

# **Advisor Financial Services**

**Registered Investment Advisor**

**Form ADV Part II**

**(Disclosure Brochure)**

**August 2003**

**Advisor Financial Services**

A Limited Liability Company (LLC)

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Colorado Springs, CO 80907

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**FORM ADV****Uniform Application for Investment Adviser Registration****Part II - Page 1**

Name of Investment Adviser:

**ACT Financial Services, LLC**

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code: Telephone Number:

**4675 Scenic Circle****Colorado Springs****CO****80917****( 719) 591-0433**

**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 government authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**FORM ADV****Part II - Page 2**

Applicant:

**ACT Financial Services, LLC**

SEC File Number:

801-N/A

Date:

**08/15/03**

## 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.

1. **A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service.

(See instruction below.)

Estimated

|   |  |     |
|---|--|-----|
| Applicant:  |  |     |
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services . . . . .  |  | 50% |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services . . . . .   |  | %   |
| <input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above . . . . .  |  | 20% |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription . . . . .  |  | %   |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above . . . . .  |  | %   |
| <input checked="" 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 . . . . . |  | 5%  |
| <input checked="" type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities . . . . .   |  | 10% |
| <input checked="" type="checkbox"/> (8) Provides a timing service . . . . .   |  | 10% |
| <input checked="" type="checkbox"/> (9) Furnishes advice about securities in any manner not described above . . . . .   |  | 5%  |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does the applicant call any of the services it checked above financial planning or some similar term? . . . . . Yes No  
☒ ☐

## C. Applicant offers investment advisory services for: (check all that apply):

- |  |   |
|--|---|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management      | <input checked="" type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges                               | <input checked="" type="checkbox"/> (5) Commissions       |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other                        |

## D. For each checked box in A above, describe on Schedule F:

- 1 the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- 1 applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- 1 when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** - Applicant generally provides investment advice to: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input type="checkbox"/> G. Other (describe on Schedule F)   |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |  |

Applicant:

ACT Financial Services, LLC

SEC File Number:

801- N/A

Date:

08/15/03

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

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

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

## A. Applicant's security analysis methods include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input checked="" 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 checked="" type="checkbox"/> Timing services  |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities   | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the<br>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 checked="" 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<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options,<br>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  |   |

**FORM ADV****Part II - Page 4**

Applicant:

ACT Financial Services, LLC

SEC File Number:

801-N/A

Date:

08/15/03

**5. Education and Business Standards.**

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

Yes No  
☒ ☐

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

**6. Education and Business Background.**

For:

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

On Schedule F, give the:

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

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

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

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

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

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input checked="" 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.)

**FORM ADV****Part II - Page 5**

Applicant:

**ACT Financial Services, LLC**

SEC File Number:

801- **N/A**

Date:

**08/15/03****9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? . . . . .

Yes



No



(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

**See Item 11A on Schedule F.**

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

**See Item 11B on Schedule F.**

**FORM ADV****Part II - Page 6**

Applicant:

ACT Financial Services, LLC

SEC File Number:

801-N/A

Date:

08/15/03

**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 No

☒ ☐

(2) amount of the securities to be bought or sold? . . . . .

Yes No

☒ ☐

(3) broker or dealer to be used? . . . . .

Yes No

☐ ☒

(4) commission rates paid? . . . . .

Yes No

☒ ☐

B. Does applicant or a related person suggest brokers to clients? . . . . .

Yes No

☒ ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

| the products, research and services

| whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services

| whether research is used to service all of applicant's accounts or just those accounts paying for it; and

| any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for 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 No

☒ ☐

B. directly or indirectly compensates any person for client referrals? . . . . .

Yes No

☒ ☐

(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 No

☐ ☒

|   |  |                                    |                            |
|---|--|------------------------------------|----------------------------|
| <b>Schedule F of<br/>Form ADV<br/>Continuation Sheet for Form ADV Part II</b> | <b>Applicant:</b><br>ACT Financial Services, LLC | <b>SEC File Number:</b><br>801-N/A | <b>Date:</b><br>08/15/2003 |
|---|--|------------------------------------|----------------------------|

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

|  |                       |
|--|-----------------------|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:<br>ACT Financial Services, LLC | IRS Empl. Ident. No.: |
|--|-----------------------|

