

DISCLOSURE BROCHURE

IN CONFORMANCE WITH
THE INVESTMENT ADVISERS ACT OF 1940 RULE 204-3(A)



COMPREHENSIVE ADVICE, INDIVIDUAL SOLUTIONS



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Financial Guidance Group, Inc.

REGISTERED INVESTMENT ADVISOR

This Disclosure Brochure provides information about the qualifications and business practices of Financial Guidance Group, Inc., which should be considered before becoming a client. Please contact Mr. Carl von dem Bussche if you have any questions about the contents of this brochure.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator.

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Material Changes

This Disclosure Brochure has been revised and updated to reflect all material changes in effect as of February 15, 2009.

EXECUTIVE SUMMARY

Mission Statement

The mission of Financial Guidance Group, Inc. is to provide a superior level of comprehensive, objective guidance tailored to assist our clients in achieving their financial goals, simplifying their financial lives, and providing peace of mind.

Business Focus

Financial Guidance Group, Inc., hereinafter referred to as "the Company", is a "fee only" registered investment advisor¹. As such, the Company is primarily involved in providing financial planning and investment advisory services² to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and/or small businesses that desire a high degree of personalized and professional service. "Fee only" advisors receive only compensation for advice. As such, Financial Guidance Group is not affiliated with a broker/dealer or an insurance agent and is not paid to facilitate transactions in connection with the investment advice given to clients.

Our planning solutions are designed to address your economic health and well-being. Much like a doctor performing a physical exam, we will perform a complete financial physical that is comprehensive and completely customized.

Principally, in implementing our financial planning disciplines, we have determined that there are four sectors of your financial life that are sensitively linked. These four sectors are:

- ❖ **Income** – Employment, investment income, windfall/inheritance, social security, and pension income.
- ❖ **Household Expenses** – Housing, utilities, transportation, insurance, education, debt repayment, and other expenses including entertainment.
- ❖ **Assets** – Real estate, investments, other tangible property, and intangible property.
- ❖ **Liabilities** – Mortgage, credit card, automobile, and unsecured debt.

If the balance of these sectors is weighted too heavily in one direction, then the impending results might adversely affect the client. What we seek to do is examine a client's total financial situation to determine how any financial advice might impact the stability of these sectors, and then advise the client based on the scenario most likely to prevent such imbalances from occurring. Consequently, the complex investment alternatives available to the client are then reduced to those investment options suited to maintain the desired balance.

¹ The term "registered investment advisor" is not intended to imply that Financial Guidance Group, Inc. has attained a certain level of skill or training. It is used strictly to reference the fact that Financial Guidance Group, Inc. is "registered" as an "investment adviser" with the United States Securities and Exchange Commission – and with such other regulatory agencies that may have regulatory jurisdiction over their business practices.

² Investment supervisory services account for approximately 99% of total billings and financial planning services account for approximately 1% of total billings.

FINANCIAL P L A N N I N G

Successful financial planning is achieved by starting with a clear picture of a client's financial needs and objectives. The financial plans we develop for clients helps us eliminate much of the guesswork in achieving the financial security and independence the client desires by simplifying these financial alternatives. For the client, such quality time invested by the Company on the front-end solves problems, and provides solutions, eliminating future concerns and cultivates peace of mind.

Financial Planning Composition

Financial planning is an evaluation of the investment and financial options available to a client based upon the client's defined economic criteria and financial goals. Planning includes: (i) attempting to make optimal decisions; (ii) projecting the consequences of these decisions for the client in the form of a financial plan – a working blueprint; (iii) implementing the protocol to achieve the objectives of the plan; and then, (iv) comparing future performance against the working blueprint.

