



GEBHARDT GROUP

Wealth Management Services

FORM ADV PART 2A* SEC-Required Brochure

March 2011

Gebhardt Group, Inc.
3620 Happy Valley Road, Suite 204
Lafayette, California 94549

Toll-Free: 877.283.9150

Tel: 925.283.9150

Fax: 925.283.9155

www.gebhardtgroupinc.com

*This brochure provides information about the qualifications and business practices of Gebhardt Group. If you have any questions about the contents of this brochure, please contact us at telephone 925.283.9150. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission or by any state authority. Additional information about Gebhardt Group is available on the SEC's website at www.advisorinfo.sec.gov.

MATERIAL CHANGES FROM PRIOR FORM ADV PART 2A

On July 31, 2010, the Securities and Exchange Commission (“SEC”) adopted revised rules regarding the format and content of the Form ADV Part 2 disclosure brochure. Pursuant to these revised rules, all SEC-registered investment advisors were required to prepare a new ADV Part 2 brochure that is presented in a narrative format and that addresses certain enumerated disclosure topics. Most of these topics were addressed in the Schedule F to Gebhardt Group’s prior ADV Part II and have been re-stated here in a more identifiable and readable presentation.

This amended Form ADV Part 2 contains prior content from the Firm’s Form ADV Part II brochure statement as well as additional required information.

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1. ADVISORY BUSINESS

Registration Status - Registered with the SEC on May 4, 2007¹

Principal Owner - James C. Gebhardt

ADVISORY SERVICES

Gebhardt Group, Inc. (“Gebhardt Group” or sometimes the “Firm” or “Advisor”) is a California corporation providing investment management and financial consultations to its clients. Our services are organized around a proprietary system called the Quadrant Living Experience™ intended to assist our clients in the design, development and perpetuation of personal and multi-generational financial goals. Through the Quadrant Living Experience™ network, our clients may access other financial professionals, including accounting, legal professionals, as their individual needs dictate. Our investment management services include, among other things, financial goal setting, risk assessment, strategic asset allocation and the selection of investments.

Depending upon a client’s needs, financial planning services are provided in individual Quadrant Living Experience strategic phases. The four Quadrant Living financial planning phases are as follows:

Phase I - Location & Vision: the Firm assists the client in identifying their current financial condition and establishing their financial goals.

Phase 2 - Design & Build: allows Gebhardt Group to create a comprehensive financial plan that reflects the client’s financial situation and addresses the vision of the client and family members.

Phase 3 - Implementation: wherein the Firm assists the client in the implementation of the financial plan in conjunction with additional estate planning procedures and works with the multiple generations of the client’s family and outside professional advisors in implementing the Quadrant Living wealth building philosophy.

Phase 4 - Reinforce & Extend: wherein the Firm provides ongoing monitoring of investments, conducts due diligence regarding current and recommended investments, updates strategies as needed to meet client objectives, monitors legislative and tax changes, coordinates efforts of wealth design team professionals and provides additional educational support to family members on Quadrant Living strategies.

¹ “Registration” means only that the Firm meets the minimum requirements for registration as an investment advisor and does not imply that the SEC guarantees the quality of our services or recommends them.

ASSETS UNDER MANAGEMENT AS OF DECEMBER 31, 2010

Discretionary Assets - \$43,000,000

Non-discretionary Assets - \$31,000,000

TERMINATION OF AGREEMENT

Clients may terminate the investment management agreement at any time, upon written notice to Gebhardt Group. Any earned fees owed to Gebhardt Group will be paid from the client's account on a pro rata basis determined on the amount of time expired in the calendar quarter. Advisor may terminate the investment management agreement upon 30 days' written notice to the client. Any unearned investment management fees owed to the client will be refunded on a pro rata basis determined on the amount of time expired in the calendar quarter.

If a copy of this Form ADV Part 2A disclosure statement was not delivered to the client prior to or simultaneous with a client entering into a written advisory contract with Advisor, then the client has the right to terminate the contract without penalty within five (5) business days after entering into the contract. For purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract. If the client terminates the contract on this basis, all fees paid by the client will be refunded. Any transaction costs imposed by the executing broker or custodian for establishing the custodial account or for trades occurring during those five days are non-refundable.

2. FEES AND COMPENSATION

ADVISORY FEES

For its investment management clients, Gebhardt Group charges a fee based on a percentage of the market value of each client's account. Assets in the account are included in the fee assessment unless specifically identified in writing for exclusion. The management fee is billed quarterly, in advance, and prorated for accounts established or terminated at times other than the start of the quarter. The management fee is based on the value of the assets as of the last day of the prior quarter and subject to the following schedule:

Value of Account Assets	Annual Fee Rate
On the first \$1,000,000	1.25% plus
On the next \$1,000,000	0.75% plus
On amounts between \$2,000,001 and \$10,000,000*	0.50%
<i>*For accounts above \$10,000,000</i>	<i>0.50% on entire account</i>

Advisory fees for new clients as of January 1, 2011 are billed at 2% for all assets managed in accounts held at Charles Schwab & Co.