| Item of Form<br>(identify) | Answer   |
|----------------------------|--|
| 1A(1)(3)(6)(7)(8)(9), 1D   | <p><u>Advisory Services and Fees</u><br/>ACT Financial Services, LLC, a Limited Liability Company, doing business as (DBA) Advisor Financial Services, referred to as "Advisor" below, intends to offer the following investment advisory and financial services to its Clients.</p>   |
| 1A(1), 1D                  | <p>I. ADVISOR MANAGEMENT (Level 3 Service)<br/>Advisor Management provides investment management services to individuals, businesses, institutions, trusts, and employee benefit plans. Accounts managed by Advisor may be invested in a wide range of securities including mutual funds, exchange traded funds, individual equities, fixed income securities, alternative investments, derivatives, other securities and cash or cash equivalents. Advisor provides similar asset management services for variable annuity/variable life insurance accounts.</p> <p>The Advisor Management program includes the following:<br/>Investor Profile - Selection of the appropriate investment portfolio is by mutual agreement between Client and Advisor, based upon discussion and Client's responses to an investor profile questionnaire involving investment objectives, experience, risk tolerance, risk capacity, desired strategies, net worth, net income, age, time frame, tax situation and various other factors.</p> <p>(1) Custom Portfolio Management - Advisor provides asset management of Client's funds. Advisor designs and manages the Client's custom portfolio. Investments are determined based upon the Client's investment objectives, risk tolerance, net worth, net income, age, time frame, tax situation and other various suitability factors. Advisor manages the Client's custom accounts on an individualized basis. Further restrictions and guidelines imposed by Clients may affect the composition and performance of custom portfolios. For these reasons, performance of custom portfolios within the same investment objective may differ and Clients should not expect that the performance of their custom portfolios will be identical to any other Client of Advisor. Strategic and dynamic asset allocation programs are available.</p> <p>Reallocations, exchanges and sales of securities will create taxable events except when tax-exempt or tax-deferred accounts or vehicles are used. Advisor gives priority to investment decisions over tax decisions and personal tax consequences for Client are not a primary consideration.</p> <p>or (2) Flexible Portfolio Management - Advisor provides asset management of Client's funds. Advisor designs, revises, reallocates and manages flexible portfolios. Advisor is authorized to use a wide variety of investments and asset classes in an attempt to seek profits and to protect capital under a wide range of changing environments. Portfolios shall attempt to achieve returns when they can reasonably be expected under prevailing market conditions and account objectives. Advisor does not promise or guarantee profits. Client is advised to make regular additional contributions to their account to achieve goals.</p> <p>Flexible portfolio objectives include Preservation, Income, Conservative Growth, Moderate Growth, and Aggressive Growth. Alternate names for the portfolios may be used for marketing purposes. Equities and alternative investments may be used in the Preservation and Income portfolios to preserve and increase portfolio value.</p> <p>Specific investments, timing and proportions are determined by Advisor and vary over time. Flexible portfolios may include all types of mutual funds, securities or asset classes such as domestic, international, and emerging market stocks, bonds and CDs, ADRs, sector funds, focus funds, leveraged funds, precious metals stock funds, bullion funds, funds using derivatives and short selling, bear market funds, and individual stocks, IPOs, bonds, convertibles, preferred stocks, MLPs, royalty trusts, REITs, ETFs, and closed end funds. Other investments may also be used when in the Client's best interest. Direct participation programs may be used when approved by Client.</p> <p>All types of Alternative Investments are allowed including low-priced and microcap stocks, private equities, venture capital funds, market neutral funds, long-short funds, hedged funds, merger funds, arbitrage funds, event-driven funds, rotation and timing funds, deep value and distressed securities, special situations, linked securities, options, warrants and derivatives.</p> |

|   |  |                                    |                            |
|---|--|------------------------------------|----------------------------|
| <b>Schedule F of<br/>Form ADV<br/>Continuation Sheet for Form ADV Part II</b> | <b>Applicant:</b><br>ACT Financial Services, LLC | <b>SEC File Number:</b><br>801-N/A | <b>Date:</b><br>08/15/2003 |
|---|--|------------------------------------|----------------------------|

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

|  |                       |
|--|-----------------------|
| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:<br>ACT Financial Services, LLC | IRS Empl. Ident. No.: |
|--|-----------------------|

| Item of Form<br>(identify) | Answer  |
|----------------------------|---|
|                            | <p>Depending upon specific entry and exit dates, times, prices, securities, restrictions, availability and other factors, performance and composition of portfolios with the same investment objective will differ. Clients should not expect that the performance and composition of their portfolios will be identical to other Clients of Advisor with the same portfolio objective.</p> <p>During declining markets or extreme conditions, Advisor may buy or sell investments as deemed necessary in an attempt to protect portfolio or take advantage of opportunities. Advisor may use a bear market portfolio or up to 100% cash as an alternate to the normal portfolio.</p> <p>Advisor shall provide Client with a flexible portfolio description table showing the investment categories and proportions to be used in constructing and managing the desired flexible portfolio. Advisor shall have limited discretion and shall be restricted to choosing investment types and proportions in accordance with the flexible portfolio description table as approved by Client. The flexible portfolio description table may also be considered to serve as a Client approved Investment Policy Statement.</p> <p>Flexible portfolios are managed using proprietary methods, technical analysis and dynamic asset allocation models intended, but not guaranteed, to seek profits, manage risks and take defensive action when needed. Advisor believes sophisticated computer models, methods, experience and advanced analytical and engineering skills add value for Clients but makes no claims or guarantee of future performance. Advisor continues to revise models and methods as ongoing study and research reveals promising improvements.</p> <p>Reallocations, exchanges and sales of securities will create taxable events except when tax-exempt or tax-deferred accounts or vehicles are used. Advisor gives priority to investment decisions over tax decisions and personal tax consequences for Client are not a primary consideration.</p> <p>Some custodians, mutual funds, or brokerage firms may charge additional fees for short-term redemptions (usually if sold within 90 days). Advisor shall seek to minimize redemption and transaction fees, but such fees will occur when model generates buy/sell signals, trends reverse direction quickly (whipsaws), stop-loss, time-stop or profit taking levels are reached, or when poor performers are replaced within the short-term period. Individual securities may be used and Client shall pay transaction fees in addition to Advisor's management fee. Advisor does not receive any commissions from transactions.</p> <p>Client may impose reasonable restrictions on the management of Client's Account, as written under Special Provisions addendum to Investment Management Agreement, including the ability to restrict the purchase of certain mutual funds, securities or sub-accounts. Customized portfolios are also available upon request. Strategic and dynamic asset allocation programs are available.</p> <p>Wrapped Consulting Services Included- Clients maintaining Advisor managed accounts or purchasing products or other services from Advisor shall be entitled to a limited amount of consultation and advisory time with the Advisor throughout the year to discuss a variety of financial topics and matters at no additional cost. The amount of time to be included shall be negotiated between Advisor and Client and related to the size of the managed account or amount of products or other services purchased, with larger accounts and amounts being entitled to more consulting time than smaller accounts and amounts. For matters requiring more than the agreed upon limited consulting time, a separate written Advisor Services Agreement shall be required to compensate Advisor for additional time.</p> |

