



LOVETT FINANCIAL ADVISORS, LLC
Wealth Management Solutions

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FORM ADV PART 2A
BROCHURE

This brochure provides information about the qualifications and business practices of Lovett Financial Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 302-250-4740. 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 Lovett Financial Advisors, LLC is available on the SEC's website at www.adviserinfo.sec.gov. Lovett Financial Advisors, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

There have been no material changes to the brochure since Lovett Financial Advisors, LLC's initial filing. However, certain language in Item 10 has been updated to reflect that Kim Lovett is currently a registered representative of Spire Securities, LLC, an unaffiliated broker-dealer.

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Item 4 Advisory Business

Lovett Financial Advisors LLC, doing business as Lovett Financial (the "Advisor"), is a limited liability company formed under the laws of the State of Delaware. Ms. Kim Lovett is the Managing Member and Chief Compliance Officer for the Advisor. The firm is registered with the Securities and Exchange Commission.

Investment Advisory Services

The Advisor may perform the following services for its clients:

- Maintenance of an appropriate Investment Policy Statement for those assets under the limited discretionary authority of LFA.
- Coordination and administration of appropriate accounts and related asset transfers.
- Customized implementation of the Investment Policy, including potential selection of an appropriate sub-advisor to fulfill investment mandate. Additionally, we will honor requests by our clients to impose restrictions on investing in certain types of securities.
- Active tax and cost efficient investment portfolio management for assets under the discretionary authority of our firm including manager and strategy selection.
- Monitoring and management of investment managers and vehicles selected for implementation.
- As necessary, rebalancing, policy and/or strategy modification and/or manager replacements.
- Quarterly detailed written reviews of our client's investment portfolio(s) under management.
- As requested, implementation of cost and tax efficient liquidations for unanticipated cash flow needs.
- As requested, provision of preliminary tax information (e.g. realized and unrealized gains, taxable interest and dividends) for tax planning.
- Maintain and update as requested, a "Capital Needs Analysis", an analytical process that evaluates the likelihood of meeting stated goals based on assets, liabilities and relevant economic assumptions.

Financial Planning and Financial Consulting

We may provide financial planning/financial consulting services to you to assist with long or short-term objectives as defined by you. Such services are not ongoing in nature and are generally completed within six months of the date of the engagement. Assistance with development of a comprehensive financial plan may include, but is not limited to, advice on the following issues:

- Cash flow management
- Retirement planning
- Risk Management
- Estate Planning

Further, our firm may provide a review and update of your existing financial plan.

Consultation or planning services may include any of the following at your specific request:

- Review of your overall financial situation and issue of a written report of recommendations.
- Review of estate planning issues.
- Preparation of a written asset allocation report and associated recommendations.
- Preparation of a portfolio analysis report and associated recommendations.
- Hourly consultation services on a myriad of issues raised by you, on an as-needed basis.
- Review of cash flow issues.
- Review of investment risk analysis.
- General tax issues and projections.
- Review of fringe benefit considerations.

- Business related issues to include multi-generational family plan.
- Other miscellaneous services based on your unique needs.

Transactions for your account will generally be executed by TD Ameritrade, Inc. ("TD AMERITRADE"), a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

Types of Investments

We primarily offer advice on equity securities, corporate debt securities, certificates of deposit, municipal securities, mutual funds, exchange traded funds, US Government securities, hedge funds, and some master limited partnerships. Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.

Assets Under Management

As of May 17, 2016, Lovett Advisors, LLC had \$0 in assets under management on either a discretionary or non-discretionary basis.

Item 5 Fees and Compensation

Investment Advisory Services

Fees for our services are based on assets under management per the standard fee schedule as listed below:

Equity and Balanced Accounts

First \$2,000,000	1.25%
Next \$3,000,000	.75%
Next \$5,000,000	.60%
Next \$10,000,000	.30%
\$20,000,000 +	Negotiated

Fixed Income Only

First \$2,000,000	.50%
Next \$3,000,000	.35%
Next \$5,000,000	.25%

Next \$10,000,000	.20%
\$20,000,000 +	Negotiated

Enhanced Cash Management

First \$2,000,000	.35%
Next \$3,000,000	.25%
Next \$5,000,000	.20%
Next \$10,000,000	.15%
\$20,000,000 +	Negotiated

The fees charged are calculated as described above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds, or any portion of the funds.