Under certain circumstances, based upon the nature of the Account and the services requested, Gebhardt Group in its discretion may agree to assess a different management fee for either new or existing clients.

Gebhardt Group assesses a minimum annual investment management fee of \$10,000. Under certain circumstances, based upon the nature of the Account and the services requested, Gebhardt Group in its sole discretion may modify or waive the minimum annual fee.

To the extent that a client authorizes the use of margin, and margin is thereafter employed by our portfolio managers in the management of the client's portfolio, the market value of the client's account and corresponding fee payable by the client to Gebhardt Group may be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin may correspondingly increase the management fee payable to the Firm. Accordingly, the decision as to whether to employ margin is left to the sole discretion of client.

FINANCIAL PLANNING SERVICES

For its financial planning services, Gebhardt Group may charge an hourly fee of \$300 or provide services on the basis of a fixed fee ranging from \$2,500 to \$250,000, depending upon the complexity of a Client's requirements or objectives and the extent to which outside professionals are consulted for estate planning, accounting and other professional services. Fees for each phase of the financial planning process are payable in advance.

Under certain circumstances, Gebhardt Group also accepts sales fees or commissions from the issuers of specified securities and insurance products when Gebhardt Group financial planning clients, who are not also investment management clients, purchase those products.

GENERAL FEE DISCLOSURES

We believe our investment management fees are competitive with the fees charged by other investment advisors in the San Francisco Bay area for comparable services. However, comparable services may be available from other sources for lower fees than those charged by Gebhardt Group.

Any discrepancy in fees should be communicated immediately to us within 30-days of the billing date.

Gebhardt Group's fees are exclusive of and in addition to applicable brokerage commissions, custodial charges and asset specific fees such as those charged by funds for management and administration.

We do not provide clients advice as to the tax deductibility of its advisory fees. Clients are directed to consult a tax professional to determine the potential tax deductibility of the payment of advisory fees.

CUSTODIAN AND BROKERAGE FEES

Clients incur certain charges imposed by their custodians and other third parties such as custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients will incur charges by the executing broker-dealer in the form of brokerage commissions and transaction fees on the investment transactions entered into for their account(s). All of these charges, fees and commissions are in addition to Gebhardt Group's investment management fee.

FUND DISCLOSURES

Mutual funds, closed-end funds, exchange traded funds and alternative investment funds are investment vehicles and the investment strategies, objectives and types of securities held by such funds vary widely. In addition to the advisory fee charged by Gebhardt Group, clients indirectly pay for the expenses and advisory fees charged by the funds in which their assets are invested.

All such funds incur operating expenses in connection with the management of the fund. Investment funds pass some or all of these expenses through to their shareholders (the individual investors in the funds) in the form of management fees. The management fees charged vary from fund to fund. In addition, funds charge shareholders (individual investors in the funds) other types of fees such as early redemption or transaction fees. These charges also vary widely among funds. As a result, clients will still pay management fees and other, "indirect" fees and expenses as charged by each mutual fund (or other fund) in which they are invested.

Clients are provided a copy of a fund prospectus for each fund in which they invest by their custodian or by the fund sponsor rather than by Gebhardt Group. As required by law, a prospectus represents the fund's complete disclosure of its management and fee structure. In addition, a fund's prospectus can be obtained directly from the fund.

BOND DISCLOSURE

Clients whose assets are invested in bonds purchased directly from an underwriter may pay a sales credit or sales concession to the underwriter on the trade (in lieu of a sales commission) ranging from 0% - 2% of the par value of the bond.

ALTERNATIVE INVESTMENTS

On occasion, Gebhardt Group may recommend to its clients an investment in alternative investment partnerships or private pooled investment funds. In the event that Gebhardt Group identifies securities issued by third party private investment funds for potential investment, it may facilitate an introduction between such third party private investment funds and our clients. Gebhardt Group has neither an ownership nor other proprietary interest in these funds. However, the Firm, its president or one or more employees (collectively, "Gebhardt Group") may receive compensation in the form of a referral fee from the general partner/investment manager of the funds for introducing prospective investors. Any registered broker-dealer supervising an officer or employee of Gebhardt Group as a registered representative may also receive compensation in the form of a referral fee from the general partner/investment manager, which may reduce the referral fee otherwise received by such registered representative. Disclosure of the referral fee to be received by Gebhardt Group and any broker-dealer, is provided to clients at the time of the investment.

Detailed disclosures of other conflicts of interest related to these third-party investment funds, if any, are provided in all relevant private placement memoranda, offering memoranda, subscription agreements, limited partnership agreements and other applicable solicitation and disclosure documents. Disclosure of the referral fee to be received by Gebhardt Group or any broker-dealer is provided to clients at the time of the investment. In the event that Gebhardt Group receives a referral fee with respect to assets invested in a third party private investment fund, such assets are not included in the calculation of the value of assets in each client account that determines the management fee paid to Advisor (as described above).