|   |  |                                    |                            |
|---|--|------------------------------------|----------------------------|
| <b>Schedule F of<br/>Form ADV<br/>Continuation Sheet for Form ADV Part II</b> | <b>Applicant:</b><br>ACT Financial Services, LLC | <b>SEC File Number:</b><br>801-N/A | <b>Date:</b><br>08/15/2003 |
|---|--|------------------------------------|----------------------------|

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

| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:<br>ACT Financial Services, LLC             |   | IRS Empl. Ident. No.: |                        |                       |                    |                      |       |       |                      |       |       |                        |       |       |                        |       |       |                        |       |       |                       |       |       |
|--|---|-----------------------|------------------------|-----------------------|--------------------|----------------------|-------|-------|----------------------|-------|-------|------------------------|-------|-------|------------------------|-------|-------|------------------------|-------|-------|-----------------------|-------|-------|
| <b>Item of Form<br/>(identify)</b>   | <b>Answer</b>   |                       |                        |                       |                    |                      |       |       |                      |       |       |                        |       |       |                        |       |       |                        |       |       |                       |       |       |
| 1A(1), 1D  | <p>Performance Evaluation and Monitoring Services - Advisor may furnish performance measurement services to its Clients on a periodic basis or upon request. The internal reports are intended to inform Clients as to the performance of their investments for the selected period. Comparisons may be made with various market indexes.</p> <p>Advisor is compensated on the basis of fees calculated as a percentage of assets under management in providing the investment management services described above. The following represents Advisor's current basic fee structure:</p> <p>CUSTOM AND FLEXIBLE PORTFOLIOS:<br/>FIXED INCOME, EQUITY, BALANCED AND MIXED ACCOUNTS<br/>(Objectives: Preservation, Income, Conservative Growth, Moderate Growth, Aggressive Growth)</p> <table border="1"> <thead> <tr> <th>Market Value of Assets</th> <th>Maximum Quarterly Fee</th> <th>Maximum Annual Fee</th> </tr> </thead> <tbody> <tr> <td>\$10,000 to \$49,999</td> <td>0.60%</td> <td>2.40%</td> </tr> <tr> <td>\$50,000 to \$99,999</td> <td>0.55%</td> <td>2.20%</td> </tr> <tr> <td>\$100,000 to \$249,999</td> <td>0.50%</td> <td>2.00%</td> </tr> <tr> <td>\$250,000 to \$499,999</td> <td>0.45%</td> <td>1.80%</td> </tr> <tr> <td>\$500,000 to \$999,999</td> <td>0.40%</td> <td>1.60%</td> </tr> <tr> <td>\$1,000,000 and above</td> <td>0.35%</td> <td>1.40%</td> </tr> </tbody> </table> <p>Additional Options Fee. Accounts utilizing options and LEAPS are subject to an additional maximum quarterly fee of 0.25% (additional maximum annual fee of 1.00%) due to the increased amount of time, skill, knowledge and administration needed to use options and LEAPS. Advisor may require Client to demonstrate adequate suitability and understanding of options and option strategies before approving the use of options.</p> <p>All fees listed are negotiable. Advisor reserves the right to reduce or waive minimum account size and fees at its sole discretion. Advisor reserves the right to change the above fee schedule with thirty (30) days advance written notice. Accounts may be subject to a minimum annual fee of \$240 rather than a percentage fee. Advisor may charge a setup fee not exceeding \$100 to establish a new account or to change from one portfolio objective to another. Higher or lower fees and minimums may be available elsewhere.</p> <p>Advisor will require each Client to enter in a written Investment Management Agreement (Agreement) which sets forth the rights and obligations of Advisor and the Client. The Agreement provides that fees may be negotiable and fees charged for investment management services are payable quarterly or semi-annually, in advance or arrears, as agreed, utilizing the then-current fee structure, based upon the market value of assets in the Client's account on the last business day of the preceding calendar quarter. The Agreement shall not require the prepayment of more than \$500 in fees or 6 or more months paid in advance.</p> <p>Agreement will continue in effect until terminated by either party upon thirty (30) days signed written notice to the other party. In the event of termination, any advance fee will be prorated for the period of services received and the unearned portion of the fee will be refunded. A full refund will be provided without penalty if the Client terminates the Agreement, in writing, within five (5) days of the Agreement being executed. The Agreement may not be assigned without the prior written consent of the affected party.</p> <p>Advisor will not be compensated on the basis of a share of the capital gains upon, or the capital appreciation of the Client's funds.</p> <p>All Client assets will be held by the custodian of the account.</p> <p>Client acceptance of Agreement shall indicate approval of custody arrangements and acknowledge that Advisor will not hold Client funds or securities nor have actual, constructive or deemed custody.</p> |                       | Market Value of Assets | Maximum Quarterly Fee | Maximum Annual Fee | \$10,000 to \$49,999 | 0.60% | 2.40% | \$50,000 to \$99,999 | 0.55% | 2.20% | \$100,000 to \$249,999 | 0.50% | 2.00% | \$250,000 to \$499,999 | 0.45% | 1.80% | \$500,000 to \$999,999 | 0.40% | 1.60% | \$1,000,000 and above | 0.35% | 1.40% |
| Market Value of Assets   | Maximum Quarterly Fee   | Maximum Annual Fee    |                        |                       |                    |                      |       |       |                      |       |       |                        |       |       |                        |       |       |                        |       |       |                       |       |       |
| \$10,000 to \$49,999   | 0.60%   | 2.40%                 |                        |                       |                    |                      |       |       |                      |       |       |                        |       |       |                        |       |       |                        |       |       |                       |       |       |
| \$50,000 to \$99,999   | 0.55%   | 2.20%                 |                        |                       |                    |                      |       |       |                      |       |       |                        |       |       |                        |       |       |                        |       |       |                       |       |       |
| \$100,000 to \$249,999   | 0.50%   | 2.00%                 |                        |                       |                    |                      |       |       |                      |       |       |                        |       |       |                        |       |       |                        |       |       |                       |       |       |
| \$250,000 to \$499,999   | 0.45%   | 1.80%                 |                        |                       |                    |                      |       |       |                      |       |       |                        |       |       |                        |       |       |                        |       |       |                       |       |       |
| \$500,000 to \$999,999   | 0.40%   | 1.60%                 |                        |                       |                    |                      |       |       |                      |       |       |                        |       |       |                        |       |       |                        |       |       |                       |       |       |
| \$1,000,000 and above  | 0.35%   | 1.40%                 |                        |                       |                    |                      |       |       |                      |       |       |                        |       |       |                        |       |       |                        |       |       |                       |       |       |
| <div>Page 9</div> <div>Complete amended pages in full, circle amended items and file with execution page (page 1).</div> |   |                       |                        |                       |                    |                      |       |       |                      |       |       |                        |       |       |                        |       |       |                        |       |       |                       |       |       |