While it is the general policy for our firm to charge fees in accordance with the fee schedules listed above, the fees are subject to negotiation and may vary from these schedules to reflect circumstances that may apply to a specific account. For example, fees may differ from those stated herein because of long-standing relationships, anticipated client additions to assets under management, changing market conditions or other reasons. Fees are charged on a pro-rata basis quarterly in advance based on the closing market value of the account on the last day of the calendar quarter.

Prior to engaging us to provide investment advisory services, you will be required to enter into an Investment Advisory Agreement with our firm setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the portion of the fee that is due from you before our firm commences services. Fees are paid in advance, however, in the event you terminate our services, the unearned balance of our fee, if any, shall be refunded to you. Upon your written authorization, fees will be automatically deducted from the account. You will be provided with a quarterly statement from the custodian reflecting the deduction of the advisory fee.

Financial Planning Fees

Financial planning is typically included as part of the investment advisory process. There is no separate charge for financial planning.

Additional Information Concerning Fees

Advice offered by our firm may involve selection of one or more sub-advisors or independent managers to manage a portion of your investments. In such circumstances, we sign an agreement with the sub-advisor to provide such services and we will pay them a portion of the fee paid by you.

Advice offered by us may involve investments in stocks, bonds; exchange traded funds (ETF's), hedge funds, and mutual funds. All fees paid to us for our investment advisory services are separate and distinct from the fees and expenses charged by ETF's, hedge funds and mutual funds (described in each fund prospectus) to their shareholders. These fees may include, but are not limited to, a management fee, upfront sales charges and other fund expenses. Further, there may be transaction charges involved with purchasing or selling of securities. We do not share in any portion of the additional brokerage fees/transaction charges or custody fees imposed by the custodian holding your funds or securities. You should review all fees charged by mutual funds, our firm and others to fully understand the total amount of fees to be paid.

You could invest in a mutual fund or ETFs directly without the services of our firm. In that case, you would not receive the services we provide which are designed, among other things, to assist you in determining which mutual funds or ETFs that are most appropriate to the client's financial condition,

goals and objectives. Accordingly, you should review mutual fund and ETF fees, as well as the fees charged by our firm, to fully understand the total amount of fees to be paid by the clients and to thereby evaluate the advisory services that are provided.

Securities Commission Transactions. In the event that the client desires, the client can engage certain of Lovett Financial's representatives, in their individual capacities, as registered representatives of *Spire Securities*, an SEC registered and FINRA member broker-dealer, to implement investment recommendations on a commission basis. In the event the client chooses to purchase investment products through *Spire Securities*, *Spire Securities* will charge brokerage commissions to effect securities transactions, a portion of which commissions *Spire Securities* shall pay to Lovett Financial's representatives, as applicable. The brokerage commissions charged by *Spire Securities* may be higher or lower than those charged by other broker-dealers. In addition, *Spire Securities*, as well as Lovett Financial's representatives, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

- A. **Conflict of Interest:** The recommendation that a client purchase a commission product from *Spire Securities* presents a ***conflict of interest***, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Lovett Financial's representatives. **Lovett Financial's Chief Compliance Officer, Bonnie M. Boyce, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.**
- B. **Please Note:** Clients may purchase investment products recommended by Lovett Financial through other, non-affiliated broker dealers or agents.
- C. Lovett Financial does not receive more than 50% of its revenue from advisory clients as a result of commissions or other compensation for the sale of investment products Lovett Financial recommends to its clients.
- D. When Lovett Financial's representatives sell an investment product on a commission basis, Lovett Financial does not charge an advisory fee in addition to the commissions paid by the client for such product. When providing services on an advisory fee basis, Lovett Financial's representatives do not also receive commission compensation or additional 12b-1 fees for such advisory services. However, a client may engage Lovett Financial to provide investment management services on an advisory fee basis and separate from such advisory services purchase an investment product from Lovett Financial's representatives on a separate commission basis.

