

Form ADV Part 2A Appendix
Wrap Fee Program Brochure
Tealwood Asset Management Program

VSR Advisory Services

A Division of VSR Financial Services, Inc.

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This Wrap Fee Program Brochure provides information about the qualifications and business practices of Tealwood Asset Management and VSR Advisory Services. If you have any questions about the contents of this Brochure, please contact us at 800-800-3177. 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 Tealwood and VSR Advisory Services also is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Wrap Fee Program Brochure, dated December 19, 2011, is our disclosure document prepared according to the SEC's new requirements and rules. Although the format of this document is similar in many respects to prior Schedule H wrap fee program brochures, it does contain additional new information that was not previously required.

After the initial filing of this Brochure, this section will be used to provide our clients with a summary of new and/or updated information.

VSR will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, VSR will send you a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, VSR will provide you with other interim disclosures about material changes as necessary.

You may obtain a copy of the brochure by contacting VSR at 1-800-800-3177, or by going to the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any person(s) affiliated with VSR Financial Services who are registered, or are required to be registered, as investment representatives of VSR Financial Services.

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Item 4 - Services, Fees and Compensation

Services

About Tealwood and VSR

Tealwood Asset Management, Inc. ("Tealwood") is an independent investment adviser registered with the United States Securities and Exchange Commission. VSR Advisory Services, a division of VSR Financial Services, Inc., is a registered investment adviser and broker-dealer which has entered into an agreement with Tealwood whereby VSR Advisory Services may clients to participate in the Tealwood Asset Management Program (the "Program"). If someone wishes to participate in the Program, they will enter into separate agreements with VSR Advisory Services (the "Client Agreement") and Tealwood (the "Advisory Agreement") regarding the account to be managed by Tealwood (the "Managed Account"). Tealwood specializes in the management of portfolios for individuals, pension funds and profit sharing trusts, trusts, estates, corporations and other business entities. Neither Tealwood nor any of its principal executive officers is materially engaged in any other business activities.

Tealwood individuals who provide management services are required to have an excellent ethical character and a proven track record, along with experience and a passion for both strategic business investing and client care. Please see the Tealwood Asset Management Disclosure Brochure for additional information about Tealwood, their executive officers and those individuals with supervisory responsibility with regard to the Program.

Clients are encouraged to contact Tealwood and its personnel directly at any time they have questions or comments regarding the Managed Account or the Portfolio, or wish to discuss their account, by calling 612-345-0181 or 800-345-8745.

VSR Advisory Services is a division of VSR Financial Services, Inc. VSR Financial Services, Inc., (VSR) is registered as a Broker-Dealer and Investment Adviser with the United States Securities and Exchange Commission ("SEC") and as a broker-dealer with all 50 states. Registration of an Investment Adviser does not imply any level of skill or training.

Clients who participate in the Program will have their securities accounts maintained at either First Clearing Corporation ("FCC"), or Pershing, both of whom are broker-dealers which clear transactions for VSR Advisory Services. Tealwood and VSR Advisory Services have agreed that clients who participate in the Program will be charged only the fees described below.

Tealwood Asset Management Program

The Portfolios - The Tealwood Asset Management Program is comprised of the following different portfolios (the "Portfolios"): the Defensive Fixed Income Portfolio, the Strategic Income Portfolio, the Value Growth Portfolio, and the Large Cap Value Portfolio. The general characteristics of each of the portfolios are as follows:

Defensive Fixed Income Portfolio - This Portfolio invests principally in corporate debt obligations and similar instruments, and does not ordinarily use derivative securities. However, all types of fixed income investments may be held from time to time in this Portfolio. This Portfolio emphasizes an enhanced total return approach to fixed income investing, including both current income and security appreciation. This Portfolio seeks to optimize total return by selecting securities based on business and credit analysis, not on the basis of market timing or short term trading considerations.

Strategic Income Portfolio - This Portfolio invests in securities with the objective to provide current yield, total return/appreciation while managing risk and volatility. It will invest in a variety of asset classes: bonds, convertible bonds, energy, real estate and infrastructure trusts, and dividend paying stocks.

Value Growth Portfolio - This Portfolio invests primarily in equities, and is oriented towards mid-size and smaller companies. However, all types of investments may be held from time to time in this Portfolio. The Portfolio seeks to invest in companies at share prices which represent a discount to what we see as the intrinsic value of the overall business. This Portfolio emphasizes businesses that offer profitability, cash generation, return on investment and growth.