A financial plan can be broad – a mutually defined review of a client's personal financial life needs; or, segmented – review, analysis and evaluation of a core area of financial need. In general, financial planning encompasses one or more of the following areas of concern:

- ❖ **Personal** – Family records, budgeting, personal liability, estate information and financial goals.
- ❖ **Education** – Education IRAs, financial aid, state savings plans including 529 plans, grants and general assistance in preparing to meet dependents continuing educational needs through development of an education plan.
- ❖ **Taxes & Cash Flow** – Understanding the impact of various investments on a client's current income tax and future tax liability.
- ❖ **Death & Disability** – Cash needs at death, income needs of surviving dependents, estate planning and income analysis.
- ❖ **Estate** – Reviewing estate-planning documents, including wills and trusts, to determine if a client should seek the assistance of an estate-planning attorney. Reviewing powers of attorney, nursing home and assisted living agreements, living trusts, and Medicare/Medicaid benefits.
- ❖ **Retirement** – Analysis of current strategies and investment plans to help you achieve retirement goals.
- ❖ **Investments** – Analysis of investment alternatives and their effect on a client's investment portfolio(s), including a risk and return analysis. Assessment of a client's risk tolerance profile.
- ❖ **Insurance** – Review of existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.

Preparing the Financial Plan

The Company prepares the financial plan in three (3) stages. These stages are defined as follows:

Stage I – Detailed Assessment

Through the detailed assessment process, the Company learns about the client and what the client wants to achieve. This is accomplished through personal interviews and profile questionnaires³, which are designed to address all of the financial planning disciplines discussed above. The client has the opportunity to prioritize objectives and goals and to remove from the process any areas that are not applicable to their circumstances.

The time we invest in the detailed assessment process to listen and cater to the client's desires is critical for developing a strong financial planning foundation. Such time helps to:

- ❖ Define and narrow the client's goals, objectives and investment options;
- ❖ Stimulate creative thinking;
- ❖ Identify areas of greatest concern;
- ❖ Create a unique picture of the client's overall financial personality; and,
- ❖ Provide an effective and efficient way for us to address each client's unique financial needs and objectives.

After the interview process, we will prepare an agenda and conduct a meeting with the client to begin formally documenting goals and objectives. From this meeting, we will draft a report documenting the financial planning process disciplines, which the client wishes to address, and detailing the specific objectives under each discipline. Redrafting and meetings can be repeated until the client is completely satisfied with the report. Depending upon the engagement, different levels of financial reporting will be undertaken. At a minimum, a statement of financial position, designed for financial planning use only, will be prepared.

State II – Personal Action Plan

We define the financial plan as a road map designed to take the client from where he or she currently is financially, to where he or she wants to be financially. This is the creative portion of the process. There are usually many different ways to accomplish a given goal. The objective, however, is to formulate a plan that the client will be comfortable executing. In some cases, the drafting of the plan reveals the need for us to help the client reconcile the gap between expectations and financial realities. Once a viable plan has been drafted, it is presented to and reviewed with the client. The draft and review process may be repeated until the client is satisfied with the financial plan.

³ The profile questionnaires used by the Company are important tools in gathering information about the client's investment methodology, risk tolerance, income/tax bracket, liquidity, time horizons, etc. If the client elects not to answer the questionnaires or chooses to respond with limited input, it is possible that we could operate in a handicapped capacity. Therefore, if the client desires the most effective and accurate recommendations, the client will make every effort to provide us with detailed personal needs and objectives, along with detailed financial and tax information.

Stage III – On Target Reviews

A financial plan is of limited value if it is not put into action. Accordingly, we place a premium on implementing⁴ and monitoring the plan. The implementation schedule provides the client with a list of tasks and deadlines designed to ensure that the plan is put into action. The following are some examples of implementation: (i) drafting of appropriate estate documents (performed by an estate attorney); (ii) purchase of various insurance policies; (iii) investment advisory services, including preparation of a Client Investment Policy Statement and Profile and asset allocation strategy (performed by the Company, or another investment adviser/broker-dealer); (iv) adoption and monitoring of a personal budget; and, (v) ongoing income tax planning. The Company strongly suggests that the overall financial plan be reviewed on not less than an annual basis. Investment advisory services are performed in accordance with the disclosures contained under "Investment Services" below.