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|---|--|------------------------------------|----------------------------|
| <b>Schedule F of<br/>Form ADV<br/>Continuation Sheet for Form ADV Part II</b> | <b>Applicant:</b><br>ACT Financial Services, LLC | <b>SEC File Number:</b><br>801-N/A | <b>Date:</b><br>08/15/2003 |
|---|--|------------------------------------|----------------------------|

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

|   |                              |
|---|------------------------------|
| <b>1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:</b><br>ACT Financial Services, LLC | <b>IRS Empl. Ident. No.:</b> |
|---|------------------------------|

| <b>Item of Form<br/>(identify)</b> | <b>Answer</b>  |
|------------------------------------|--|
| 1A(1), 1D                          | The Client shall authorize custodian to charge account for Advisor's fee and remit fee to Advisor in accordance with required procedures or Client may elect to pay fees separately. The Client shall grant limited authorization to Advisor to withdraw only the contractually agreed upon fees from the specified account. Advisor will notify the Client, in writing, or by e-mail, prior to the proposed date of withdrawal of the exact amount of the proposed withdrawal and the specific manner and basis on which the fee is calculated. The brokerage firm or custodian of the account is advised in writing of the limitation on Advisor's access to the account.  |
| 1A(3)(6)(7)(9), 1D                 | <p><b>II. FINANCIAL PLANNING AND CONSULTING SERVICES</b><br/> Advisor offers financial planning and consulting services to Clients encompassing one or more of the following:</p> <ul style="list-style-type: none"> <li>• Budgeting, cash flow and credit analysis</li> <li>• Income tax planning</li> <li>• College education planning</li> <li>• Retirement planning</li> <li>• Long term care planning</li> <li>• Insurance analysis and planning</li> <li>• Estate Planning</li> <li>• Asset protection planning and consulting</li> <li>• Business financial planning and consulting</li> <li>• Executive benefits planning</li> <li>• Employee benefits analysis and planning</li> <li>• Real estate consulting</li> <li>• Property management consulting</li> <li>• Economic and market analysis consulting</li> <li>• Other financial services and special projects or assignments</li> <li>• Advisor does not offer or provide any legal, tax or accounting advice</li> </ul> <p>Information will be obtained through questionnaires and interviews with each Client concerning the Client's current financial status, future goals, desired strategies and attitudes towards risk. Related documents supplied by the Client are reviewed, along with data gathered from the Client. A written, e-mail, verbal or telephone report may be issued.</p> <p>For a written financial plan or report, Advisor charges a fixed fee ranging from \$100 and up, unless otherwise agreed upon between Advisor and the Client, which will be quoted prior to the contract being executed. The fee for this service will be determined according to the complexity, estimated amount of time involved, the Client's net worth and the areas to be addressed. A quote of estimated time involved will be given upon contracting with the Client.</p> <p>Advisor will, upon Client's request, continue to be available at a maximum hourly rate of \$100 per hour for the implementation of the Client's plan, any subsequent evaluation, analysis function, or specific securities or investment related advice. Annual updates may also be provided upon contracting with the Client.</p> <p>Clients not in need of a financial plan but rather seeking advice or research in one or more planning or consulting areas or on specific securities issues may be charged a maximum rate of \$100 per hour.</p> <p>To assist certain Clients, such as small public or private companies in need of services, Advisor will consider accepting payment for services in the form of securities rather than cash.</p> <p>Advisor does not offer or provide any legal, tax or accounting advice.</p> <p>Advisor will require each Financial Planning and Consulting Client to enter in a written Advisor Services Agreement (Agreement) which sets forth the rights and obligations of Advisor and the Client. The Agreement provides that fees may be negotiable. In addition, the Agreement provides that fees are paid as services are rendered unless otherwise agreed upon between Advisor and the Client. Agreements continue until terminated, unless otherwise stated. The Agreement provides for termination by either party upon thirty (30) days written notice. There are no provisions for refunds after services have been rendered or work is completed. Clients who terminate the Agreement within five (5) days of signing the Agreement shall be provided a full refund. Fees will be in compliance with SEC Rule 205-3. The Agreement may not be assigned without the prior written consent of the affected party.</p> |

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| <b>Schedule F of<br/>Form ADV<br/>Continuation Sheet for Form ADV Part II</b> | <b>Applicant:</b><br>ACT Financial Services, LLC | <b>SEC File Number:</b><br>801-N/A | <b>Date:</b><br>08/15/2003 |
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:<br>ACT Financial Services, LLC |   | IRS Empl. Ident. No.: |
|--|---|-----------------------|
| Item of Form<br>(identify)   | Answer  |                       |