Large Cap Value Portfolio - This is an equity portfolio emphasizing stocks of established, large cap companies; however, all types of investments may be held from time to time in this Portfolio. This portfolio is diversified across industry sectors and employs a value oriented investment discipline.

ERISA Accounts

To avoid engaging in prohibited transactions, VSR may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset advisory fees.

Termination of the Advisory Relationship

The Client Agreement and the Advisory Agreement may be terminated by any party upon written notice to the other parties. Termination of the Client Agreement or the Advisory Agreement will not affect the client's obligation to pay any unpaid Account Fees or Advisory Fees. All Account Fees and Advisory Fees for a calendar quarter are fully earned by VSR Advisory Services and Tealwood on the first day of such calendar quarter; provided, a pro rata refund of Account Fee or the Advisory Fee shall be given for the calendar quarter in which the Client Agreement and the Advisory Agreement are terminated. If the Client Agreement and the Advisory Agreement are terminated within 5 days after client's execution thereof, then client shall be given a refund of all Account Fees and Advisory Fees, less any actual out-of-pocket expenses incurred by VSR Advisory Services or Tealwood. Neither VSR Advisory Services nor Tealwood shall owe any partial refund of Account Fees or Advisory Fees if client withdraws assets from the Managed Account. Upon termination of the Account Agreement or the Advisory Agreement, client will be charged VSR Advisory Services' and the custodian's usual commissions and transaction fees for transactions in the Managed Account.

Fees

Except as provided herein, there will not be any fees, commissions or transaction charges assessed against the Managed Account. In lieu of fees, commissions and transaction charges, client will pay Tealwood an Adviser's Fee (as described below), and will pay VSR Advisory Services an Account Fee (as described below). Neither Tealwood nor VSR Advisory Services shall be compensated based on a share of capital gains upon, or the capital appreciation of, the Managed Account. The Account Fee and the Adviser's Fee will be calculated based on the market value of the Managed Account on the last trading day of the preceding calendar quarter, using the percentages shown below.

During the first calendar quarter in which the Managed Account is opened, the Account Fee and the Adviser's Fee will be prorated based on the number of days that the assets in the Managed Account will be managed during such quarter. The Account Fee and the Adviser's Fee is fully earned as of the first day of each calendar quarter; provided, a pro rata refund of the Adviser's Fee and the Account Fee will be made for the last calendar quarter in which the Managed Account is open. No partial refund of the Account Fee or the Adviser's Fee will be paid upon withdrawal of assets from the Managed Account. The Account Fee and the Adviser's Fee are paid in advance, and are due and payable on the first day of each calendar quarter and upon the initial deposit of assets into the Managed Account.

Value of Managed Account	Annualized Adviser's Fee (Tealwood)	Annualized Account Fee (Rep Fee)
Value Growth and Large Cap Value Portfolios		
\$250,000 - \$750,000	1%	<i>Maximum Fee is 1.25%</i>
\$750,000 - \$3,000,000 Value of account over \$3,000,000	0.75% Negotiable	<i>Maximum Fee is 1.25%</i>
Strategic Income Portfolio		
\$250,000 - \$500,000	1%	<i>Maximum Fee is 1.25%</i>
\$500,000 - \$3,000,000 Value of account over \$3,000,000	0.75% Negotiable	<i>Maximum Fee is 1.25%</i>
Defensive Fixed Income Portfolio		
Value of account over \$250,000	0.75%	<i>Suggested Maximum Fee is .75%</i>

The amount of the Account Fee is negotiable for all accounts, except the Defensive Fixed Income Portfolio. The amount of the Adviser's Fee is negotiable for all accounts with assets in excess of \$3,000,000, except the Defensive Fixed Income Portfolio. Tealwood may, in its discretion, waive, reduce, or modify the minimum account sizes. The Account Fee and Adviser's Fee may be reduced or modified, in Tealwood's or VSR Advisory Services' discretion. Tealwood will also pay VSR Advisory Services a fee for certain marketing services. This fee will be paid out of the Advisory Fee paid to Tealwood.

If at any time while the Managed Account is open, Client transfers into the Managed Account assets other than cash ("Pre-Existing Assets"), and client requests that any of the Pre-Existing Assets be liquidated, then there shall be no commissions or other transaction charges charged to client for sale of the first 10 positions. After the sale of 10 positions, client shall be charged VSR Advisory Services' and the custodian's usual commissions and transaction fees.

