

Villanova Financial Services, Inc. Client Brochure

This brochure provides information about the qualifications and business practices of Villanova Financial Services, Inc.. If you have any questions about the contents of this brochure, please contact us at (610) 296-6370 or by email at: Wbmullin@villanovaf.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Villanova Financial Services, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Villanova Financial Services, Inc.'s CRD number is: 144171

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Registration does not imply a certain level of skill or training.

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Item 2: Material Changes

Villanova Financial Services, Inc. has not yet filed an annual updating amendment using the ADV Form 2A. Therefore there are no material changes to report.

Item 3: Table of Contents

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Item 4: Advisory Business

A. Description of the Advisory Firm

This firm was incorporated in 2002 and has been registered since October 9, 2007, and the principal owner is William B. Mullin.

B. Types of Advisory Services

Villanova Financial Services, Inc. (hereinafter “VFS”) offers the following services to advisory clients:

Investment Supervisory Services

VFS offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. VFS creates an Investment Policy Statement for each client, which outlines the client’s current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client’s specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

VFS evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. Risk tolerance levels are documented in the Investment Policy Statement.

Selection of Other Advisors

VFS may direct clients to third party money managers. Before selecting other advisors for clients, VFS will always ensure those other advisors are properly licensed or registered as investment advisor.

Financial Planning

When a client engages VFS for financial planning services, VFS reviews their goals and objectives with their current and future resources and opportunities. VFS uses a Morningstar report to evaluate their current snapshot and determine a course of action using any and all resources available to the clients. Annual reviews and quarterly communication are done as VFS updates the current snapshot. Financial plans and financial planning may include, but are not limited to: investment planning, life insurance; tax concerns; retirement planning; college planning; and debt/credit planning. These services are based on fixed fees or hourly fees and the final fee structure is documented to the Financial Planning Agreement.

Services Limited to Specific Types of Investments

VFS limits its investment advice and/or money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, hedge funds, third party money managers, REITs, insurance products including annuities, private placements, and government securities. VFS may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

VFS offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent VFS from properly servicing the client account, or if the restrictions would require VFS to deviate from its standard suite of services, VFS reserves the right to end the relationship.

D. Wrap Fee Programs

VFS does not participate in any wrap fee programs.

E. Amounts Under Management

VFS has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$0.00	\$108,324,997.32	02/28/2011

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

Total Assets Under Management	Annual Fee
First \$100,000	1.25%
Next \$400,000	1.00%
Next \$500,000	0.75%
Next \$500,000	0.40%
Over \$1,500,000	0.30%

These fees are negotiable and the final fee schedule is attached to the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with thirty days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

Financial Planning Fees

Fixed Fees

Depending upon the complexity of the situation and the needs of the client, the rate for creating client financial plans is between \$1,000 and \$7,000. Fees are paid in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. The fees are negotiable and the final fee schedule will be attached to the Financial Planning Agreement. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

Hourly Fees

The hourly fee for these services is \$250. The fees are negotiable and the final fee schedule will be attached to the Financial Planning Agreement. Fees are paid in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination. Clients may terminate their contracts without penalty within five business days of signing the advisory contract.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance.

Advisory fees may also be invoiced and billed directly to the client with payments due upon receipt of invoice. Clients may select the method in which they are billed.

Payment of Financial Planning Fees

Hourly Financial Planning fees are paid via check or credit card in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

Fixed Financial Planning fees are paid via check or credit card in advance, but never more than six months in advance. Fees that are charged in advance will be refunded based on the prorated amount of work completed at the point of termination.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by VFS. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

VFS collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be deposited back into client's account within fourteen days.

E. Outside Compensation For the Sale of Securities to Clients

All representatives of VFS are also registered representatives with Cambridge Investment Research, Inc. and they can accept compensation for the sale of securities to VFS clients. Therefore, clients and accounts are identified and separated so that clients who are paying an advisory fee do not pay commissions to the advisor.

1. This is a Conflict of Interest

VFS and its supervised persons will accept compensation for the sale of securities or other investment products, including asset based sales charges or services fees from the sale of mutual funds to its clients, but it will not accept both the advisory fee and commission for the same client's account. When recommending the sale of securities or investment products for which VFS receives compensation, VFS will document any conflict of interest in the client file and inform the client of the conflict of interest.

2. Clients Have the Option to Purchase Recommended Products From Other Brokers

Clients always have the option to purchase VFS recommended products through other brokers or agents that are not affiliated with VFS.

