

FORM ADV Part II - Page 1		OMB APPROVAL OMB Number: 3235-0049 Expires: 12/31/2010 Estimated average burden hours per response..... 9.01
Uniform Application for Investment Adviser Registration		

Name of Investment Adviser: BFCFS				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
701 Tama Street	Marion	IA	52302	(319) 447-5700

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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Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

<p>1. A. Advisory Services and Fees. (check the applicable boxes)</p> <p style="padding-left: 20px;">Applicant:</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 80%;"> <p><input checked="" type="checkbox"/> (1) Provides investment supervisory services</p> <p><input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services.....</p> <p><input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above.....</p> <p><input type="checkbox"/> (4) Issues periodicals about securities by subscription.....</p> <p><input type="checkbox"/> (5) Issues special reports about securities not included in any service described above</p> <p><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.....</p> <p><input checked="" type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities</p> <p><input type="checkbox"/> (8) Provides a timing service</p> <p><input checked="" type="checkbox"/> (9) Furnishes advice about securities in any manner not described above</p> </div> <div style="width: 15%; text-align: right;"> <p>25 %</p> <p>%</p> <p>25 %</p> <p>%</p> <p>%</p> <p>%</p> <p>10 %</p> <p>%</p> <p>40 %</p> </div> </div>	<p>For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)</p>						
<p>(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.)</p>							
<table style="width: 100%; border: none;"> <tr> <td style="width: 80%;"></td> <td style="width: 10%; text-align: center;">Yes</td> <td style="width: 10%; text-align: center;">No</td> </tr> <tr> <td>B. Does applicant call any of the services it checked above financial planning or some similar term?.....</td> <td style="text-align: center;"><input checked="" type="checkbox"/></td> <td style="text-align: center;"><input type="checkbox"/></td> </tr> </table>			Yes	No	B. Does applicant call any of the services it checked above financial planning or some similar term?.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>
	Yes	No					
B. Does applicant call any of the services it checked above financial planning or some similar term?.....	<input checked="" type="checkbox"/>	<input type="checkbox"/>					
<p>C. Applicant offers investment advisory services for: (check all that apply)</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p><input checked="" type="checkbox"/> (1) A percentage of assets under management</p> <p><input checked="" type="checkbox"/> (2) Hourly charges</p> <p><input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)</p> </div> <div style="width: 48%;"> <p><input type="checkbox"/> (4) Subscription fees</p> <p><input checked="" type="checkbox"/> (5) Commissions</p> <p><input type="checkbox"/> (6) Other</p> </div> </div>							
<p>D. For each checked box in A above, describe on Schedule F:</p> <ul style="list-style-type: none"> ♦ 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 							
<p>2. Types of Clients - Applicant generally provides investment advice to: (check those that apply)</p> <div style="display: flex; justify-content: space-between;"> <div style="width: 48%;"> <p><input checked="" type="checkbox"/> A. Individuals</p> <p><input checked="" type="checkbox"/> B. Banks or thrift institutions</p> <p><input type="checkbox"/> C. Investment companies</p> <p><input checked="" type="checkbox"/> D. Pension and profit sharing plans</p> </div> <div style="width: 48%;"> <p><input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations</p> <p><input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above</p> <p><input type="checkbox"/> G. Other (describe on Schedule F)</p> </div> </div>							

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

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

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 checked="" 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 checked="" type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input checked="" type="checkbox"/> Short sales | |

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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
- ♦ year of birth
- ♦ formal education after high school
- ♦ 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 checked="" 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.)

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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 disclosure are used for conflicts of interest in those transactions.)

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
☒ ☐

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 a number of accounts assigned each.

Depending upon the investment services provided, the services include a review and monitoring of the selected investment advisor's performance. Account reviews will be performed by Registered Representatives, the client, and, supervisory personnel. Accounts are reviewed upon inception to ensure that the client's investment objective and strategy is consistent with the investment programs guidelines. Thereafter, those accounts are reviewed on a transaction or on as an needed basis, also reviews are triggered by contact of the Registered Representative by the client, and by such variables as the market, political or economical circumstances, or changes in the clients' individual circumstances. Those reviews are performed by Licensed Series 24 supervisors and assignees who are assisted by various Data Processing reports and the applicable manager.