SALES COMMISSIONS ACCEPTED AND FEE PAYMENT CREDITS FOR CLIENTS THAT PLACE ASSETS UNDER MANAGEMENT WITH GEBHARDT GROUP

Some investment products (certain investment programs, mutual funds, insurance and annuities identified below in Item 3) are available only on a commission or other fee basis. In order to allow Gebhardt Group the widest possible selection of appropriate investment products for its clients' investment management accounts, and in order to minimize any potential conflict of interest resulting from the payment to Gebhardt Group of a sales commission or fee by the issuers of such investment products, for its investment management clients, Gebhardt Group will credit against its management fee, the amount charged its clients' account that is attributable to any sales "load", commission or fee paid by the issuer to Advisor for any investment product.

For Gebhardt Group financial planning clients that do not enter into a separate portfolio management agreement with Gebhardt Group for investment management services, we will not credit any commissions or fees received against financial planning fees billed.

Where Gebhardt Group is paid a sales commission or fee for placing its clients with one or more investments, its recommendation of these investments might be deemed a

conflict of interest. We only recommend investment in such assets if, based upon the client's personal financial condition, time horizon, risk tolerance and investment objective, such investment would be suitable for that client. Nevertheless, as a result of its receipt of commission payments, our recommendation of these asset management programs might be deemed a conflict of interest.

3. PERFORMANCE-BASED FEES

No part of Gebhardt Group's investment management fee is based upon capital gains or the capital appreciation of assets.

4. TYPES OF CLIENTS

Our clients include individuals, trusts, estates, charitable organizations, and pension and profit sharing plans, on both a discretionary and non-discretionary basis. We generally require advisory clients to maintain a minimum account size of \$500,000 although multiple accounts for the same client may be aggregated to meet this minimum. The Firm has discretion to waive minimums when warranted. As a result, Gebhardt Group's services may not be appropriate for everyone. Particularly for smaller accounts, other investment advisors may provide somewhat similar services for lower compensation, although still others may charge more for similar services.

5. METHODS OF ANALYSIS, INVESTMENT STRATEGIES, RISK OF LOSS

METHODS OF ANALYSIS

Depending upon the type of investment, Gebhardt Group utilizes a combination of fundamental and technical analysis. Fundamental analysis involves analyzing real data, including overall economic and company-specific information available to determine the value of a particular investment. Technical analysis involves analyzing statistics provided by market activity such as past prices and volume to identify patterns that can be used to predict future activity. In performing these analyses, our portfolio manager consults third-party research materials, company annual reports and other regulatory filings, and financial newspapers and periodicals.

INVESTMENT STRATEGY

Gebhardt Group's investment objective is to seek consistent positive returns primarily through capital appreciation with some emphasis on current income. The Firm aims to construct a diversified portfolio by allocating assets to securities or mutual funds that focus on domestic equity, foreign equity, fixed income and alternative assets. Investment results are measured over full market cycles and we recommend an investment time horizon of at least three years for capital invested in its target models. Our process emphasizes asset allocation as fundamentally the most important step in developing investment strategy. Target model portfolio construction decisions are

based on trend-following assessments of current capital market conditions and the specific investment allocations in the client's portfolio. The Firm has developed a target asset allocation model for use with all clients. The target model is designed to provide a core investment structure. This core structure allows for flexibility such that positions can be adjusted to meet specific parameters set forth by the individual client, if any. Unless otherwise instructed by a client in writing, we will implement the target model for each client. Despite the diversified nature of our strategy and the aim to deliver consistent positive returns, positive returns are not guaranteed and the portfolios are subject to the risk of loss of principal.

Gebhardt Group typically utilizes products such as equities, corporate and municipal debt, options, and investment company products including insurance, annuities, exchange traded funds and mutual funds. We also provide investment advice regarding other types of investments to qualified clients for whom such investments are deemed suitable. Other types of investments for such clients may include, but are not limited to, alternative investments such as venture capital limited partnerships, private equity, managed future funds, hedge funds and third party funds of funds.

Investment Programs

In addition, Gebhardt Group may recommend several wrap fee or other managed asset programs to certain of its financial planning and investment management clients. In such cases, a copy of the Form ADV Part II for investment manager that sponsors the program or other applicable broker-dealer offering documentation is provided to Gebhardt Group clients. The services provided by Gebhardt Group to wrap fee clients differ from those provided to its investment management clients that do not participate in a wrap fee program in that all account reporting to the client related to the investment program is sent to the client directly by the program sponsor, who reports the applicable account transactions, valuation and performance data.