Financial Planning Fees & Termination

The Company's financial planning fees will be based on the size, complexity, and nature of each client's personal and financial situation and the amount of time it will take to analyze and summarize the plan and perform the services desired by the client for the year.

Comprehensive

All comprehensive financial planning services are offered on a fixed fee basis and will range from \$2,500.00 to \$10,000.00 for the initial engagement. Such fee will be fully disclosed up-front in a Financial Planning Contract ("Agreement"), which will include the cost⁵ to review your financial information and prepare the comprehensive financial plan. One-half the fee will be due at the time the Agreement is signed, with the remaining half due upon completion.

Termination of Financial Planning Services

You will have five (5) business days to terminate the Agreement without charge. Should you wish to terminate the Agreement after such time period and before presentation of the financial plan, we will be compensated through the date of termination for time spent in design of the financial plan at an hourly rate agreed to by both parties in the Agreement. After the financial plan has been completed and presented to you, termination of the Agreement is no longer an option.

Targeted financial planning can be terminated at any time. The Company will bill you for any services rendered from the date of the last bill up to the date of termination at the agreed upon hourly rate.

⁴ Implementing the recommendations made in a financial plan often requires consultation or coordination with one or more outside professionals (e.g. attorneys, CPAs, insurance and securities representatives). All information provided by and received from the client will be kept entirely confidential, not only by the Company, but by the outside professionals as well. Such information will be disclosed to third parties only with mutual written consent or as may be permitted or required by law.

⁵ Rarely will a fee exceed those costs outlined in the Agreement. However, there can be instances where we did not contract with the client to perform a particular task and therefore merit notifying the client of the additional cost prior to beginning such services.

INVESTMENT SERVICES

Our managed Model Portfolios are designed to build long-term wealth while maintaining risk tolerance and loss thresholds levels acceptable to the client. With every Model Portfolio, we incorporate investment strategies that have been pre-determined from the investment parameters outlined in the Client Investment Policy Statement. Such investment strategies are made up of the four Model Portfolio strategies⁶:



Mainstay – Conservative. Our risk target is not to exceed a 5% loss in any 12-month period. To limit risk in this portfolio, our target allocation for equities (stocks) is 40% and for fixed-income (bonds & cash) is 60%. This portfolio is most appropriate for investors who are uncomfortable with short-term volatility and risk and who value short-term capital preservation over higher long-term returns.



Steadfast – Balanced. Our objective for this model is to limit our losses to no more than 10% in any 12-month period. The higher downside risk threshold allows us to have more equity (stocks) exposure than the Conservative Model portfolio by having a 60% allocation to equities (stocks) and a 40% allocation for fixed-income (bonds & cash). This model is most appropriate for investors who want to participate in the equity (stock) markets, but is still somewhat uncomfortable with short-term risk.



Surveyor – Equity-Tilted. We manage this model to limit our losses to no more than 15% in any 12-month period. This model provides more growth due to the 75% allocation to equities (stocks) and only a 25% allocation to fixed-income (bonds & cash). This model is most appropriate for investors who are willing to accept higher short-term risk in exchange for the likelihood of above average long-term returns.



Explorer – Total Equity. This model is, as a rule, fully invested in a global equity (stock) portfolio. Consequently the ups and downs of the portfolio's returns will be as wide as the global equity (stock) market. It is possible that an investor could lose 20% or more in a 12-month period. This model is only appropriate for investors with a long-term horizon and no concerns about short-term fluctuations and risk.

Strategies of each model may include trading in equity and index option spreads that have complex rewards as well as risks. The Options Clearing Corporation (OCC) has published a brochure describing the risks involved in "Characteristics and Risks of Standardized Options" under the heading "Specialized Risks of Index Options". We recommend that each investor read and understand the risks involved by reading this brochure and asking our help in clarifying any questions that may arise.