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

In addition to portfolio monitor service reports, investment-consulting clients receive periodic reports of the relevant activity. These reports include, depending upon the kind of investment service chosen, trade confirmations reflecting all transactions in securities (except money market mutual fund transactions); monthly statements of client's account itemizing all transactions in cash and securities, and all deposits and withdrawals of principal and income during the preceding calendar month or quarter; statements of securities in custody, listing securities held in the account, submitted at least quarterly; annual summary of transactions and dividend and interest statements. Reports may differ depending upon the providers of the investment advisory services which are described on Schedule F.

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

B. Does applicant or a related person suggests 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 <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; 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 <input type="checkbox"/>	No <input checked="" type="checkbox"/>
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Schedule F of Form ADV Continuation Sheet for Form ADV Part II	Applicant: BFCFS	SEC File Number: 801-62277	Date: 12/31/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part II or any other schedules.)

I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: BFCFS		IRS Empl. Ident. No.: 42-1029773										
Item of Form (identify)	Answer											
Form ADV Part II Schedule F Question 1 D Page 1	<p>The Applicant, Berthel Fisher & Company Financial Services, Inc ("BFCFS") acts as investment advisor and investment banker for a variety of clients such as individuals, pension or profit sharing or other retirement plans, as well as banks or thrift institutions. BFCFS is licensed as a Registered Broker/Dealer with the National Association of Securities Dealers (NASD) and the Securities & Exchange Commission (SEC). BFCFS will either employ or contract with independent Registered Representatives (collectively "RR/IAR") who will provide brokerage services and who if properly licensed to do so, will also provide Investment Advisory Services to clients of BFCFS.</p> <p>The services BFCFS provides as an investment advisor may encompass giving investment advice with respect to exchange listed securities, over the counter and foreign securities; rights and warrants; corporate, municipal and U.S. Government debt securities, as well as shares of mutual funds which have agreed to offer shares to BFCFS' clients who participate in one or more of BFCFS' advisory services.</p> <p>Code of Ethics In accordance with the requirements of the Investment Advisor Act of 1940, BFCFS has elected to adopt a Code of Ethics (the "Code") that it and its RR/IARs will follow in dealing with their clients. Among other things, BFCFS and its RR/IARs through the Code; agree to place the clients interest ahead of their own, will not take advantage of clients, and will avoid any actual or potential conflicts of interest and/or any abuse of their position of trust and responsibility. The Code is available for review at www.berthel.com and/or a hard copy will be provided to you upon your request.</p> <p>Basic Fees Depending upon the kind of advisory services provided, clients are either charged an all-inclusive wrap fee, based on the account asset value and charged on a quarterly basis, or they pay fees for all account services (also charged on a quarterly basis) or for execution services (charged at the time of each transaction). For those services charged on a quarterly basis, the client may, at its option, provide a notice of termination. Upon receipt of said notice of termination, the fees previously paid will be refunded on a pro rata basis.</p> <p>Services and fees maybe paid in advance. If the advisory service is canceled and the fees were paid in advance, then the client is refunded the unused portion.</p> <p>Fees for managed accounts: The following standard fees, which are negotiable, are charged for the <u>Masters Accounts</u>.</p> <p>Equity and Balanced Accounts:</p> <table> <tr> <td>Total Account Value:</td> <td>Annualized Fee</td> </tr> <tr> <td>First \$250,000</td> <td>3%</td> </tr> <tr> <td>Next \$750,000</td> <td>2.5%</td> </tr> <tr> <td>Next \$1,000,000</td> <td>2%</td> </tr> <tr> <td>Over \$2,000,000</td> <td>Negotiable</td> </tr> </table> <p>Fixed Income Accounts:</p>		Total Account Value:	Annualized Fee	First \$250,000	3%	Next \$750,000	2.5%	Next \$1,000,000	2%	Over \$2,000,000	Negotiable
Total Account Value:	Annualized Fee											
First \$250,000	3%											
Next \$750,000	2.5%											
Next \$1,000,000	2%											
Over \$2,000,000	Negotiable											