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

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Fees are calculated as described in the section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in our clients' advisory accounts.

Item 7 Types of Clients

Our firm provides investment advice to individuals, pension and profit sharing plans, trusts, estates or charitable organizations, corporations and other organizations. We generally require a minimum of \$250,000 in assets under management for managed accounts, but this minimum may be waived at our discretion.

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

We recognize that our clients have different investment objectives and risk tolerances based upon their goals, life style, financial commitments and a myriad of other factors. Our firm works closely with you to develop a Statement of Investment Policy and Objectives that helps define a particular investment strategy. We may then manage the account directly or may choose a sub-advisor or independent manager that would, in our opinion, be able to execute a strategy consistent with the one defined by you. Our firm's methods of analysis include fundamental analysis and technical analysis of securities and markets.

- Fundamental analysis examines trends in economic data, interest rates, corporate earnings, corporate balance sheets, and credit agency ratings to determine the probability of future earnings and subsequently the prospects for future stock or Bond appreciation. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- Technical analysis on the other hand takes into consideration factors such as chart trends, Volatility index, put/call ratios, momentum, volume and more. The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

To over simplify, fundamental analysis looks at the factors that could possibly affect the performance of a company or group of companies and are more long term in nature, while technical analysis considers factors that may be more market driven and more short term in nature. We review financial news, corporate rating services, research materials prepared by others, annual reports, prospectuses and filings with the Securities and Exchange Commission. Our firm also conducts interviews and due diligence with respect to the investment strategies and capabilities of prospective money managers who may be employed as sub-advisors.

To fulfill a particular investment strategy, our firm and selected sub-advisors may elect long term purchases, short term purchases or trading strategies (securities sold within 30 days).

- Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year. Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.
- Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities'

short-term price fluctuations. Using a short-term purchase strategy generally assumes that we can predict how financial markets will perform in the short-term which may be very difficult and will incur a disproportionately higher amount of transaction costs compared to long-term trading. There are many factors that can affect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

- Short-Term Trading - short-term trading, in general, is selling securities within 30 days of purchasing the same securities as an investment strategy. Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. This may include buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses. However, there is a risk that frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

After reviewing your investment objectives and tolerance for risk, you will execute an Investment Policy Statement that selects one of the following investment strategies:

- Ultra Conservative Growth and Income - Seeks high current income with very modest growth of capital. While income and capital preservation are the primary focus, the portfolio will seek to provide growth of capital (excluding current income) equal to inflation, as measured by the Core Consumer Price Index - "CPI". This portfolio will generally have a high weighting to cash and traditional fixed income and a low weighting to equity related strategies. The Ultra Conservative investment objective is equivalent to an ultra-low risk profile.
- Conservative Growth and Income - Seeks high current income with modest growth of capital. While income and capital preservation are the primary focus, the portfolio will seek to provide growth of capital (excluding current income) equal to inflation ("CPI"). This portfolio will generally have a high weighting to cash and traditional fixed income and a lower weighting to equity related strategies. The Conservative investment objective is equivalent to a low risk profile.
- Moderate Growth and Income - Seeks growth of capital as well as current income. The portfolio will invest across diversified strategies specializing in fixed income, equity, real assets, and private investments with relatively equal weightings between equity and fixed income related strategies. The Moderate investment objective is equivalent to a balanced, medium risk profile.
- Aggressive Growth - Seeks maximum growth of capital. This portfolio will generally utilize a high weighting to equity-related strategies and a low weighting to fixed income related strategies. The Aggressive investment objective is equivalent to a high risk profile.
- Fixed Income Only - Seeks to preserve principal value, maintain adequate liquidity to meet client demands, and maximize total return. This portfolio will generally utilize investment grade cash and fixed income securities such as US Treasuries, agencies, municipal bonds, agency mortgage-backed securities and corporate debt. The Fixed Income Only investment objective is equivalent to a very low risk profile.