| 1A(3)(6)(7)(9), 1D   | In some cases, a conflict of interest may exist between the interests of Advisor and the interests of the Clients. The Client is under no obligation to act on Advisor's recommendation. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect any transactions through an associated person of Advisor when such person is employed as an agent with a licensed broker, dealer or annuity or insurance company.   |                       |
| 1A(3)(6)(9), 1D  | <p>III. INVESTMENT CONSULTATIONS AND INVESTMENT ADVISORY SERVICES (Level 1 and Level 2 Service)</p> <p>Advisor Support (Level 1 Service)- Advisor Support service is most appropriate for Clients who wish to manage their own investments but need some initial or occasional assistance in designing a properly diversified portfolio or who have other investing and financial questions. Advisor Support service includes initial investment and asset allocation analysis, market analysis, economic analysis and recommendations. Occasional telephone or online support is also included. Fees are negotiable and will be charged at a maximum rate of \$100 per hour for this service. Fees are paid when services are rendered unless otherwise agreed. The same refund and termination policies as would apply to Financial Planning and Consulting Services apply to this service. An Advisor Services Agreement must be executed.</p>   |                       |
| 1A(3)(6)(8)(9), 1D   | <p>Advisor Update (Level 2 Service)- This service is most appropriate for Clients who wish to manage their own investments but desire initial and ongoing assistance, recommendations and alerts in designing and managing a diversified portfolio, making adjustments for changing conditions and assistance with other investing and financial questions. Advisor Update service includes Level 1 Advisor Support services listed above, plus investment monitoring, advisory alerts, charts, graphs, and dynamic asset allocation and other signals from Advisor's proprietary computer models for individuals, retirement plan participants, other advisors and institutional Clients that wish to manage their own investments or their Clients' investments but need assistance with ongoing investment decisions. Advisor Update may be useful to plan fiduciaries or Clients who are plan participants in an employer sponsored retirement plan such as a 401(k), 403(b), 457, Keogh, Profit Sharing, SEP IRA, SIMPLE IRA or individual retirement plans such as a traditional IRA, Roth IRA, education IRA or rollover IRA. Client decides whether or not to follow recommendations.</p> <p>Advisor Update (Level 2 Service) is available for a fixed or negotiated fee by executing an Advisor Services Agreement (Agreement) which sets forth the rights and obligations of Advisor and Client. Advisor Update may be provided as agreed upon by mail, e-mail, telephone, fax or website. Fees are payable quarterly or semi-annually, in advance or arrears, as agreed. The Agreement shall not require the prepayment of more than \$500 in fees or 6 or more months paid in advance. Advisor or Client may cancel service with thirty (30) days written notice. Upon termination, Client shall receive a pro-rated refund for the unearned portion of any advance fee paid. Advisor reserves the right to provide Advisor Update service to Clients or prospective Clients at no cost. Clients shall not share, copy, transmit, or forward Advisor Update to others or use for any commercial purpose without written permission.</p> |                       |
| 3K(3), 3L  | <p><u>Types of Investments</u> Advisor may advise Client on other direct participation programs, tenant-in-common real estate, hard assets, alternative investments and direct purchase, sale or exchange of real estate.</p>   |                       |
| 4A(5), 4B(8)   | <p><u>Methods of Analysis, Sources of Information and Investment Strategies</u> Advisor also uses proprietary computer models and indicators to monitor changing conditions and risk levels in the economy and financial markets. Multiple indicators and methods are used to reduce risk of reliance on a single indicator, system or method. Methods include economic analysis, asset class analysis, trend analysis, fundamental analysis, technical analysis, spreadsheet models, proprietary formulas and data analysis, neural networks, complex adaptive systems, sentiment indicators, and ongoing research and development including behavioral finance and natural risk management concepts. Advisor believes some of its models and methods may be unique and patentable. Advisor continues to conduct research and development in sophisticated investing strategies. Clients agree not to disclose details of any proprietary information of Advisor.</p> <p>Advisor subscribes to one or more data service providers to receive securities price quotes and other continuous, daily, periodic or event driven data used in analysis.</p>  |                       |
| 5  | <p><u>Education and Business Standards</u> All Investment Advisor Representatives (IARs) of Advisor must satisfy, at a minimum, the experience and education requirements set out by the individual states where they intend to offer or solicit services. Often this will require the IAR to pass the Series 65 or Series 66 Uniform Investor Adviser Law Examination or earn one or more licenses or financial professional designations. Advisor also examines the overall investing and financial industry knowledge and experience, and other experience, accomplishments and education before allowing the IAR to offer financial planning, consulting, asset management and/or other financial services.</p>   |                       |
| <p>Page 11 Complete amended pages in full, circle amended items and file with execution page (page 1).</p>   |   |                       |