	Total Account Value:	Annualized Fee
	First \$250,000	1.75%
	Next \$500,000	1.25%
	Next \$1,000,000	1%
	Over \$2,000,000	Negotiable
	The following standard fees, which are negotiable, are charged for the <u>Asset Advisor Accounts</u> :	
	Total Account Value:	Annualized Fee
	First \$250,000	3%
	Next \$750,000	2.5%
	Over \$1,000,000	2%
	The following standard fees, which are negotiable, are charged for the <u>Compass Advisory Accounts</u> :	
	Portfolio Value:	Annualized Fee
	First \$250,000	2.5%
	Next \$750,000	2%
	Over \$1,000,000	1.5%
	The following standard fees, which are negotiable, are charged for the <u>Diversified Managed Allocations Accounts</u> :	
	Total Account Value:	Annualized Fee
	First \$250,000	3%
	Next \$750,000	2.5%
	Next \$1,000,000	2%
	The following standard fees, which are negotiable, are charged for the <u>Evergreen Portfolio Solutions Accounts</u> :	
	Equity and Balanced Accounts:	
	Total Account Value:	Annualized Fee
	First \$500,000	3%
	Next \$500,000	2.5%
	Next \$1,000,000	2%
	Over \$2,000,000	Negotiable
	Fixed Income Accounts:	
	Total Account Value:	Annualized Fee
	First \$500,000	1.75%
	Next \$500,000	1.25%
	Next \$1,000,000	1%
	Over \$2,000,000	Negotiable
	The following standard fees, which are negotiable, are charged for the <u>Customchoice Accounts</u> :	
	Total Account Value:	Annualized Fee
	First \$250,000	1.75%
	Next \$750,000	1.5%
	Over \$1,000,000	1.15%
	The following standard fees, which are negotiable, are charged for the <u>Fundsource Accounts</u> :	
	Total Account Value:	Annualized Fee
	First \$250,000	1.75%
	Next \$750,000	1.5%
	Next \$1,000,000	1.15%
	The following standard fees, which are negotiable, are charged for the <u>Network Investment Consulting Accounts</u> :	

Portfolio Valuation:

Total Account Value:	Annualized Fee
First \$250,000	Negotiable
Next \$750,000	Negotiable
Next \$1,000,000	Negotiable

The following standard fees, which are negotiable, are charged for the Private Investment Management Accounts:

Portfolio Valuation:	Annualized Fee
First \$250,000	3%
Next \$750,000	2.5%
Next \$1,000,000	2%
Over \$2,000,000	Negotiable

The following standard fees, which are negotiable, are charged for the Network Fee Schedule:
Equity and balanced accounts

Total Account Value*	Quarterly Fee	Annualized Fee
First \$250,000	.500%	2.0%
Next \$750,000	.375%	1.5%
Excess over \$1,000,000	.250%	1.0%

Fixed accounts

Total Account Value*	Quarterly Fee	Annualized Fee
First \$500,000	.2500%	1.00%
Next \$500,000	.1875%	.75%
Excess over \$1,000,000	.1250%	.50%

The following standard fees are charged for National Financial Services managed accounts:

Separately Managed Account

The maximum fee payable by the client is 3.00%.

Sigma Multi-Managed Accounts

The maximum fee payable by the client is 3.00%.

Strategic Advisors Mutual Fund Wrap Account

The maximum fee payable by the client is 3.00%.

Wrap Strategists (Mutual Fund) Account

The maximum fee payable by the client is 3.00%.

The following standard fees are charged for the following accounts @ Pershing

Berthel Advisory Account

The maximum fee payable is 2.50%.

LOCKWOOD ADVISORS.

Lockwood Asset Allocation Portfolios (LAAP)

LAAP is a wrap account composed of open-end mutual funds, closed-end funds and ETFs.

Lockwood Advisors determines asset allocation and investment selection for each of the five portfolios in LAAP. The maximum advisory fee to the client is 2.50%.

Lockwood Investment Strategies (LIS)

LIS is a multi-discipline account that can be composed of open-end funds, closed-end funds, ETFs and individual securities. Clients can also choose to hold alternative investments.