The managed asset programs recommended by Gebhardt Group include:

Pershing CAAP

This turnkey investment program is called Traditional Fund CAAP (TFC) and uses asset allocation models comprised of load-waived mutual funds or no-load mutual funds managed on a discretionary basis. The fundamental research used in the selection process of the load-waived and the no-load mutual funds is from Litman Gregory of Orinda, California.

Based on the Pershing Risk Tolerance Questionnaire along with conversations with Firm clients regarding an appropriate asset allocation, the Firm recommends a specific portfolio based on the client's investment objectives. Cambridge, a broker-dealer, retains trading discretion, and is responsible for trading and rebalancing all CAAP accounts.

For clients participating in Pershing CAAP, Gebhardt Group may receive compensation of up to 2% of the assets participating in the wrap fee program.

Schwab Managed Accounts

For larger client situations that require the management of individual stock and bond portfolios we consider asset management firms from Schwab's platform of third party money managers.

Schwab has teamed with Callan Associates Inc. (Callan), an independent investment consulting firm, to provide research and ongoing analysis of the money managers in the Managed Account Select® platform. We have access to both quantitative and qualitative information from Schwab and its research partners to help craft a customized portfolio to the specific needs of the client.

For clients participating in a Schwab Managed Account Select strategy, Gebhardt Group may receive investment management compensation of up to 2% of the assets placed in the program.

American Funds

For those clients who prefer a commission oriented product, or do not want us to have discretion over their portfolio or prefer a lower cost option versus actively managed portfolios - we often recommend American Funds A shares which have an upfront commission charged to the client on a sliding scale based on the assets involved (breakpoints.) Consequently, A shares have the lowest management fees of the share classes available. These portfolios are not as actively managed as we do not have discretion over the funds invested and a verbal conversation must take place between the Advisor and the client before each and every transaction. We tailor a customized portfolio to the specific needs of the client using a basket of American Fund mutual funds.

For our commission-based clients that select American Funds A shares, Gebhardt Group may receive commission compensation on the executed trades. For further details, see the American Funds A share prospectus.

INVESTMENT RISKS

All securities investments carry risk, including the risk that an investor may lose a part or all of his or her initial investment. Here are some of the general risks associated with parts of our investment strategy:

Short-term purchases - on occasion, generally only for tax management purposes, we may determine to buy or sell securities in a client's account and hold them for less than a year. Some of the risks associated with short-term trading that could affect investment performance are increased commissions and transaction costs to the account and increased tax obligations on the gains in a security's value.

Bond Pricing - The price of bonds depends in part on the current rate of interest. Rising interest rates decrease the current price of bonds because current purchasers require a competitive yield. As such, decreasing interest rates increase the current value of bonds with associated decrease in bond yield. We may decide to exchange to a lower or higher duration bond or to another asset class due to interest rate risk that could affect investment performance.

Inflation - Inflation is the loss of purchasing power through a general rise in prices. If an investment portfolio is designed for current income with a real rate of return of 4% and inflation were to rise to 5% or higher, the account would result in a loss of purchasing power and create a negative real rate of return.

Price Fluctuation - Security prices do fluctuate (except for cash or cash equivalents) and clients must accept that risk associated with the fluctuations or change to a more appropriate investment portfolio in alignment with their risk tolerance.

Reinvestment of Dividends - An investor can choose to reinvest interest, dividends and capital gains to accumulate wealth. This is an appropriate strategy for a portfolio designed for capital growth. However, the reinvested earnings could result in a lower or a higher rate than was initially earned.

Mutual Funds with Foreign Asset Holdings - Any investments in mutual funds that make foreign investments are subject to the uncertainty with changes in the foreign currency value. The client will bear more risk and may earn a substantially higher return or a substantially lower return.

Short Sale Trading - Short Sale Trading, or “shorting” involves a greater amount of risk and is rarely advocated by the Firm. In certain cases, short selling may be used as directed by either Gebhardt Group or the client to achieve specific goals.

Margin Trading - In some cases, and generally only for short term financing considerations, clients may elect to assume a margin balance on their investment account. The client’s custodian may require a percentage of assets under management to be pledged as collateral for the margin amount. Clients risk that in a falling market, the pledged collateral will be insufficient to cover a margin call by their custodian. Consequently, all margin decisions are left to the client.

Option Trading - Certain clients engage in option trading. Option securities are complex derivatives of equity securities that incorporate certain leverage characteristics and as such carry an increased risk of investment loss.

Alternative Asset Classes - Many alternative investments are illiquid, which means that the investments can be difficult to trade. Consequently, such holdings may limit a client's ability to dispose of such investments in a timely manner and at an advantageous price.

IPOs - Are generally investments in companies with limited operational histories and non-existent or weak earnings and are highly subject to market sentiment. Shares purchased through an IPO can often trade down immediately from their offer price or can be subject to wild fluctuations in performance at certain time periods after their entry to the public markets and, as such, carry increased risks of investment loss.