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| <b>Schedule F of<br/>Form ADV<br/>Continuation Sheet for Form ADV Part II</b> | <b>Applicant:</b><br>ACT Financial Services, LLC | <b>SEC File Number:</b><br>801-N/A | <b>Date:</b><br>08/15/2003 |
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:<br>ACT Financial Services, LLC | IRS Empl. Ident. No.: |
|--|-----------------------|

| Item of Form<br>(identify) | Answer  |
|----------------------------|---|
| 6                          | <p><u>Education and Business Background</u></p> <p>Gerald John Lucas YOB: 1954</p> <p>Education Background</p> <p>University of Pittsburgh, Johnstown, PA 1972 – 73 Engineering studies</p> <p>Electronics Institute, Pittsburgh, PA 1973 – 74 AS Electronic &amp; Computer Technology</p> <p>University of Massachusetts, Amherst, MA 1975 Engineering studies</p> <p>University of Colorado, Colorado Springs, CO 1981 Engineering studies</p> <p>H&amp;R Block Tax School 1984 Tax preparation</p> <p>Professional licenses and associations</p> <p>Series 6 Securities License- 7/28/97</p> <p>Mutual Funds &amp; Variable Products</p> <p>Series 63 Securities License- 9/4/97</p> <p>Uniform Securities Law (Multi-state license)</p> <p>Series 65 Securities License- 9/28/99</p> <p>Investment Advisor</p> <p>Colorado Insurance License- 1/8/98</p> <p>Life, health, variable, disability, long term care</p> <p>Member, Financial Planning Association (FPA) 1997 – Present</p> <p>Board Member, Secretary &amp; Webmaster, FPA Southern Colorado 2000 – 2001</p> <p>Member, Apartment Association of Colorado Springs (AACS) 1990 – Present</p> <p>President, Apartment Association of Colorado Springs 1995 – 1996</p> <p>Treasurer, Colorado Apartment Association 1995 – 1996</p> <p>Board Member, National Apartment Association 1995 – 1996</p> <p>National IROC Chairman, National Apartment Association 1995 – 1996</p> <p>Business Background</p> <p>ACT Financial Services, LLC 10/98 - Present</p> <p>Member and President</p> <p>financial services, investments, insurance</p> <p>Colorado Free University 10/96 - Present</p> <p>Real estate instructor</p> <p>Colorado Springs School District 11 10/98 - Present</p> <p>Real estate instructor, computer training instructor</p> <p>Commonwealth Financial Network 01/00 - 05/01</p> <p>Registered Representative</p> <p>Money Concepts Financial Network 07/97 - 12/99</p> <p>Registered Representative</p> <p>Digital Equipment Corporation (now Hewlett-Packard/COMPAQ) 11/74 - 12/97</p> <p>Principal Computer Design Engineer</p> <p>Community Involvement &amp; Leadership</p> <p>Advisor, Colorado Springs Police Department (CSPD) 1992 - Present</p> <p>Certified Crime Prevention Specialist 1994</p> <p>Outstanding Public Service Award, CSPD 2002</p> <p>Graduate, Dale Carnegie Leadership Program 1990</p> <p>Graduate, Leadership Pikes Peak 1993</p> <p>Ethel Horton Award for Outstanding Service, AACS 2002</p> <p>Several other awards for leadership, crime prevention and community service</p> <p><u>Other Business Activities</u> Advisor spends approximately 60 percent of its time providing investment advisory and investment management services and doing related research and development of proprietary computer models.</p> <p>Advisor spends approximately 40 percent of its time offering financial products including insurance and annuities, doing financial reviews and financial planning, research, teaching and consulting. Gerald Lucas is a licensed life, health, disability and long term care insurance broker with all appropriate state Departments of Insurance.</p> <p>Gerald Lucas teaches an award-winning 4-hour real estate risk management class titled "Managing Rental Property" usually once a month in Colorado Springs and/or Denver. Over 2,000 students have attended his classes and seminars.</p> |