Lockwood Advisors determines asset allocation and investment selection for each of the five portfolios in LIS. The maximum advisory fee to the client is 2.50%.

Lockwood Separately Managed Accounts
Lockwood also offers Separately Managed Accounts (SMAs). Lockwood's fees vary depending on the manager selected for the account and the level of equity exposure. The maximum advisory fee charged to the client is 2.50%.

SARATOGA CAPITAL MANAGEMENT ACCOUNT

The Client will pay BFCFS a fee for services, based on the value of program assets. The standard fee schedule is set forth below. Negotiated fees may differ based upon a number of factors, including but not limited to, the size of Client's account and the extent of supplemental advisory and client-related services that BFCFS may provide to Client.

<u>Asset Value of Client's Program Assets</u> (Minimum initial value of \$25,000)	<u>Annual Fee</u>
\$10,000 to \$99,999	2.00%
\$100,000 to \$249,999	1.75%
\$250,000 to \$499,999	1.50%
\$500,000 to \$999,999	1.25%
\$1,000,000 to \$1,999,999	1.00%
\$2,000,000 and over	negotiated

The fees may be subject to negotiation. The fee will be payable in advance on the first day of each calendar quarter, and will be calculated at an annual rate based upon the value of the program assets on the last business day of the preceding calendar quarter.

Quantitative Advantage

Quantitative Advantage charges a bundled or unbundled fee which may vary based on the size of the program assets. The maximum fee payable by the client is 2.50%.

SEI

BFCFS RR/IARs also offer the SEI Asset Management Program (the "SEI Program") to their clients. The program is designed as follows:

The maximum fee payable by the client is 3.00%. The fees payable to SEI and the managers range from .73% to .94 % depending on the equity exposure and level of diversification. Fees for the RR/IAR are negotiable.

Curian Capital

The maximum fee payable by the client is 2.99%.

BROKER-DEALER SPONSORED MANAGED ACCOUNTS PROGRAMS

BFCFS provides advisory services in connection with various "wrap fee" programs. Fees to Registrant for these programs are described in the materials for the respective programs. The fees are based on the market value of assets managed by BFCFS, either in each client account or under the program in the aggregate. Fee payment schedules vary but are often paid quarterly in advance, and fees to BFCFS are typically prorated for accounts assigned to BFCFS commencing or terminating during a quarter, or where assets are withdrawn during the quarter.

BFCFS as a broker/dealer has registered representatives located in or adjacent to the lobby of one or more banks. If properly licensed, the registered representatives may offer investments products

and services of BFCFS for which BFCFS may be compensated. BFCFS may benefit from referrals received from these banks.

SERVICES AND FEES

PORTFOLIO MANAGEMENT - The RR/IARs provide investment advice to clients or make investments for the clients based on the individual needs of the client, and will manage advisory accounts on a discretionary or non-discretionary basis.

Client portfolios may be comprised of mutual fund shares only, (both load and/or no-load funds), individual securities only, a combination of mutual funds and, individual securities, include equities, or fixed income and or variable annuities.

Portfolio Management Fees - The annual fee charged for portfolio management services will range from .5% to 3.0% (one-half percent to three percent) of assets under management. The RR/IAR will quote an exact percentage to each client based on both the nature and total dollar value of the account to be managed. Clients' accounts will be automatically debited either in advance or in arrears of each calendar month or each calendar quarter, depending upon the agreement executed.

FULL SERVICE FINANCIAL PLANNING - RR/IARs may provide advice in the form of a full-service financial plan. Clients purchasing this service will receive a written financial plan, providing the client with a financial plan designed to achieve their stated financial goals and objectives. In general, the financial plan will address the following areas of concern indicated by the client:

The RR/IAR gathers required information through in-depth personal interviews. Information gathered includes a client's current financial status, future goals and attitudes towards risk.

Documents supplied by the client are reviewed, and a written financial plan is prepared. Should a client choose to implement the recommendations in the plan, BFCFS suggests the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of the financial plan recommendations is entirely at the client's discretion. The client is not obligated to use brokerage services provided by BFCFS, its affiliated companies, or its RR/IARs.