⁶ These models incorporate other investment vehicles, as described in "Portfolio Composition" below, which are used to achieve the investment objectives stated in each of the four investment strategies.

Portfolio Composition

Portfolio management services of the Company's Model Portfolios primarily utilize equity (stock) and fixed-income (bond) exchange traded funds, index funds and no-load mutual funds that cover all the major asset classes. We have developed four model portfolio structures that are used as asset allocation guidelines in designing a client's portfolio. Each model consists of a different "target" asset allocation with different asset classes – spreading money among a variety of investments as opposed to investing in just one – creating a more prudent approach to managing risk.

The investment mix for each client is designed to achieve the desired investment return for the client. However, the selected investment vehicles in a client's portfolio are typically diversified into many investments that are common to all client accounts. This is the only common denominator; from that point the composition mix and quantity of investments in any given client account is completely subjective.

Typical composition mix classifications include stocks, bonds, exchange traded index options, commodity exchange traded notes (ETN), closed-end funds, exchange traded master limited partnerships, unit investment trusts, REITS, commodities and cash. The exact composition and allocation of investments are determined by the client's investment parameters, which can compose a more detailed and/or complex structure than the four Model Portfolio strategies as described above.

Methodology

Our investment methodology is based on five (5) premises, each of which is devised from modern portfolio theory.

1. Clients are inherently risk-averse.
2. The markets are basically efficient.
3. The focus of attention is shifted away from individual securities analysis to consideration of portfolios as a whole, predicated on explicit risk-reward parameters.
4. For any level of risk that the client is willing to accept, there is a rate of return that should be achieved.
5. A diversified portfolio relies on investments across multiple asset classes to obtain a higher risk-adjusted rate of return.

Managed accounts are disciplined and focused to resist the temptation to react to short-term market fluctuations. We use a fundamental approach that incorporates economic conditions, earnings, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, and general level of interest rates, company management, debt ratios and tax benefits to make our allocation decisions.

The Company has alliances for some investment management functions, including research, analysis, asset allocation and transaction input to outside investment managers. Helios, LLC, a Florida investment adviser, will allocate clients' assets in accordance with their specific goals, financial situation and investment constraints as instructed by Financial Guidance Group. Financial Guidance Group formed this collaboration with Helios to provide its clients with low-

cost, diversified, tax-efficient portfolios that have historically exhibited less volatility than traditional equity investments. Financial Guidance Group and Carl von dem Bussche remain responsible for the selection of an appropriate investment model for its clients while approving allocation and rebalancing recommendations made by Helios. Furthermore, Financial Guidance Group will provide its clients with performance reports detailing account activity. Mr. von dem Bussche supervises the trading activity in client accounts and holds the client-given authority to determine whether to retain or dismiss the services of Helios or any other investment manager. Accounts for whom the standard models are not appropriate are managed directly by Mr. von dem Bussche and no investment management functions are delegated.

Rudy Aguilera founded Helios, LLC in 2004. Mr. Aguilera (born in 1975) received a Bachelor's Degree in Finance from the University of Central Florida in 1998. From 1998 until 1999, Morgan Stanley in Orlando, Florida employed Mr. Aguilera. From 1999 until 2004, Mr. Aguilera was an independent Portfolio Manager. Mr. Aguilera renders investment advisory services to individuals, trusts, estates, charitable organizations, corporations and other business entities, as well as other investment advisers.

Portfolio Management Fees

The standardized fee structure below presents the annual percentage charged for portfolio management provided on an asset-based fee arrangement. The fee for a quarter is one fourth of the annual applicable percentages multiplied by the aggregate market value of the assets held in the account on the last regular trading day of each calendar quarter. The fee schedule is as follows:

Asset Management Fee Schedule

Account Balance	Annual Fee Rates
Up to \$1,000,000	1.15%
From \$1,000,001 – \$5,000,000	0.90%
Over \$5,000,001	0.65%

Financial Guidance Group requires a minimum of \$500,000 in assets to begin management services.⁷

These portfolio management fees are separate from the fees charged by investment managers utilized by Financial Guidance Group. Financial Guidance Group acts as an advocate on clients' behalf when negotiating the rates charged by outside investment managers.