Pursuant to Client Agreement and the Advisory Agreement, client will authorize the custodian to pay VSR Advisory Services and Tealwood quarterly from the Managed Account the amount of the Account Fee and Adviser's Fee, without further authorization from client. The custodian is authorized to liquidate any securities in the Client Account as necessary to pay such fees.

Conflicts of Interest and Other Disclosures

Comparability Fees and Expenses - Clients who participate in the Program and pay the Account Fee and the Advisory Fee may pay more for those services than if they purchased the services separately, or if they opened a traditional brokerage account. Factors that bear upon the cost of the Program in relation to the cost of the same services purchased separately include, among other things, the type and size of the account, the historical and/or expected size or number of trades for the account, and the number and range of supplementary advisory and client related services provided to the account.

Because the Account Fee and the Advisory Fee may be greater than would have been the case if the client paid separately for investment advice and brokerage and other services, or participated in another program, Tealwood and VSR Advisory Services may have an incentive to recommend the client's participation in the Program over alternative programs or over the purchase of such services separately. Furthermore, the Advisory Fee or the Account Fee may be higher than the cost of similar services offered through other financial firms for comparable services.

In addition to the Account Fee and the Advisory Fee, the client will bear the costs of any mark-ups, mark-downs, or spreads paid to market makers from whom securities are bought or sold for the Managed Account.

Item 5 - Account Requirements and Types of Clients

Account Minimums

The minimum account size for the Portfolios is \$250,000. Should the market value of the account fall below the stated minimum, Tealwood may (i) require that additional monies or securities be deposited to bring the account value up to the required minimum, (ii) close the account, (iii) charge a maintenance fee, or (iv) continue to manage the account as before.

Types of Clients

During the initial client consultation, the Advisory Representative will obtain information regarding the client's personal and financial circumstances, risk tolerance and investment objectives, as well as any reasonable restrictions which the client wishes to place on the management of the account. It is essential that the client provide accurate, candid and complete information during this consultation. Failure of the client to provide complete and accurate information may affect the services being provided, and may cause the Representative to recommend an inappropriate Portfolio for client. Based upon the information provided by the client, the Representative will recommend one of the Portfolios for the client's consideration. It will be the responsibility of the client (and not the responsibility of the Advisory Representative, VSR Advisory Services, or Tealwood) to determine if the recommended Portfolio is appropriate for client.

It is the client's obligation to inform VSR Advisory Services and Tealwood promptly of material changes in the client's financial or personal circumstances, risk tolerance, or investment

objectives to enable VSR Advisory Services and Tealwood to evaluate whether to change the Portfolio in which the client's account is invested.

The Advisory Representative will discuss with the client, at least once a year, whether there has been any change in the client's personal and financial circumstances, risk tolerance or investment objectives, and whether the Portfolio continues to be suitable for client. During this annual discussion, the Advisory Representative will also ask whether the client would like to modify or impose any further reasonable restrictions on the management of the Managed Account.

VSR Advisory Services will provide Tealwood with the information obtained from the client regarding his personal and financial circumstances, risk tolerance and investment objectives, and will update such information as needed after the annual review with the client.

Item 6 – Portfolio Manager Selection and Evaluation

The decision to enter an investment advisory agreement with Tealwood, and invest through the Program, is always left up to the client. The only services that VSR Advisory Services agrees to provide pursuant to the Client Agreement is an introduction to the Program, and the ability to transact business in the Managed Account without payment of commissions, except as provided in the Client Agreement. VSR Advisory Services will not be providing any investment advisory or investment management services. The Client Agreement discloses that VSR Advisory Services is not liable or responsible for the advice, actions, or omissions of Tealwood.

Advisory Representatives are not permitted to recommend third-party advisers unless the adviser has been approved by VSR. Before approving a third-party adviser, VSR reviews information provided by the adviser about its programs and performance, reviews the adviser's client materials (including their Part 2A of Form ADV and the adviser's Advisory Agreement), performs a review of their registration history, and speaks with the adviser's personnel to discuss the adviser's investment style and strategy.

VSR will not approve a third-party adviser until the firm is satisfied that the adviser has the resources, knowledge, and experience to help our clients reach their financial goals. A third-party adviser will not be recommended to a client unless the adviser is registered or exempt from registration in the client's state of residence. VSR will receive compensation from the third party manager. The amount varies depending on the adviser and the amount of funds in the account. The compensation will be disclosed at the time of opening the account.

While neither VSR Advisory Services nor the Advisory Representative will supervise or be responsible for the actions or advice provided by any third-party investment advisers, VSR does review their investment performance periodically and the Advisory Representative will review their performance with the client. VSR Advisory Services does not represent that third-party advisers will provide the highest performance or the lowest cost in providing such services.