Private Equities - We may purchase or recommend the inclusion of shares in non-publicly traded equities in the accounts of accredited clients. These companies will generally have little available information on their financial status, capital structure or revenues, resulting in increased risk of loss, including total loss. In addition, these securities may be highly illiquid or may experience losses of liquidity - resulting in an inability to sell said equities or sales prices that are substantially below the purchase or market price. Unless otherwise expressly agreed, we will value these positions at their purchase price for any accounting purposes, which may not reflect losses that would be realized if the position was sold. Of particular risk is that Best Practices will base its account values for billing purposes on these positions' purchase price (unless another methodology is agreed upon with the client), leading to a potential motivation to overvalue said equities. Finally, we may have clients who are executives of said firms or have other financial relationships that may create conflicts of interest. Where such conflicts exist, the Firm will disclose these conflicts in written format to the clients who hold such securities or whom we intend to purchase such securities under our discretion prior to any transactions.

6. DISCIPLINARY INFORMATION

Gebhardt Group has no disciplinary history and consequently, is not subject to any disciplinary disclosures.

7. OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Gebhardt Group's President, James Gebhardt, and our Client Service Specialist, Nancy Pahl, are registered representatives of Cambridge Investment Research, Inc. ("Cambridge"), a broker-dealer registered with the Financial Services Regulatory Authority ("FINRA") (formerly "NASD"). Cambridge is independent and unaffiliated with Gebhardt Group and does not supervise Gebhardt Group's investment management services and has no responsibility for the investment management decisions of Gebhardt Group regarding its clients' assets or any other services it may offer its clients. Mr. Gebhardt's and Ms. Pahl's affiliation with Cambridge allows Gebhardt Group to offer investment programs, insurance products and other commission-based products to its clients.

In the course of providing its financial planning or investment management services, Gebhardt Group also may recommend insurance solutions. Mr. Gebhardt is an

appointed sales agent for numerous insurance issuers (including AIG Sun America, Hartford, ING Life & Annuity, John Hancock, Lincoln Financial, Putnam Allstate, Standard, Sun Life, Travelers, and Transamerica Life.) When Gebhardt Group recommends an insurance product to a client, the applicable insurance issuer pays a sales load or commission to Mr. Gebhardt. The insurance issuers with which Mr. Gebhardt is affiliated are wholly independent of and otherwise unaffiliated with Gebhardt Group. None of them supervise Gebhardt Group's financial planning or investment management services or has any responsibility for our decisions regarding clients' assets or any other services Gebhardt Group may offer its clients.

Gebhardt Group is an independent investment advisor, unaffiliated with any other financial institution or securities dealer or issuer. Although we recommend that our clients custody their investment accounts at Charles Schwab & Co., Inc. or Cambridge/Pershing ("Schwab or Cambridge/Pershing"), we are not owned or controlled by Schwab or Cambridge/Pershing and do not supervise their brokerage activities. While Mr. Gebhardt and Ms. Pahl are supervised individually by Cambridge regarding their registered representative activities, neither Cambridge nor Schwab supervise the investment management activities of Gebhardt Group.

Although we may refer our clients to other professionals such as attorneys or accountants for estate planning, tax or other matters, neither the Firm nor its principals or employees are affiliated with any law or accountancy firm.

8. CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Gebhardt Group and its employees and their immediate families (sometimes collectively "employees") are permitted to buy and sell securities for their personal investment accounts. We have adopted employee personal trading policies and procedures and a code of ethics to govern our and employee trading practices. A copy of our employee trading policies and code of ethics is made available to clients and prospective clients upon request.

The Firm's owner, officers and employees are required to report all personal securities transactions on a regular basis. Employees are required to sign a certification agreeing to abide by the Firm's personal trading practices and code of ethics. Employees may trade in the same securities traded for clients; however, it is our policy not to give preference to orders for personnel associated with Advisor regarding such trading. Employees may personally invest in the same securities that are purchased for client trading accounts and may own securities that are subsequently purchased for client accounts. From time to time, trading by employees in particular securities may be restricted in recognition of impending investment decisions on behalf of clients. If a security is purchased or sold for client accounts and Advisor and/or its employees on the same day, employees will pay or receive the same price as the client account, or the client account will receive the more favorable price. If purchased or sold on different

days, it is possible that employees' personal transactions might be executed at more favorable prices that were obtained for clients.

Employees may buy or sell different investments, based on personal investment considerations, which the Firm may not deem appropriate to buy or sell for clients. It is also possible that employees may take investment positions for their own accounts that are contrary to those taken on behalf of clients. Employees may also buy or sell a specific security for their personal account based on personal investment considerations aside from company or industry fundamentals, which are not deemed appropriate to buy or sell for clients. This can occur when securities that are not suitable for clients at the time of purchase (e.g., speculative stocks, micro-cap stocks, penny stocks), are purchased by employees. If these securities subsequently appreciate, these personal transactions could be viewed as creating a conflict of interest.