Fees - Full Service Financial Planning - A flat fee or hourly rate will be negotiated based upon the extent and complexity of the individual client's personal circumstances, the client's gross income and amount of assets under management. Fees for financial planning services will typically range from \$500 to \$15,000. All fees are agreed upon prior to entering into a contract with any client. The fee is due and payable at the time the client agreement is executed unless negotiated otherwise. In the event a client should chose to use the brokerage services provided by BFCFS, the RR/IAR at his discretion may chose to refund some or all of the fees charged for the financial planning services.

Services - LIMITED SERVICE FINANCIAL PLANNING

Clients can receive investment advice on a more limited basis. This may include advice on isolated area(s) or concerns such as estate planning, retirement planning, insurance, annuities, investment and financial concerns of the client.

Limited Service Financial Planning Fees

Fees for specific administrative and consulting services will be billed at an hourly rate of \$50 to \$200 per hour, upon mutual agreement with the client, and shall be due and payable at the time that the services are delivered, unless negotiated otherwise. In the event a client should chose to use the brokerage services provided by BFCFS, the RR/IAR at his discretion may chose to refund some or all of the fees charged for the financial planning services.

Financial Planning Service Limitations

RR/IARs are registered as representatives of BFCFS, a broker dealer, and may be insurance agents/brokers of various insurance companies and agencies including, but not limited to BFCFS.

As such, recommendations made in financial plans are limited to only those products offered by these companies. Lower fees for comparable products and services may be available from other sources, broker dealers or insurance companies.

In addition, BFCFS and the RR/IARs also provide a service for financial planning. This service is known as the "Expert Ease System." The suggested fee's that are normal and customary to charge depend on the presentation focus, selected by the customer. The following schedule outlines the fees associated with the presentation. The charge for this service is disclosed up front and collected during the first meeting, serving to cover management fees and time spent by the RR/IAR to produce the specific financial planning package chosen:

\$250 - \$500 Survivorship Planning; College Planning.

\$500 - \$1000 Retirement Planning; Portfolio Mngmt Planning.

\$1000 - \$1500 Estate Planning

Services - SOLICITATION OF MONEY MANAGERS

BFCFS has entered into agreements with various non-affiliated investment advisors to offer their services to BFCFS' clients. Minimum account sizes and related management fees will vary from advisor to advisor and even from client to client depending upon the services provided. As a result of the agreements, compensation is provided to BFCFS in exchange for introducing clients to the non-affiliated investment advisors. BFCFS may share a portion of the compensation with its RR/IARs.

Fees - Solicitation of Money Managers

Compensation to BFCFS is usually 25% to 75% of the fee charged to the Client by the non-affiliated investment advisors for their services. These fees are typically calculated as a percentage of assets under management. The solicitor relationship of BFCFS and its RR/IARs with the non-affiliated investment advisors is clearly communicated to all Clients in a disclosure statement provided by the non-affiliated investment advisor. Compensation is usually received by BFCFS after services are rendered.

Fees - Other: BFCFS is registered with the SEC, NASD, and various other regulatory bodies to provide services as a broker-dealer. In this capacity, BFCFS may be compensated for fees or commissions. If a non-affiliated money manager chooses to implement securities transactions through BFCFS in its capacity as a broker-dealer, the Client may also compensate BFCFS by directed orders in "trade-by-trade" commissions.

General Information on Fees

The fees identified herein are in addition to and are not a part of any costs associated with the acquisition of or investments in securities or insurance products. Client acknowledges that in some cases, parties other than BFCFS may have received typical and customary commission compensation. In addition, Client may be charged a deferred sales load which may be payable to BFCFS.

Layering of Fees

The Applicant may use mutual funds and exchange traded funds in the management of client assets. Mutual funds and exchange traded funds may charge operating expenses, management fees or other costs which are not reflected in the advisory fee charged by the applicant. This fee is ultimately borne by the client as shareholder. A complete description of all fees and expenses can be found in the relevant prospectuses.

Schedule F of Form ADV Continuation Sheet for Form ADV Part II	Applicant: BFCFS	SEC File Number: 801-62277	Date: 12/31/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part II or any other schedules.)