Performance Fees

Tealwood does not charge performance-based fees.

Methods of Analysis and Investment Strategies

Tealwood deploys an investment approach across multiple distinctive strategies that can be blended together to create an effective and efficient asset allocation based on individual objectives. To achieve this Tealwood may use equities, including exchange listed, over the counter and foreign securities, U.S. government securities, corporate and municipal debt, convertible securities, commercial paper, certificates of deposits, mutual fund shares, unit investment trusts, warrants, and options on securities. These investments may be held either long-term (more than one year) or short-term (less than one year). Tealwood also will hold cash in the portfolios and these will be included in the value of the account, and will be invested in a money market fund with the custodian where available. The amount of cash will vary depending on the current portfolio strategy and the client's specific direction.

In some of the portfolios there may be securities that can only be purchased easily in large blocks. These blocks are then broken into smaller pieces and distributed into individual accounts by the respective custodians. If a client decides to liquidate their account, these securities may be difficult to sell in the small piece that the individual owns. Tealwood will attempt to sell these securities as soon as possible for a fair market value; however, there is no guarantee there will be a market for these securities at that time.

It is important to note that the strategies may not be suitable for everyone. Even though Tealwood seeks to manage risk in the portfolios by using the investment strategies noted, risk is inherent in all security investments, including the possible loss of principal.

Voting Client Securities

Tealwood has a Proxy Voting Policy where, as a general rule, they endeavor to vote the proxies for all the securities held in clients' accounts, whether or not Tealwood bought the security. It is always a client's right to vote their own proxies, and Tealwood will only vote clients' proxies if it is their wish. If a client wishes to change how their proxies are voted, Tealwood will attempt to change the voting status where permitted.

Tealwood will make a reasonable effort to ensure that they have sufficient information to allow for an informed vote and to vote proxies in a timely matter. All proxies that require a vote and are received by the firm will be cast. Tealwood maintains files for all material relating to voting. Tealwood casts all proxy votes in the best interests of its investors, and to maximize shareholder value on a long-term basis.

All clients have a right to view Tealwood's complete Proxy Voting Policy and how they voted the proxies for the securities held in their account. This information is provided to clients upon request.

Item 7 – Client Information Provided to Portfolio Managers

Clients must complete a VSR New Account Form (NAF) and a Tealwood Application Form. These documents outline the client's investment objectives, financial circumstances, risk tolerance, investment experience, and any restrictions a client may wish to impose on their investment activities. VSR will notify the client in writing at least annually to update these documents and indicate if there have been any changes in their financial situation, investment objectives or other information. Clients agree to inform VSR in writing of any material change in their financial circumstances that might affect the manner in which their assets should be invested. The client's Advisory Representative will be reasonably available for consultation on these matters, and will act on any changes deemed to be material or appropriate as soon as practical after the Advisory Representative becomes aware of the change.

Item 8 - Client Contact with Portfolio Managers

Your contact for information and consultation regarding your program accounts is your Advisory Representative. In certain instances, your Advisory Representative may coordinate a response with the Portfolio Manager (if applicable) or arrange for you to consult directly with the Portfolio Manager.

Item 9 - Additional Information

Legal and Disciplinary Events

On June 24, 2005, the National Association of Securities Dealers (NASD) approved a settlement of the NASD's investigation into whether VSR failed to properly supervise trading activity in its customers' brokerage accounts. The investigation arose as a result of an active trading strategy used by a former Representative, although VSR received no complaint from the client involved. All of the alleged active trading occurred in brokerage accounts and no investment advisory client accounts were involved.

Without admitting or denying the allegations, VSR consented to a censure and a \$10,000 fine.

On December 12, 2006, the NASD accepted a settlement related to its investigation into whether a manager in VSR's trade department failed to detect and prevent trades resulting from a Registered Rep's unsuitable recommendations to a public customer.

Without admitting or denying the findings, the manager consented to a \$7,500 fine and was suspended from association with any NASD member in a principal or supervisory capacity for 15 business days. The suspension was effective from January 2, 2007 through January 23, 2007.

In June 2007, NASD and NYSE merged to become the Financial Industry Regulatory Authority (FINRA). At the time of the above actions, however, NASD was the regulatory body.

