

**FRANCIS M. REPS
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ADV PART II BROCHURE

This brochure provides information about the qualifications and business practices of Francis M. Reps, CRD # 1065557, SEC File # 801-08851. If you have any questions about the contents of this brochure, please contact us at (360) 671-0068 or vulturemin@aol.com. The information in this brochure has not been approved or verified by the United States Securities or Exchange Commission or by the state securities authority.

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INVESTMENT ADVISORY BUSINESS

HISTORY

Francis M. Reps, born February 16, 1935, started his career in the financial services with Merrill Lynch in 1964 as a broker. Initially he served individual clients. After joining Bache and Company, he was trained as an institutional broker, and began to serve Labor Union, Pension and Health and Welfare Funds.

In 1972 Francis M. Reps started his own business, offering financial investment advice to a variety of clients. He has maintained this business as the one and only proprietor from 1972 to the current time. He provides personal service to clients that have been with him for between twenty and thirty years. He does not advertise, or solicit new clients in any way.

The clients he does have are generally referred by an existing account.

Investment Orientation

Mr. Reps primary concern for each client is to first preserve the clients capital, and then provide a good rate of return at minimum risk.

He has the advantage of having thirty-five successful years in the business, and contacts outside of the United States that give him a mature and unique perspective on the present market conditions.

Client Relations

Given that most of the clients have been with Mr. Reps for over twenty years, the relationship is a highly professional/personal one. Accounts include Individuals, Business Profit Sharing, and Trust Funds. Each client is consulted as to their future goals for their investments, and the portfolios designed to reflect that. If a client wishes to redirect their portfolio, Mr. Reps accommodates those wishes immediately. Clients from time to time are provided with articles or opinion pieces to define the way that Mr. Reps is thinking about the financial world in general, and why he is suggesting specific directions vis a vis their own portfolios.

Fees:

For most private individual equity accounts Mr. Reps charges 0.25% quarterly based on the market value of the account at the time of billing. A negotiated fee may also be charged for investment advisory services. Fees are due and payable at the beginning of each quarter.

Each client has an investment advisory contract, both client and Mr. Reps have the right to terminate service with thirty days notice. If termination occurs before the end of the quarter, the fee will be prorated and the balance refunded.

The only fees charged are for assets under management. All accounts are held by a custodian bank or institution, and payment directed only by the clients.

TYPES OF CLIENTS

This small business serves individual clients, business profit sharing funds, and a Trust Fund.

Mr. Reps is not seeking to add new clients, or establish any special niche. Rather he just continues to serve the clients that he has had for the past twenty to thirty years.

METHODS OF ANALYSIS

For over thirty-five years Mr. Reps has been studying the market, by researching specific sectors, and individual companies, by reading history and current events, by talking to people in every walk of life. His information gathering is continuous and ongoing. However, it does not lend itself to any rigid definitions. It is not computer driven, or based on indexes, or contrarian.

The equities or assets that he recommends to his clients are based on his best understanding of the current market situations, and their own best interests.

He has developed a reputation for thinking “out of the box”.

CODE OF ETHICS

Mr. Reps adheres strictly to a code of ethics of the highest caliber. A copy of this code as required by Rule 204A-1 is available on request from any client.

As an investment advisor, his sole focus has been on the conservative growth and conservation of capital for his clients. This singular focus has provided long term returns to the great benefit of the client portfolios.

BROKERAGE PRACTICES

Mr. Reps has long maintained an independence from any other relations than that to his clients. He does not take referrals from brokerage firms, nor does he solicit accounts from any brokerage firms. On a personal level, if he trades in his own account it is only after his client's transactions have been placed.

Mr. Reps receives no cash or compensation in any manner from any brokerage firms.

DIRECTED BROKERAGE

Mr. Reps respects the wishes of his clients to determine or identify a "broker of record". These arrangements are made solely by the client, for their own personal reasons, and may include custodial services or other financial programs to the client or personal preference. Mr. Reps does not direct these choices, or benefit in any way from the directed brokers of record". In this case, if the account insists on using that particular brokerage firm, the trades will be executed by said firm.

REVIEW OF ACCOUNTS

All review and measurement arrangements are made solely by the clients. Data is supplied by the custodian banks, and recognized standard data bases are used as the basis of comparison and ranking.

Each client receives a report of any trade in their account from Mr. Reps at the time of the trade. This report is then matched against a broker confirmation. Some accounts receive monthly or quarterly reports of all investment activity for the previous period. A Client may call at any time and receive a faxed copy of their holdings on the same day.

All clients receive a monthly statement (a few receive quarterly) from their custodian bank. Mr. Reps receives a duplicate copy of those statements which are kept on file. All equity accounts receive a report of their holdings with each fee letter.

Periodically, Mr. Reps talks personally with each client regarding any changes in their plans as it would affect their portfolio management.

CUSTODY

Mr. Reps does not have custody of the assets of any of the accounts. Each individual account decides where they want their assets held. It may be a bank, for example Northern Trust; or it may be a financial institution like Smith Barney or Oppenheimer. Each account decides who will act as their custodian.

Only the client has access to these accounts, and any fees to be paid are directed solely by the client.

INVESTMENT DISCRETION

All accounts have given Mr. Reps investment discretion.

VOTING CLIENT SECURITIES

Mr. Reps votes all clients securities.