Conversely, we may liquidate a security position that is held both for our own accounts and for the accounts of Firm clients, sometimes in advance of clients. This occurs when personal considerations (i.e., liquidity needs, tax-planning, industry/sector weightings) deem a stock sale necessary for individual financial planning reasons. If the security subsequently falls in price, these personal transactions could be viewed as a conflict of interest.

9. BROKERAGE PRACTICES

RECOMMENDATION OF SCHWAB OR CAMBRIDGE/PERSHING AS CUSTODIAN AND EXECUTING BROKER

Gebhardt Group recommends that clients establish brokerage accounts with Schwab or Cambridge/Pershing, registered broker-dealers, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Schwab and Cambridge/Pershing are independently owned and operated and not affiliated with Gebhardt Group and do not supervise or otherwise monitor Gebhardt Group's investment management services to its clients. Schwab or Cambridge/Pershing provides Gebhardt Group with access to its institutional trading and custody services, which typically are not available to Schwab or Cambridge/Pershing retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab or Cambridge/Pershing, but are not otherwise contingent upon Gebhardt Group committing to Schwab or Cambridge/Pershing any specific amount of business (in the form of either assets in custody or trading). Schwab or Cambridge/Pershing's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institution investors or would require a significantly higher minimum initial investment.

Schwab or Cambridge/Pershing also makes available to Gebhardt Group other products and services that benefit Gebhardt Group but may not benefit its clients. Some of these other products and services assist Gebhardt Group 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 Gebhardt Group'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 Gebhardt Group's accounts, including accounts not maintained at Schwab or Cambridge/Pershing. Schwab or Cambridge/Pershing also makes available to us other services intended to help us manage and further develop our business. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab or Cambridge/Pershing may make available, arrange and/or pay for these types of services to Gebhardt Group by independent third parties. Schwab or Cambridge/Pershing may discount or waive fees it otherwise would charge for some of these services or pay all or a part of the fees of a third-party providing these services to Gebhardt Group.

Our recommendation that clients maintain their assets in accounts at Schwab or Cambridge/Pershing may be based in part on the benefit to us or 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 or Cambridge/Pershing, which may create a potential conflict of interest.

BEST EXECUTION

Gebhardt Group is not obligated to obtain the best net price or lowest brokerage commission on any particular transaction. Rather federal law requires investment managers to use their reasonable best efforts to obtain the most favorable execution for each transaction executed on behalf of client accounts.

In selecting broker-dealers, Gebhardt Group's primary objective is to obtain the best execution. Expected price, giving effect to brokerage commissions, if any, and other transaction costs, are principal factors, but the selection also takes account of other factors, including the execution, clearance and settlement capabilities of the broker-dealer, the broker-dealers willingness to commit capital, the broker-dealers reliability and financial stability, the size of the particular transaction and its complexity in terms of execution and settlement, the market for the security, the value of any research and other brokerage services provided by the broker-dealer, and the cost incurred by placing prime brokerage trades in client accounts.

Based upon an evaluation of some or all of these factors, Gebhardt Group may execute client trades through broker-dealers that charge fees that are higher than the lowest available fees. Gebhardt Group may select broker-dealers whose fees may be greater than those charged for similar investments if we determine that brokerage services and research materials provided by that broker-dealer warrant the payment of higher fees.

Gebhardt Group reviews transaction results periodically to determine the quality of execution provided by the various broker-dealers through whom we execute transactions on behalf of clients.

SOFT DOLLAR ARRANGEMENTS AND POTENTIAL CONFLICTS

Gebhardt Group may receive from an executing broker or allow a broker to pay for certain research or brokerage services, known as “soft dollar” brokerage services and research. “Soft dollars” refers to the use of brokerage commissions on client trades to pay for the soft dollar research or brokerage services received. Because many of these services benefit Gebhardt Group in conducting its advisory business, and because the soft dollars used to acquire them are assets of its clients (in the form of commissions), we could be considered to have a conflict of interest in allocating client brokerage business, in light of a potential incentive to effect more transactions than it might otherwise in order to obtain those benefits.

Although Gebhardt Group receives soft dollar services and research, it is the Firm’s policy is to limit its use of soft dollar arrangements to those falling within the safe harbor of Section 28(e) of the Securities and Exchange Act of 1934, as amended. To be protected under Section 28(e), Gebhardt Group must, among other things, determine that commissions paid are reasonable in light of the value of the brokerage and “research” services and products acquired. Section 28(e)’s “safe harbor” protects the use of client soft dollars even when the research and brokerage services and products acquired are used in making and implementing investment decisions and transactions for other clients. Only *bona fide* research and brokerage products and services that provide assistance to Gebhardt Group in the performance of its investment decision-making responsibilities are permitted.