There are a number of risks associated with the various strategies we offer. Generally, your accounts are subject to stock market risk, which is the chance that stock prices overall will decline. Stock markets tend to move in cycles, with periods of rising prices and falling prices. Such risk may vary based on the percentage of stocks owned in a given investment strategy.

Bonds are subject to interest rate risk, which is the chance that bond prices overall will decline because of rising interest rates. Interest rate risk will vary based on the percentage of bonds owned in a given strategy. In addition, long-term bonds have a higher interest rate risk and are much more sensitive to interest rate changes than are the prices of short-term bonds. In addition, bonds are also subject to credit risk, the chance that a bond issuer will fail to pay interest and principal in a timely manner or, that negative perceptions of the issuer's ability to make such payments will cause the price of that bond to decline. Finally, some bonds may be subject to call risk. This is the chance that in a

declining interest rate environment, the issuer of a bond will repay or call securities with higher coupons before their maturity dates.

Investments in specific asset classes entail different investment risks. For example, small cap stocks tend to be more volatile than large or mid-cap stocks. International stocks and emerging markets include risks due to currency fluctuations, foreign taxes, political instability and possibility of illiquid markets. Real estate investing includes risks such as declines in the value of real estate, changing economic conditions, tax laws or property taxes. Investing in Commodities is also highly volatile and subject to changing economic conditions and the vagaries of speculators among other risks. Market Neutral and Long/Short strategies entail potential liquidity risks and frequently higher fees.

Tax Considerations

Our strategies and investments may have unique and significant tax implications. However, unless specifically agreed otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of account size or any other factors, you are strongly recommended to consult with a tax professional prior to and throughout the investing of your assets.

Moreover, your custodian may default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of client investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to us immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. Our firm does not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Item 9 Disciplinary Information

Our firm and any of our partners, officers or employees have never been involved in any legal or disciplinary action with any federal or state statutory or regulatory agency. Likewise, our firm, our partners, officers or employees have never been subject to disciplinary action by self-regulatory organizations.

Item 10 Other Financial Industry Activities and Affiliations

We currently lease office space from Cover & Rossiter accounting firm. Cover & Rossiter is a professionally registered C Corporation. Lease costs and certain ancillary administrative services are provided to our firm by Cover & Rossiter and are defined in a separate agreement.

Sub-Advisors

We compensate certain sub-advisors to manage our clients' assets. Since these compensation arrangements differ from one sub-advisor to another, they present a conflict of interest because we may have a financial incentive to utilize sub-advisors whose compensation arrangements are most favorable to our firm. However, as part of our fiduciary duties to you, we endeavor at all times to put your interests first. You will not pay higher fees as a result of our utilization of sub-advisors over the

fees noted in our standard advisory fee schedule under Item 5 of this brochure.

Registered Representative of Spire Securities. As disclosed above in Item 5.E, certain of Lovett Advisor's representatives are also registered representatives of *Spire Securities*, a FINRA member broker-dealer. Clients can choose to engage certain of Lovett Advisor's representatives, in their individual capacities, to effect securities brokerage transactions on a commission basis. **Conflict of Interest:** The recommendation by Lovett Advisor's representatives that a client purchase a securities commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Lovett Advisor's representatives. Clients are reminded that they may purchase insurance products recommended by Registrant through other, non-affiliated insurance agents or broker-dealers. The Registrant's Chief Compliance Officer remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.

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

Our firm maintains an investment policy relative to personal securities transactions. This investment policy is part of our firm's overall Code of Ethics, which serves to establish a standard of business conduct for all of our firm's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, our firm also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by our firm or any person associated with our firm.