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| <b>Schedule F of<br/>Form ADV<br/>Continuation Sheet for Form ADV Part II</b> | <b>Applicant:</b><br>ACT Financial Services, LLC | <b>SEC File Number:</b><br>801-N/A | <b>Date:</b><br>08/15/2003 |
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:<br>ACT Financial Services, LLC |   | IRS Empl. Ident. No.: |
|--|---|-----------------------|
| Item of Form<br>(identify)   | Answer  |                       |
| 8C(3)(9)   | <p><u>Other Financial Industry Activities or Affiliations</u> Advisor may refer Clients to another investment advisor that may be more suitable or may offer the services of various third-party investment advisors through an investment advisory agreement. Client shall receive the third party advisor's Form ADV Part II or equivalent brochure.</p> <p>Gerald Lucas is a licensed life, health, disability and long term care insurance broker and agent with all appropriate state Departments of Insurance and may receive customary commissions on insurance and annuity products sold. Individual and group insurance and annuity products are offered through agreements with various insurance and annuity companies and insurance marketing firms. Medical savings accounts (MSAs) are offered in affiliation with MSA Bank, which pays Advisor a small commission on these accounts. Advisor may refer Clients to banks, lenders, brokers, or other service providers. Any referral fees will be disclosed. Affiliated companies may change from time to time and may offer products or services with different features and at higher or lower prices than offered by others. Advisor may affiliate with broker/dealer(s) to offer direct participation programs, including tenant-in-common real estate, and other products.</p>   |                       |
| 9E   | <p><u>Participation or Interest in Client Transactions</u> On occasion, the associated persons or employees of Advisor may buy or sell securities for their own accounts that have also been recommended to Clients. Any such securities transactions are likely to be insignificant in relation to the market as a whole. As a general practice, such transactions, if any, shall be executed after, or simultaneously with, related Client transactions and full disclosure of any conflict of interest is made in advance. Associated persons or employees of Advisor may invest their personal funds in securities, portfolios and products offered by or recommended by the Advisor. Records will be maintained of all securities bought or sold by Advisor, associated persons or related entities.</p> <p>Files of securities transactions effected for associated persons of Advisor will be maintained for review should there be a conflict of interest. All securities transactions of related persons of Advisor will be reviewed by the principal of Advisor to insure no conflicts exist with Client executions.</p> <p>Clients of Advisor are under no obligation to use a recommended broker/dealer or custodian in the management of their investment management account.</p>  |                       |
| 10   | <p><u>Conditions for managing accounts</u> It is the general policy of Advisor that investment management accounts maintained for its Clients must have a minimum equity of \$10,000. However, Advisor has discretion to allow a lower limit upon specific review of each Client's current and expected future situation. Fees may be adjusted up or down as appropriate if account value rises above or drops below a break point due to Client deposits, withdrawals, reinvestments, market fluctuations and/or management fees, custodian fees, transaction fees or other fees.</p>  |                       |
| 11A, 11B   | <p><u>Review of Accounts</u> Reviews of all investment advisory accounts occur on an ongoing basis. Computer programs monitor market price changes on a regular basis. Proprietary computer models and procedures are used to determine the need to make any changes in flexible portfolio holdings or allocations. Various monthly indicators are also monitored to detect potential trend changes in general economic and market conditions. Client reports and reviews may be conducted or delivered in person, or by mail, e-mail, fax, website, web conference or telephone. Advisor may hold periodic Client group meetings to report progress of various portfolios and an update on the markets, economy and other news. Clients shall review their trade confirmations and monthly statements from the custodian carefully upon receipt and shall contact the Advisor promptly any time they have a question, concern or objection. Transactions shall be considered acceptable and approved by Client unless a written objection is made within 10 days. Responsibility for Client account review is with Client and Gerald Lucas, acting on behalf of Advisor.</p> <p>Investment Advisory Clients receive trade confirmations of all transactions, monthly or quarterly statements and, in most cases, a year-end annual statement from the broker/dealer or custodian of their account detailing all transactions and all securities owned. Clients may also view their accounts by logging on to custodian's web site or using telephone reporting services if provided by custodian.</p> <p>Financial plans are prepared for Clients who have retained Advisor for this purpose. Upon completion of the plan, Advisor will deliver plan to Client and answer any questions regarding the contents of the plan. There are no different levels of review. After this initial consultation, there are no further reviews unless the Client requests additional work or meetings.</p> |                       |
| Page 13 Complete amended pages in full, circle amended items and file with execution page (page 1).          |   |                       |