On March 3, 2008, FINRA approved a settlement of FINRA's investigation into whether VSR as a broker-dealer failed to properly supervise a particular Registered Representative. The Representative recommended purchasing Class B shares, despite the fact that the client was eligible to purchase Class A shares at lower cost and annual expense. Another client did not receive the sales discount, resulting in higher front-end loads. No investment advisory accounts were involved. Without admitting or denying the allegations, VSR consented to a censure and a \$20,000 fine.

On December 1, 2011, the State of Missouri found that VSR, as a broker-dealer, failed to make, maintain, and preserve records relating to private securities transactions. Without admitting or denying the allegations, VSR agreed to a censure and was ordered to pay \$55,470 to the State.

Financial Industry Affiliations

VSR Financial Services Inc. is registered as a securities broker/dealer. All of our Advisory Representatives are also registered representatives of VSR Financial Services Inc. As registered representatives they may sell a variety of investment products for a commission.

VSR also has an affiliated insurance agency.

Advisory Representatives may be licensed as agents for various life insurance companies or may be associated with independent life insurance general agencies. VSR is an agent for many insurance companies. As with the implementation of investment advice given to clients, the Advisory Representative will generally only recommend insurance products of those companies for whom the Advisory Representative is a sales agent and with which he is familiar with the benefits, exclusions, and other terms.

Certain VSR Registered Representatives are personally registered as investment advisers or are advisory representatives of other Registered Investment Advisers. VSR Advisory Services has entered into sub-advisory agreements with these individuals so that they may provide certain advisory services to our clients. In situations where the client has engaged a sub-adviser of VSR Advisory Services, the sub-adviser will provide the client with the sub-adviser's Form ADV (or substitute brochure), as well as VSR Advisory Services' Form ADV (or substitute brochure). VSR will pay the sub-adviser a portion of the fee paid by the client.

VSR may act as a broker in effecting the securities transactions or financial planning strategies directed to it for VSR Advisory Services' clients and receive commissions and other economic benefits as a result of such transactions.

Certain Advisory Representatives may have other business activities, such as tax preparation, accounting, legal, real estate, or other businesses, that are not directly related to their registration as an Advisory Representative. Advisory Representatives may also provide various limited services related to employee benefit plans. VSR does not supervise or receive compensation from these other business activities.

Code of Ethics

VSR has adopted a Code of Ethics that includes a Personal Trading Policy, which will apply to all of our employees and Representatives. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts, the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with VSR's Code of Ethics.

In compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988 ("ITSFEA"), VSR has established, and will maintain and enforce, written policies reasonably designed to prevent the misuse of material, nonpublic information by us or any person associated with the firm. In consideration of and in compliance with ITSFEA, VSR forbids any officer or employee, either personally or on behalf of others, to trade on material, nonpublic information or to communicate such information to others in violation of the law.

An investment adviser is considered a fiduciary according to the Investment Advisers Act of 1940. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. VSR, its employees, and its Representatives have a fiduciary duty to all advisory clients. To assist our employees and Representatives in meeting these obligations, VSR has adopted standards of business conduct that are outlined in our Code of Ethics. VSR requires all of its supervised persons to conduct business with integrity and to comply with all federal and state securities laws at all times.

Trading Practices

Agency Cross & Principal Trading

An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory customer and for another person on the other side of the transaction (SEC Rule 206(3)-2(b)). Agency cross transactions typically may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

A principal transaction is defined as a transaction where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory customer.

It is our policy that VSR will not engage in agency cross transactions involving advisory customers. VSR does not generally engage in principal transactions with advisory customers, except for riskless principal transactions.

VSR will not cross trades involving client advisory accounts.

Trade Aggregation and Block Trades

The aggregation or block trading of customer transactions allows an adviser to execute transactions in a more timely, equitable, and efficient manner. Our firm's policy is to aggregate customer transactions where possible and when advantageous to customers.

Clients who enter into non-discretionary arrangements with VSR may be charged higher commissions as compared to clients who enter into discretionary arrangements. In these instances, customers participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis.

VSR's policy prohibits any allocation of trades in a manner such that any particular customers or group of customers receive more favorable treatment than other customer accounts. Likewise, neither VSR's proprietary accounts, nor the accounts of its employees, will be included in any block trades with customers.

On infrequent occasions, an error may be made in a clients account. For example, a security may be erroneously purchased for a client account instead of sold. In these situations, VSR generally seeks to rectify the error by placing the client account in a similar position as it would have been had there been no error. Depending on the circumstances, various corrective steps may be taken, including but not limited to, cancelling the trade, adjusting an allocation, and/or reimbursing the account. In the event the trading error results in an erroneous profit, the profit will not be allocated to the client as VSR would retain the profit.