Neither our firm nor any related person of our firm recommends, buys, or sells for client accounts, securities in which our firm or any related person of our firm has a material financial interest.

Our firm and/or representatives of our firm *may* buy or sell securities that are also recommended to clients. This practice may create a situation where our firm and/or representatives of our firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if our firm did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed before those of our firm's clients) and other potentially abusive practices.

Our firm has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of our firm's "Access Persons." Our firm's securities transaction policy requires that Access Person of our firm must provide the Chief Compliance Officer or his/her designee with a written report of the their current securities holdings within ten (10) days after becoming an Access Person. Furthermore, Access Persons must provide the Chief Compliance Officer with a quarterly transaction report, detail all trades in the Access Person's account during the previous quarter; and on an annual basis, each Access Person must provide the Chief Compliance Officer with a written report of the Access Person's current securities holdings. However, at any time our firm has only one Access Person, he or she shall not be required to submit any securities report described above.

Our firm and/or representatives of our firm *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where our firm /or

representatives of our firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above, our firm has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of our firm's Access Persons.

Item 12 Brokerage Practices

In the event that the client requests that our firm recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct our firm to use a specific broker-dealer/custodian), our firm generally recommends that investment management accounts be maintained at TD AMERITRADE. Prior to engaging our firm to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with our firm setting forth the terms and conditions under which our firm shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that our firm considers in recommending TD AMERITRADE Institutional program (or another broker-dealer/custodian, investment platform and/or mutual fund sponsor) include historical relationship with our firm, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by our firm's clients shall comply with the our firm's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the our firm determines, in good faith, that the commission/transaction fee is reasonable. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness.

Accordingly, although our firm will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, our firm's investment management fee. Our Firm's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

TD AMERITRADE

Our firm participates in the TD AMERITRADE Institutional program. TD AMERITRADE Institutional is a division of TD AMERITRADE, INC. ("TD AMERITRADE") member FINRA/SIPC/NFA. TD AMERITRADE is an unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers to independent investment advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Our firm receives some benefits from TD AMERITRADE through its participation in the program. In some cases, securities transactions will be executed through TD AMERITRADE Institutional, a Division of TD AMERITRADE, Inc., member FINRA/SIPC/NFA ("TD AMERITRADE"), or any other designated broker-dealer are exclusive of and in addition to our fee. TD AMERITRADE may be paid certain advisory fees, product management fees (on annuities and securities such as mutual funds), administrative fees and/or transaction charges for its role with respect to our accounts. It is important to note that TD AMERITRADE, Member FINRA/SIPC/NFA does not maintain a supervisory relationship with respect to our firm or our representatives. TD AMERITRADE, Member FINRA/SIPC/NFA and our firm are separately registered and independently controlled entities.

We reasonably believe that in the case of managed accounts, TD AMERITRADE's blend of execution services, commission and transaction costs as well as professionalism allows us to seek best execution and competitive prices. Additionally, we believe that in case of financial plan recommendations being executed, that TD AMERITRADE's blend of execution services, commission

and transaction costs as well as professionalism allows TD AMERITRADE to seek best execution and competitive prices. At all times, financial planning clients are free to execute plan recommendations through another broker-dealer without the assistance of TD AMERITRADE or its investment advisory representatives.

Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, our firm may receive from TD AMERITRADE Institutional program (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist our firm to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by the our firm may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by our firm in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist our firm in managing and administering client accounts. Others do not directly provide such assistance, but rather assist our firm to manage and further develop its business enterprise.

Our firm's clients do not pay more for investment transactions effected and/or assets maintained at TD AMERITRADE as a result of this arrangement. There is no corresponding commitment made by our firm to TD AMERITRADE or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Our Firm's Chief Compliance Officer, Kim Lovett, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

1. Our firm does not receive referrals from broker-dealers.
2. Our firm does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and our firm will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by our firm. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs our firm to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through our firm.