I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: BFCFS		IRS Empl. Ident. No.: 42-1029773
Item of Form (identify) Answer		
Form ADV, Pt II Schedule F Question 5	5) General Standards of Education or Business Experience Required: BFCFS requires its employees who are materially involved with its investment advisor services must have a college degree or satisfactory past business experience in the area in which the employee is employed, plus the applicable required industry examinations and registrations, if any, and that its investment advisors have a minimum certification of a Series 6 or 7 NASD license and either a Series 65, 66, CFP or meet State requirements.	
Question 6	<p>6) Name: Thomas Joseph Berthel Year of Birth: 03/13/1952 Formal Education: St. Ambrose College, Davenport IA, 1974, BA in Music University of Iowa, Iowa City IA, 1993, Masters of Business Administration Business Background: CEO/President BFCFS 701 Tama Street, Marion IA, 52302 05/1982 - Present</p> <hr/> <p>Name: Leslie D. Smith Year of Birth: 08/23/1947 Formal Education: Keokuk Community College, Keokuk IA, 1967, AA Degree Iowa Wesleyan College, Mt Pleasant IA, 1976, BA in Economics & Business Administration University of Dayton School of Law, Dayton OH, 1980, JD/Law Degree Business Background: General Counsel BFCFS 701 Tama Street, Marion IA, 52302 06/1994 - Present</p> <hr/> <p>Name: Ronald Odin Brendengen Year of Birth: 08/05/1954 Formal Education: University of Iowa, Iowa City IA, 1974 Mt. Mercy College, Cedar Rapids IA, 1978, BA in Business/Accounting Business Background: CFO/COO BFCFS 701 Tama Street, Marion IA, 52302 07/1985 - Present</p> <hr/> <p>Name: Randy Austin Wilcox Year of Birth: 9/25/1976 Formal Education: Loras College, Dubuque, IA 1999, BA in Finance Business Background: RIA Manager & Chief Compliance Officer Trading BFCFS Nations Financial 701 Tama Street, Marion IA, 52302 4000 River Ridge Dr, Cedar Rapids, IA 01/2001-08/2002 & 02/2003 - Present 08/ 2002 to 02/ 2003</p>	

Schedule F of Form ADV Continuation Sheet for Form ADV Part II	Applicant: BFCFS	SEC File Number: 801-62277	Date: 12/31/2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part II or any other schedules.)

I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: BFCFS		IRS Empl. Ident. No.:	
Item of Form (identify)	Answer		
Question 7	7) BFCFS's main business spends the majority of its time acting as a Broker Dealer and selling securities through a network of brokers; and engages in investment banking activities.		
Question 8	8 C/D.) BFCFS, Berthel Fisher & Company Planning, Inc. and Berthel Fisher & Co. Insurance Inc. are affiliated companies in that they have the same corporate parent. BFCFS may generally be appointed as sole & exclusive broker by the client with respect to the referenced account for the execution of purchase and sales transactions.		
Question 9	<p>9) Under some of the advisory services, BFCFS or the RR/IAR may be appointed as broker by the client and may receive a commission or fee for providing the service. Clients acknowledge that BFCFS will effect only transactions as it is instructed by the investment advisors and clients who are solely responsible for the management of the client's portfolio.</p> <p>Pursuant to California Rule 260.235.2, a conflict exists between the interests of the investment adviser or associated persons and the interest of the client; the client is under no obligation to act upon the investment adviser's or associated person's recommendation; if the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser, the associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.</p> <p>Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment advisers disclose to their advisory clients that lower fees for comparable services may be available from other sources.</p> <p>Clients acknowledge that, in certain transactions, BFCFS may, at the same time that it acts as investment advisor to a client, act as a broker for the client and for another party on the other side of the transaction ("Agency Cross-Transactions"). Clients understand that BFCFS may receive compensation from each party to such transactions and have a potentially conflicting division of loyalties and responsibilities regarding both parties to such transactions. Clients authorize BFCFS to affect Agency Cross-Transactions for client's account. This consent may be revoked at any time by written notice to BFCFS. In the event that BFCFS desires to act as a broker and/or investment advisor and participate in Agency Cross-Transitions on behalf of its clients, BFCFS will obtain written consent from the clients prior to participating in an Agency Cross-Transition. BFCFS main business is acting as a licensed broker dealer licensed in accordance with the 1934 Securities Act and as such acts as both an agent and a principal in securities transactions.</p> <p>In addition, Berthel Fisher & Company Planning, Inc., an affiliate, is the Trust Advisor to Berthel Growth & Income Trust I, a Delaware Trust, which may be included in some client's portfolios. Although the above securities are indirectly related to BFCFS, BFCFS is careful to ensure that any such investments are compatible with the client's suitability and investment objectives and such affiliations are disclosed to all clients, pursuant to an offering document, prior to any client's involvement.</p>		
Question 12	12) BFCFS allows some RR/IARs to make discretionary trades if a customer has executed appropriate discretionary trading authorization and is approved by BFCFS.		
Question 13(a)	13(a) On occasion, BFCFS may enter into a forgivable loan with an RR/IAR at the time the RR/IAR becomes associated with BFCFS (the "Loan"). The terms of the Loan are such that the Loan is forgiven if the RR/IAR remains associated with BFCFS for a specific period of time and achieves a certain production level during that required time period. The existence of the Loans may create a conflict of interest for the RR/IAR. In the event that BFCFS should enter into any Loans in the future, BFCFS will ensure that the RR/IAR discloses to all his/her clients the potential conflict of interest. From time to time there may be transactions entered into through BFCFS and the RR/IAR, on behalf of the clients, which are done in error. If there should be an error and the said error results in a loss, the RR/IAR is responsible for and must reimburse BFCFS the amount of the loss. In the event there is a gain as the result of the error, BFCFS retains the profit.		
Schedule F of Form ADV Continuation Sheet for Form ADV Part II		Applicant: BFCFS	SEC File Number: 801-62277
			Date: 12/31/2010