3. Commissions are the Primary Source of Income for this RIA

Advisory fees are VFS's primary source of compensation.

Item 6: Performance-Based Fees and Side-By-Side Management

VFS does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7: Types of Clients

VFS generally provides investment advice and/or management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans

Minimum Account Size

There is an account minimum, \$250,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss

A. Methods of Analysis and Investment Strategies

Methods of Analysis

VFS works closely with clients to determine their investment goals and levels of risk tolerance. VFS's basic investment philosophy is rooted in the belief that long-term returns are determined primarily by asset allocation. For each client, VFS constructs a portfolio of investments diversified across multiple market sectors designed to meet that client's investment objectives and level of risk tolerance. Capital markets are monitored on a continuous basis through Morningstar, Moody's and/or other similar services.

Investment Strategies

VFS uses long term trading, short term trading, margin transactions, and options writing (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

B. Material Risks Involved

VFS reserves the right to advise clients on any other type of investment that it deems appropriate based on the client's stated goals and objectives. VFS may also provide advice on any type of investment held in a client's portfolio at the inception of the advisory relationship or on any investment on which the client requests advice. VFS may, from time to time, recommend investments in options provided they are suitable for the client. Options that may be recommended are generally limited to covered calls, writing puts, or other conservative option strategies. Typically, such strategies may be recommended in conjunction with the clients existing portfolio in an attempt to aid the client in protecting against the downside risk.

VFS may, from time to time, offer advice regarding investments in private company stock that are issued through private placements. Advice regarding such investments is limited to clients who are "accredited investors" and are otherwise qualified for such investments. Typically such advice is also limited to the owners of closely held businesses who invest in such businesses through the issuance/investment in private offerings.

Investment Strategies

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

C. Risks of Specific Securities Utilized

VFS generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize margin transactions and options writing. Margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a material risk of loss using any of those strategies.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a client's or prospective client's evaluation of this advisory business or the integrity of our management.

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

All representatives of VFS are also registered representatives. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. VFS always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of VFS in their capacity as a registered representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither VFS nor its representatives are registered as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

All representatives of VFS are also licensed insurance agents. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. VFS always acts in the best interest of the client; including the sale of commissionable products to advisory clients. Clients are in no way required to implement the plan through any representative of VFS in their capacity as an insurance agent.

D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

VFS may direct clients to third party money managers. VFS will always act in the best interests of the client, including when determining which third party manager to recommend to clients. VFS will ensure that all recommended advisors or managers are licensed or notice filed in the states in which VFS is recommending them to clients.

Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

B. Recommendations Involving Material Financial Interests

VFS does not recommend that clients buy or sell any security in which a related person to VFS has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of VFS may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of VFS to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. VFS will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of VFS may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of VFS to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

The Custodian was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. VFS will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

1. *Research and Other Soft-Dollar Benefits*

VFS receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

2. *Brokerage for Client Referrals*

VFS receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

VFS allows clients to direct brokerage. VFS may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage VFS may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices. Not all investment advisers allow their clients to direct brokerage.

B. Aggregating (Block) Trading for Multiple Client Accounts

VFS maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly only by William B. Mullin, Brian Fisher and/or Stephen Barbella. The chief advisors are instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at VFS are assigned to these reviewers.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by William B. Mullin, Brian Fisher and/or Stephen Barbella. There is only one level of review and that is the total review conducted to create the financial plan.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

C. Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least annually a written report or statement that details the client's account which may come from the custodian.

Clients are provided a one-time financial snapshot/analysis concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

Item 14: Client Referrals and Other Compensation

A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

VFS does not receive any economic benefit, directly or indirectly from any third party for advice rendered to VFS clients.

B. Compensation to Non -Advisory Personnel for Client Referrals

VFS anticipates entering into arrangements whereby VFS will compensate certain individuals or firms for referring clients to VFS. While VFS does not currently have any such arrangements, VFS expects such an arrangement in the future. The arrangement will be fully disclosed to the client.

Item 15: Custody

VFS does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the Custodian.

Item 16: Investment Discretion

For those clients' accounts where VFS provides ongoing supervision, the client has given VFS written authorization to be the client's investment manager and provide non-discretionary investment management services over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides VFS non-discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

Item 17: Voting Client Securities (Proxy Voting)

VFS will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 18: Financial Information

A. Balance Sheet

VFS does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither VFS nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

C. Bankruptcy Petitions in Previous Ten Years

VFS has not been the subject of a bankruptcy petition in the last ten years.