Our firm's Chief Compliance Officer, Kim Lovett, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

To the extent that our firm provides investment advisory services to its clients, the transactions for each client account generally will be effected independently, unless our firm decides to purchase or sell the same securities for several clients at approximately the same time. Our firm may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among our firm’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Our firm shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

Kim Lovett, Managing Member and Chief Compliance Officer, reviews all accounts on a regular basis. More frequent reviews may be necessary due to your individual circumstances, economic conditions, returns from various asset classes or general factors regarding the prospects for the financial markets. In addition to internal reviews, Ms. Lovett endeavors to meet with clients no less than annually to review their investment objectives.

We may provide our clients with a quarterly report, in addition to reports received from the custodian, showing among other things, securities held, transactions in the account in the past quarter, security cost, security market value and performance returns as well as advisory fees paid to our firm. Such reports are generally accompanied by a performance analysis and quarterly client letter/commentary. You are encouraged to compare reports and values received from our firm with those of the custodian and to promptly report any discrepancies.

Item 14 Client Referrals and Other Compensation

We do not receive compensation from any individual or firm for client referrals. However, from time to time, our firm may participate in revenue sharing and/or pay referral fees through arrangements with other professionals. When this arrangement is specific to a client, additional written disclosure is provided directly to the client. Clients do not pay more for advisory services because of these arrangements.

As disclosed in "Brokerage Practices", our firm participates in TD AMERITRADE'S institutional customer program and we may recommend TD AMERITRADE to you for custody and brokerage services. There is no direct link between our participation in the program and the investment advice we give to our clients, although we receive economic benefits through our participation in the program that are not typically available to TD AMERITRADE retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our firm's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided us by third party vendors. TD AMERITRADE may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit our firm but may not benefit our clients' accounts. These products and services may assist us in managing and administering client accounts, including accounts not

maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help us manage and further develop its business enterprise. The benefits received our firm or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. As part of our fiduciary duties to Clients, the firm endeavors at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by our firm or our related persons in and of itself creates a potential conflict of interest and may indirectly influence our choice of TD AMERITRADE for custody and brokerage services.

The commissions and fees charged by TD AMERITRADE, however, may be higher than those charged by broker-dealers who do not provide the aforementioned services to investment Advisors.

If a client is introduced to our firm by either an unaffiliated or an affiliated solicitor, our firm may pay that solicitor a referral fee in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940 and any corresponding state securities law. Any referral fee shall be paid solely from our firm's investment management fee, and will not result in any additional charge to the client. If the client is introduced to our firm by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of their relationship and shall provide each prospective client with a copy of the firm's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the arrangement between our firm and the solicitor, including the compensation to be received by the solicitor from our firm.

Item 15 Custody

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

In addition, we exercise care and have enacted policies to avoid taking receipt inadvertently of client funds or securities. Generally, we will return cash or securities to you within three business days with instructions for you to remit them to the qualified custodian.

Item 16 Investment Discretion

Prior to assuming discretionary authority over your account, we evaluate your financial position, goals and objectives, and risk tolerance. In most cases this process involves a financial plan. You will sign a limited power of attorney allowing discretion as part of the custodian's required paperwork along with a Discretionary Agreement with our firm.

We may have the authority to determine, without obtaining specific consent, the appointment of a sub-advisor, the securities to be bought or sold and the commission rates to be paid. You may specify

investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. It should be noted that we do not have custody of your funds or the authority to remove funds from your accounts except to instruct the custodian to return funds directly to you, or to deduct advisory fees from the account on a quarterly basis. You may be required to open a brokerage account: thus agreeing in advance to the broker dealer selected. In the case where the account is being sub-advised, you agree in advance that the sub-advisor may select the broker-dealer to be used.

Our firm manages accounts primarily on a discretionary basis with full authority to make purchase and sale decision for client accounts, as well as the ability to appoint sub-advisors to manage a part or all of our clients' assets.

Item 17 Voting Client Securities

Our firm does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact our firm to discuss any questions they may have with a particular solicitation.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.