Soft dollar research and services may include among others, economic and market information, portfolio strategy advice, proxy voting services, industry and company comments, technical data, recommendations, research conferences, general reports, periodical subscription fees, consultations, performance measurement data, on-line pricing, news wire charges, quotation services, computer hardware and software. Gebhardt Group may receive soft dollar credits based on principal, as well as agency, securities transactions with brokerage firms or direct a brokerage firm that executes transactions to share some of its commissions with a brokerage firm that provides soft dollar benefits to Gebhardt Group.

With respect to certain computer equipment and software used for both research and non-research purposes, Gebhardt Group may allocate the costs of such products between their research and non-research uses, and use soft dollars to pay only for the portion allocated to research uses.

Gebhardt Group may pay a broker a brokerage commission in excess of that which another broker might charge for effecting the same transaction in recognition of the value of the brokerage, research, other services and soft dollar relationships that broker provides. In such a case, however, Gebhardt Group determines in good faith that such commission is reasonable in relation to the value of such brokerage, research, other services and soft dollar relationships, viewed in terms of either the specific transaction or Gebhardt Group's overall responsibilities to the portfolios over which it exercises investment authority. An account may, however, pay higher brokerage commissions than are otherwise available or may pay more brokerage commissions based on account trading activity. In addition, the research and other benefits resulting from a brokerage relationship benefit all accounts managed by Gebhardt Group or Gebhardt Group's operations as a whole, including clients who direct Gebhardt Group to use a broker that does not provide soft-dollar benefits. Gebhardt Group's relationships with brokerage firms that provide soft dollar services may create conflicts of interest, both in allocating brokerage business between firms that provide soft dollar services and firms that do not, and in allocating the costs of mixed-use products between their research and non-research uses. These conflicts of interest may be influential to the extent that Gebhardt Group uses soft dollars to pay expenses it otherwise would be required to pay itself.

Gebhardt Group may, on occasion, be the recipient of unsolicited discounts on software and other services. The discounts are generally offered to all firms who fit a common profile and Gebhardt Group is not offered such discounts because of a particular event or request. Such discounts are accepted with the intent to benefit all clients and the value of these discounts is not considered in the process of selecting securities to purchase for client accounts.

Gebhardt Group routinely considers the amount and nature of the research products and services provided by brokers as well as the extent to which such products and services are relied upon, and will attempt to allocate a portion of its brokerage business on the basis of that consideration. In addition, broker-dealers sometimes suggest a level of business they would like to receive in return for the various services they provide. Actual brokerage business received by any broker-dealer may be less than the suggested allocations, but may be expected to exceed the suggestions, because total brokerage is allocated on the basis of all the considerations described above. In no instance will a broker-dealer be precluded from receiving business simply because it has not been identified as providing research products and services, although Gebhardt Group may not be willing to pay the same commission to such broker as Gebhardt Group would have paid had the broker provided research products and services.

AGGREGATION OF TRADES AND POTENTIAL CONFLICTS

Gebhardt Group may combine transaction orders on behalf of multiple clients and allocate the securities or proceeds on an average price basis among the various

participants in the transactions. Gebhardt Group and/or its associated persons may participate in such aggregated orders.

While Gebhardt Group believes combining transaction orders in this way should, over time, be advantageous to all participants, in particular cases the average price could be less advantageous to a particular client than if such client had been the only client effecting the transaction or had completed its transaction before the other participants. There may be circumstances in which transactions on behalf of Gebhardt Group or its associated persons may not, under certain laws and regulations, be combined with those of some of Gebhardt Group's other clients. In such cases, neither Gebhardt Group nor any associated person will effect transactions in a security on the same day as clients until after the clients' transactions have been executed.

When orders are aggregated, the price paid by each account is the average price of the order. Transaction costs are allocated to each client by the client's custodian according to the client's custodial agreement. It is our policy that trades are not allocated in any manner that favors one group of clients over another over time. Client transactions may be aggregated according to custodial relationship in consideration of "trade away" charges that may be imposed if trades are directed to a non-custodial broker-dealer for execution. Aggregated trades placed with different executing brokers may be priced differently.

ALLOCATION OF OPPORTUNITIES AND POTENTIAL CONFLICTS

Because we manage more than one client account, there may be a conflict of interest related to the allocation of investment opportunities among all accounts managed by the Firm. We attempt to resolve all such conflicts in a manner that is generally fair to all of clients over time. We may give advice and take action with respect to any of our clients that may differ from advice given or the timing or nature of action taken with respect to any other client based upon individual client circumstances. It is our policy, to the greatest extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to all clients. The Firm is not obligated to acquire for any client account any security that the Firm or its owners, officers, employees or affiliated persons may acquire for their own accounts or for the account of any other client, if in the discretion of the portfolio managers, based upon the client's financial condition and investment objectives and guidelines, it is not practical or desirable to acquire a position in such security for that account.