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| <b>Schedule F of<br/>Form ADV<br/>Continuation Sheet for Form ADV Part II</b> | <b>Applicant:</b><br>ACT Financial Services, LLC | <b>SEC File Number:</b><br>801-N/A | <b>Date:</b><br>08/15/2003 |
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

| 1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:<br>ACT Financial Services, LLC              |  | IRS Empl. Ident. No.: |
|---|--|-----------------------|
| Item of Form<br>(identify)  | Answer   |                       |
| 12A(1)(2)(4), 12B   | <p>The Client may, at their discretion, choose to implement the plan through Advisor. In that event, Client will receive monthly, quarterly and/or annual statements from investment companies, insurance companies, product and plan sponsors, broker/dealers and/or custodians.</p> <p><u>Investment or Brokerage Discretion</u> For discretionary portfolios, Advisor has authority to determine the time, date, name, type and amount of securities to be bought and sold. For flexible portfolios, changes are made in accordance with proprietary computer models, subject to final Advisor review and approval. For custom portfolios, changes are made in accordance with Investment Management Agreement signed by Client and in accordance with any discretionary authority provided. As required or when otherwise desired, Advisor will notify Client for consent before buying or selling securities. Notice may be made by verbal, written, telephonic or electronic means. Some mutual funds or variable products charge redemption fees or contingent deferred sales charges if shares are not owned for a minimum time period or if an excessive number of transactions are made in a given time period. Advisor shall consider negative effects of such fees or charges and shall have discretion to buy, sell or exchange investments when deemed appropriate according to market conditions, investment models or Agreement. Client shall have the ability to impose reasonable restrictions on the management of Client's account, as written under Special Provisions of Agreement.</p> <p>When no-load mutual funds are used in Client portfolios, generally there are no transaction fees or commissions involved. Client is provided with and shall approve commission rates and other fees. Client shall voice any objections to Advisor promptly if any commissions or fees are not acceptable. For expediency, Advisor has the authority to approve any changes in commission rates or fees to be paid, which must be reasonable and competitive. Transactions for the investment management accounts of Clients of Advisor are effected through a broker/dealer recommended by the Advisor and approved by Client.</p> <p>If Client has no preference as to the broker/dealer or custodian to be utilized in handling the execution of trades, Advisor will recommend TD Waterhouse, Scottrade or OptionsXpress as the broker/dealer. Advisor and its affiliates are not registered representatives of these firms and do not receive any commissions or fees for recommending these services. Such recommendation is made based on factors including reasonable and competitive commissions and fees, online and wireless trading capabilities, web site features, wide selection of no-load mutual funds and other securities, options trading, account features such as check writing, ATM cards, debit cards, nationwide branch locations for convenience, industry reputation, name recognition, personal experience, customer service, advisor support, monthly and annual statements, online statements and account downloading capabilities.</p> <p>If and when applicable, Client transactions will be charged according to the broker/dealer's then-current commission and fee schedule, which, while competitive, may not be the lowest in the industry. Client may be assessed transaction fees or account fees by account broker/dealer, custodian and/or product sponsors, in addition to normal and customary commissions, all of which are fully disclosed to Client. Such fees and expenses are separate and distinct from, and in addition to, any investment advisory fees or financial planning and consulting fee(s) charged by Advisor.</p> |                       |
| 13A, 13B  | <p><u>Additional Compensation</u> Associated persons of Advisor may receive 12b-1 distribution fees and other commissions from investment companies, insurance companies, banks and other product or service providers or sponsors in connection with placement of Client funds. In addition, Advisor may receive a portion of the management and administrative fees charged to Clients by third-party investment advisors. Advisor may receive additional compensation for referrals if Client transacts business with certain advisors, securities brokers, real estate brokers, mortgage brokers, lenders, banks, insurance agents, websites or other companies or individuals offering products or services recommended by Advisor. In such cases, the Client shall be informed of any fees received, which may be in addition to any financial planning, consulting and investment advisory fee(s) paid by the Client.</p> <p>If Advisor has previously received a commission from Client on a prior transaction of securities or insurance, Advisor's investment management fee and/or financial planning, consulting or other advisory fee is exclusive of, and in addition to, any such commissions.</p> <p>Advisor may directly or indirectly compensate others for Client referrals. All solicitor agreements are in compliance with the Investment Advisors Act of 1940, Section 275, Rule 206(4)-3. All Clients procured by solicitors will be given full written disclosures describing the terms and fee arrangements between the Advisor and the solicitor. Advisor shall pay any referral fee with no additional cost to Client. All referrals are greatly appreciated.</p>   |                       |
| <div>Page 14</div> <div>Complete amended pages in full, circle amended items and file with execution page (page 1).</div> |  |                       |