Part 1 - Eligibility for SEC Registration

Section 203(h) of the Investment Advisers Act of 1940 ("Advisers Act") authorizes the Commission to cancel or deny the registration of any investment adviser that does not meet the criteria for SEC registration set forth in section 203A of the Advisers Act. This Part I requires applicant to declare whether it is eligible, or continues to be eligible, for Commission registration.

Check either (a) or (b):

(a) ☒ Applicant is eligible (or will remain eligible) for SEC registration.

In order for an applicant to be eligible (or remain eligible) for SEC registration, applicant must respond affirmatively (by checking the appropriate box or boxes) to at least one of the items (i) through (ix) below:

Applicant:

- (i) ☒ has assets under management of \$25 million (in U.S. dollars) or more;
Report assets under management in Part II if "assets under management" is the sole basis of applicant's eligibility for SEC registration (i.e., this item (i) is checked, and none of the items (ii) through (ix) below are checked).
- (ii) ☐ has its principal office and place of business in Colorado, Iowa, Ohio, or Wyoming
(*See Instruction 3*);
- (iii) ☐ has its principal office and place of business outside the United States (*See Instruction 3*);
- (iv) ☐ is an investment adviser to an investment company registered under the Investment Company Act of 1940 (*See Instruction 4*);
- (v) ☐ is a nationally recognized statistical rating organization;
- (vi) ☐ is a pension consultant that qualified for the exemption in rule 203A-2(b));
- (vii) ☐ is an investment adviser that controls, is controlled by, or is under common control with, an investment adviser eligible to maintain its registration with the Commission, and whose principal office and place of business is the same as the eligible adviser (*See Instruction 5(a)*);
- (viii) ☐ is a newly formed adviser relying on rule 203A-2(d) (*See Instruction 5(b)*);
- (ix) ☐ has received an order of the Commission exempting applicant from the prohibition on registration with the Commission.

Application number: 803-_____

Date of Commission's order: _____

(b) ☐ Registrant is no longer eligible for SEC registration: (*See Instruction 6*)

Part	II	-	Assets	Under	Management
Report assets under management if required by Part I (i.e., if item I(a)(i) is checked yes "(x)" and is the sole basis for applicant's eligibility for SEC registration).					

State the amount of applicant's assets under management (in U.S. dollars): (*See Instruction 7*)
\$450,000,000.00 as of 12/31/2009