10. REVIEW OF ACCOUNTS

Client financial plans are reviewed either by James Gebhardt, President, Portfolio Manager and Chief Compliance Officer or by Nancy Pahl, Client Services Specialist, at least annually for consistency with client objectives. Client investment portfolios are reviewed either by Mr. Gebhardt or by Ms. Pahl, at least quarterly for consistency with the Firm's investment strategy and client investment guidelines. Mr. Gebhardt and Ms. Pahl periodically monitor client holdings to track asset class allocations, cash allocations

and other factors. Periodic allocation adjustments may be recommended due to client investment guideline changes, client deposits and withdrawals and significant life changes for the client (births, deaths, marriage, divorce, etc.) Additionally, client holdings are reviewed in response to changes in the financial markets and/or changes in the Firm's investment strategy.

For managed investment portfolios, clients receive quarterly reports summarizing portfolio holdings, cash flows in and out of the account, and asset allocations. In addition, each client receives transaction confirmations and a monthly account statement from the custodian of their account.

Client financial plans and updates are provided on an "as requested" basis. For financial planning clients whose assets are managed by other managers, clients receive monthly custodial statements and quarterly reports directly from the third party advisors/managers.

11. CLIENT REFERRALS AND OTHER COMPENSATION

Gebhardt Group does not pay referral fees to any third party firms or individuals for recommending the Firm to prospective clients, nor is the Firm or its employees paid referral fees by any third party for referring clients to their businesses. We do not direct brokerage transactions to any broker-dealer in exchange for receiving client referrals.

Gebhardt Group employees are not paid "sales awards" or other prizes for referring clients to the Firm.

12. CUSTODY OF CLIENT ASSETS

Gebhardt Group does not maintain physical custody of client funds or securities. Clients are required to set up their investment accounts with a "qualified custodian," namely a broker dealer, bank or trust company. Gebhardt Group is unable to take even temporary possession of client assets for the purpose of transferring them to the client's account. Each client has a direct relationship with their custodian and is responsible for making deposits to and withdrawals from their account as necessary. The Firm is given the authority to receive payment of its management fees directly from the account, but it is not authorized to make any other withdrawals or to transfer money out of the account to a third party.

Disclosures Related to Custodians

Schwab Advisor Services Division of Schwab or Cambridge/Pershing acts as custodian and executing broker-dealer for Gebhardt Group clients. Schwab and Cambridge/Pershing are independently owned and operated and not affiliated with

Gebhardt Group and do not supervise or otherwise monitor our investment management services to our clients.

For Gebhardt Group client accounts maintained in their custody, Schwab or Cambridge/Pershing 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 Cambridge/Pershing or that settle into client accounts that are held with Schwab and/or Cambridge/Pershing. In most cases, trade executions for client accounts custodied at Schwab or Cambridge/Pershing will be made by the respective custodian to avoid “trade away” charges otherwise imposed for trades executed at other broker-dealers. In cases where a desired security is not available for purchase or sale through the custodial broker, and in light of our best execution evaluation, certain executions may be made at a different broker-dealer.

Schwab or Cambridge/Pershing send account statements directly to the client (or to an independent third party representative designated by the client), no less than monthly, showing all funds and securities held, their current value and all transactions executed in the client’s account, including the payment to Gebhardt Group of its investment management fees.

13. INVESTMENT DISCRETION

Clients appoint Gebhardt Group as their investment advisor and grant full trading and investment authority over their assets at the time they establish their investment accounts. Subject to the Firm’s investment strategy and the client’s investment objectives, our portfolio managers are given full discretion to determine:

1. Types of investments;
2. Which securities to buy;
3. Which securities to sell;
4. The timing of any buys or sells;
5. The amount of securities to buy or sell; and
6. The broker-dealer to be used in the transaction; and

This discretion may be limited by client investment guidelines and by any investment restrictions set by the client. Where possible, the Firm will attempt to negotiate the commission rates at which transactions for client accounts are effected, with the objective of attaining the most favorable price and market execution for each transaction.

Client securities transactions generally are executed through the custodian of their account to avoid “trade away” fees for trades that are executed at other broker-dealers. In some cases, a particular security may be not be available through the client’s custodian or available only under execution parameters or at an overall cost

that makes the use of an alternative executing broker more advantageous for that transaction. In such cases, the portfolio managers have the discretion to select the broker to execute the trade.

14. VOTING CLIENT SECURITIES

It is our policy not to vote proxy solicitations received on behalf of clients from the issuers of securities held in client's account. All such solicitations can be forwarded to client for voting upon receipt of a client request. Any client wishing to review our proxy voting policies in full may request a copy from us.

15. STATEMENT OF FINANCIAL CONDITION

Gebhardt Group does not require or solicit prepayment of its management fees from clients six or more months in advance. There are no adverse conditions related to the Firm's finances that are likely to impair its ability to meet its contractual commitments to its clients. The Firm has not been the subject of a bankruptcy filing in the last ten years.