or sold on behalf of clients until one trading day after such buying or selling is completed or canceled or actively considered for transactions on behalf of clients, even though no buy or sell orders have been placed. An employee may buy or sell a security at the same time clients' securities are being bought or sold only if the employee's transaction is not executed at a more favorable price.

Brokerage Practices

Clients may designate use of a particular broker-dealer, including a client who directs use of a broker-dealer who will also serve as custodian, should consider whether, under that designation, commission expenses, execution clearance, and settlement capabilities, and whatever amount is regarded as allocable to custodian fees, if applicable, will be comparable to those otherwise obtainable by Guardian Plus. (A client who designates use of a particular broker-dealer should understand that they will lose the possible advantage which non-designating clients derive from aggregation of orders for several clients as a single transaction for the purchase or sale of a particular security.)

Guardian Plus continuously strives to minimize commission costs for all clients.

Guardian Plus may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Guardian Plus is independently owned and operated and not affiliated with Schwab. Schwab provides Guardian Plus with access to its institutional trading and custody services, which are typically not available to Schwab retail investors.

Schwab's services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Guardian Plus's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. Non-Schwab registered broker-dealers may be used for trade execution within the Guardian Plus accounts which consist of assets of greater than \$100,000. When a non-Schwab registered broker dealer is used, all trades will still settle into the Schwab accounts.

Schwab and non-Schwab registered broker-dealers also make available to Guardian Plus other products and services that benefit Guardian Plus but may not benefit its clients' accounts. Some of these other products and services assist Guardian Plus in

managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Guardian Plus's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Guardian Plus's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional and non-Schwab registered broker-dealers also make available to Guardian Plus other services intended to help Guardian Plus manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to Guardian Plus by independent third parties. Schwab Institutional and non-Schwab registered broker dealers may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Guardian Plus. While as a fiduciary, Guardian Plus endeavors to act in its clients' best interests, and Guardian Plus's recommendation that clients maintain their assets in accounts at Schwab may be based in part on the benefit to Guardian Plus of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Review of Accounts

Guardian Plus continuously reviews client portfolios. The compliance division reconciles Guardian Plus's statements against custodian statements quarterly. When completed, each portfolio manager reviews each statement for accuracy and completeness.

Clients receive quarterly statements from Guardian Plus except for those clients that have selected the monitoring service on a yearly basis. In addition, clients receive monthly statements from the custodian.

In addition to a written evaluation, Guardian Plus will meet with the client at the client's request. This review is included in our fees.

Client Referrals and Other Compensation

Guardian Plus sometimes compensates other firms and individuals for referrals. Compensation can be a one time payment structure or if the firm or individual actively works with the client (example would be a financial planner overseeing the account for the client) then an ongoing management fee sharing arrangement might be used. All fee sharing or referral fees are disclosed to the clients before the accounts are open and

the client acknowledges receipt of the disclosure. Fees paid to firms or individuals must be registered.

Custody

Guardian Plus does not hold or maintain custody of any clients' funds. Only broker dealers or qualified custodians are recommended.

Clients receive account statements directly from the broker-dealer which should be reviewed carefully.

In addition, clients receive quarterly statements from Guardian Plus which should be compared to the statements they receive from the broker-dealer.

Investment Discretion

Guardian Plus has authority to determine which securities are to be bought or sold within the constraints of the client's Investment Policy Statement. For the Self Directed / Flat Fee clients, prior approval is required as to the securities and number of shares to be transacted. The client has the discretion to direct transactions to a particular broker.

Both discretionary and non-discretionary clients must approve of the custodian or brokerage firm that will retain their assets. Commissions are disclosed before any account is placed with a broker.

Voting Client Securities

Guardian Plus does not vote proxies.

Financial Information

Guardian Plus does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclosing our balance sheet is not required.

Guardian Plus does not have any financial conditions that would impair its ability to meet contractual commitments to its clients.

Requirements for State-Registered Advisers

William H McElroy is the CEO of Guardian Plus, Mercator Financial Group and William H McElroy & Co.

Educational Background and Business Experience

William H. McElroy - CEO
Born 1953

Washington State University, 1976

Guardian Plus, Inc 2005-Present
Founder

Guardian Capital, Inc. 1991-2005
Co- Founder
Senior Equity Portfolio Manager & Chief Compliance Officer

Dain Bosworth 1988-1991
Vice-President - Investment Officer
Principal - Money Manager Consulting Group

Smith Barney, Harris Upham & Co. 1986-1988
Vice-President - Sales Division

Other Business Activities

William H McElroy is on the Board of Directors for the following organizations:

Rotary Club of Mill Creek
Friends of the Mill Creek Senior Program
Friends of Phi Delta Theta – Washington Gamma
Mill Creek Senior Community Development Foundation

Disciplinary Information

None

Additional Compensation

William H McElroy does not receive any other compensation other than his duties at Guardian Plus and has no relationship with any issuer of securities.