Participation in Client Transactions

There may be instances where an Advisory Representative will recommend to investment advisory clients or prospective clients the purchase or sale of securities in which VSR, its affiliates and/or clients may have a position or interest.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with VSR's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. VSR will retain records of the trade order (specifying each participating account) and its allocation.

Personal Trading

Subject to VSR's Code of Ethics and applicable securities laws, the employees and Advisory Representatives of VSR and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for VSR's clients. The Code of Ethics is designed to assure that the personal securities transactions of the employees and Advisory Representatives of VSR will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

VSR, VSR Advisory Services, and the Advisory Representatives may or may not maintain investment positions in their personal portfolios that are recommended to clients. In fact, VSR, VSR Advisory Services, and the Advisory Representatives may take positions or execute transactions for their personal accounts which are materially different than the positions or transactions recommended for their clients.

Employees and Representatives are expected to purchase or sell a security for their personal accounts only after trading of that same security has been completed in customer accounts. An exception to this policy may be made if the Vice President, Trade Desk Director or designee, has approved block executions of customer and employee or Representative accounts through VSR's average price account.

VSR's Code of Ethics requires pre-clearance of certain transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Trading activity of Advisory Representatives and employees is monitored under the Code of Ethics to reasonably prevent conflicts of interest between VSR and its clients.

VSR's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the firm at the address noted on the cover of this brochure.

Account Reviews

Managed Accounts

Unless noted otherwise in the client agreement the Advisory Representative shall review at least quarterly each account for which he is providing investment management or supervisory services. The review is designed to ensure that the investments and investment strategy employed remains consistent with the client's investment objectives and financial situation as provided by the client.

Financial Plans

Clients should be aware that VSR does not review each written financial plan an Advisory Representative prepares for his clients, except to the extent they may be reviewed during a routine compliance examination. Often, the plans contain recommendations and proposals which are never effected by the clients, or involve projections and analysis which are not within the scope of investment advisory activities under the Advisers Act.

Clients should understand that the services provided to them, and the content of any financial plan prepared for them, are provided by the Advisory Representative and clients are dependent solely on the expertise of the Advisory Representative for the quality of the advice or plan. VSR does not have access to the underlying work papers or assumptions used to develop the recommendations or projections in the plan.

Nonetheless, to the extent that implementation of a financial plan involves securities transactions, VSR's home office supervisory staff reviews the suitability of particular

transactions effected in the client's account with respect to how the transaction will meet the client's investment objectives and risk tolerance. VSR is committed to ensuring that it fulfills its obligations to supervise its Representatives, as required by law.

Other Reviews

Conditions that may trigger a review more frequently than noted above include changes in securities laws, changes in the client's personal situation, substantial market movements or per specific client request.

Reports

Unless noted otherwise in the client agreement, reports will be sent to the client by the custodian that holds the client's account, at such times as is provided in the client's account agreement with the custodian. VSR or the Advisory Representative may provide other statements or reports to the client.

Client Referrals

VSR and our Advisory Representatives may act as solicitors for various third-party investment advisers who compensate VSR and the Advisory Representative for the solicitation. Each solicitation arrangement is documented and a solicitor's disclosure statement is provided to the client.

VSR does not currently have any solicitation arrangements whereby the firm compensates others for client referrals.

Other Compensation

Our Advisory Representatives may sell securities and/or insurance to any client for commissions in their separate capacities as Registered Representatives. This situation could represent a potential conflict of interest since VSR and the Representative could receive fees and commissions if the client chooses to implement the recommendations of the Advisory Representative through him in his separate capacity as a Registered Representative. Clients are not obligated to implement any recommendation through VSR or the Representative and are free to choose any broker/dealer or insurance company they wish to implement the recommendations.

Certain product sponsors may provide VSR with economic benefits as a result of the client's investments, including sponsorship of meetings, marketing support, incentive awards, payment of travel expenses, and direction of brokerage transactions to VSR.

These arrangements may represent a conflict of interest since they may affect the independent judgment of VSR or the Advisory Representatives in the recommendation of one adviser program over another. However, the best interests of the client will be of utmost importance to VSR and all Advisory Representatives in recommending any particular third-party adviser or service.

Financial Information

Registered investment advisers are required to provide their clients with certain financial information or disclosures about their financial condition. VSR has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 10 - Requirement for State-Registered Advisers

Since VSR is registered with the United States Securities and Exchange Commission this section is not applicable.