Protocols for Investment Services

The following protocols establish how we handle our Portfolio Management accounts and what clients should expect when it comes to: (i) their bill for investment services; (ii) depositing or withdrawing funds from their account(s); (iii) other fees charged to their account(s); and, (iv) termination.

Discretion

The Company will establish discretionary trading authority on all Asset Management accounts to execute securities transactions at any time without the consent or advice of the client unless otherwise negated by the client. The client will also give third party investment managers, such as Helios, LLC, discretionary trading authority. Discretionary trading authority provides the Company and investment managers to determine, without obtaining specific client consent, the securities to be purchased or sold and the amount of securities to be purchased and sold.

The client will give Carl von dem Bussche and Financial Guidance Group the authority to employ and dismiss other investment managers who assist the Company in investment management functions.

Billing

⁷Fees and minimum account size may be negotiable on a client-to-client basis.

Each client is billed quarterly in advance based on the value of securities, plus cash and equivalents held in the account on March 31, June 30, September 30 and December 31, or the last regular trading day prior to these dates. For the first billing quarter, if account is not opened at the beginning of a quarter, the fee is based upon a pro-rata calculation of the aggregate value of the client's assets to be managed.

Advisory fees will be taken first from free credit balances or from any money market funds or balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees. Such liquidation may affect the relative balances of the account.

Deposits and Withdrawals

Clients may make additions to their managed account at any time. Additional assets received into their managed account after it is opened will be charged a pro-rata fee based upon the number of days remaining in the billing period.

For assets withdrawn by a client, the Company has the option to refund any management fees on a pro-rata basis. Withdrawals made by a client may require modifications and adjustments to be made in the account to correct the client's allocation of assets.

Fee Exclusions

The above fees for portfolio management are exclusive of any charges imposed by third parties, such as: (i) third party investment managers, including Helios, LLC, (ii) SEC fees; (iii) service or account charges, including, debit balances or postage/handling fees; (iv) contingent deferred sales charges; (v) load or redemption charges that may be imposed by a fund company or custodian firm; and/or, (vi) commissions earned by the custodian/brokerage firm for securities transactions.

In addition, clients are advised that when purchasing investment company products, fees paid to us for portfolio management services listed above are separate from the fees and expenses charged to beneficial-interest-shareholders of mutual fund shares by the investment company or by the investment advisor managing the mutual fund portfolios. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. Clients are encouraged to carefully read the fund prospectus.

Termination Provisions for Investment Services

Clients have five (5) business days after entering into an Investment Advisory Agreement in which to cancel our investment services and not incur any fees charged by Financial Guidance Group. Thereafter, should the client wish to terminate investment services on a day other than the last day of a calendar quarter, the Company, at its discretion, may retain the unused portion of the quarterly management fee based on time, research and other expenses involved in the account set-up and implementation.

To terminate our investment services a written notice should be submitted at least 10 days prior to the actual termination date, which provides clear instructions on what the client wants done with the account (i.e., liquidate the account, finalize all transactions and/or cease all investment activity). Once the termination notice has been received and we have implemented the final instructions from the client, we are no longer responsible for the

management of client assets. From the date that the termination goes into effect, the client becomes responsible to make his or her own investment decisions.

To terminate investment services of other investment managers, such as Helios, LLC, the client must follow the procedures agreed upon in the other manager's Investment Advisory Agreement.

QUALIFICATIONS

RESPONSIBILITIES

Business Qualifications

Mr. Carl F. von dem Bussche, is directly responsible for the leadership and direction of the Company, as well as to ensure the investment activities of those Investment Advisor Representatives ("RA") listed below are performing to the expectations of the clients. Mr. von dem Bussche's qualifications and experience, along with his RAs, include the following:

Carl F. von dem Bussche

CRD #: 843581
Date of Birth: August 19, 1952

Education: St. Petersburg College – A.A. - Business
College for Financial Planning – CERTIFIED FINANCIAL PLANNER™ (CFP®)⁸
NAPFA – Registered Financial Advisor™
Center for Fiduciary Studies – ACCREDITED INVESTMENT FIDUCIARY™
FINRA Exams: Series 7, 24 and 63 (Exams no longer active)

Business: 08/1993 – Present Financial Guidance Group, Inc.

Position: Founder and President

Mr. von dem Bussche has over 31 years of professional experience in the areas of financial, investment, insurance, tax and estate planning. Mr. von dem Bussche has been licensed with several broker/dealer firms and various insurance companies. He has also served as an industry arbitrator for FINRA Dispute Resolution, Inc.

Mr. von dem Bussche is no longer affiliated with any brokerage firm and operates as a 100% fee-only investment advisor and planner. Mr. von dem Bussche is a member of the National Association of Personal Financial Advisors (NAPFA), and has served on the board of NAPFA's Southern Region. He is a NAPFA Registered Financial Advisor™. NAPFA requires its members to complete 30 hours of continuing education annually, double the CFP Board of Standards licensing requirements. Mr. von dem Bussche feels this has directly attributed to his ability to effectively analyze various financial products and services and maintain the edge needed to address his clients' financial concerns. He is also a member of the Financial Planning Association (FPA) and the local Tampa Bay Chapter.

Mr. von dem Bussche is a Pinellas County native and has been married to his wife Cindy for 36 years. They have two sons, Carl, Jr. and Christoph, two granddaughters, Adelle Kate and Aubrey Mae and a grandson, Jakob Axel. They live in Palm Harbor, FL with their Cavalier King Charles Spaniel, Jack.

⁸ Certified Financial Planner Board of Standards, Inc. owns the certification marks CFP®, CERTIFIED FINANCIAL PLANNER™, and federally registered CFP (with flame logo), which it awards to individuals who successfully complete initial and ongoing certification requirements.

Christoph S. von dem Bussche

CRD #: 4649547
Date of Birth: November 20, 1981

Education: Clearwater Christian College – B.S. - Business Administration
College for Financial Planning – CERTIFIED FINANCIAL PLANNER™ (CFP®)
FINRA Exams: Series 7 and 66 (Exams no longer active)

Business: 05/1999 – Present Financial Guidance Group, Inc.
Position: Investment Advisor Rep.
03/2003 – 03/2005 INVEST Financial Corporation
Position: Advisor & Customer Support Rep.

Christoph S. von dem Bussche joined Financial Guidance Group, Inc. full-time in April of 2005 after working as a team leader in the back office of the Tampa, FL headquartered broker/dealer, INVEST Financial Corporation. Christoph completed his NASD series 7 examination in 2004 and his NASD Series 66 exam in 2005. He graduated college in 2002 with a Bachelor of Science degree in Business Administration from Clearwater Christian College. Christoph also worked as an intern for Financial Guidance Group, Inc. during college. Christoph and his wife Tiffany and their son Jakob Axel reside in Palm Harbor, Florida.

Account Responsibility

Each account is reviewed by Carl von dem Bussche on an ongoing basis to ensure that the client's needs and objectives are being met. All accounts are reviewed in the context of the clients stated investment objectives and guidelines. Any adjustments made to the client's predefined guidelines are dictated by their Investment Policy Statement. Cash needs will be adjusted as necessary. Quarterly performance reports are provided by Financial Guidance Group, Inc. in addition to monthly or quarterly account statements provided by Shareholders Service Group or other custodians/brokerage firms.

It is highly recommended that all financial plans be reviewed at least annually. Material changes in the client's personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. However, it is the client's responsibility to communicate these changes to the Company so that the appropriate adjustments can be made.

Education & Business Standards

Any Investment Advisory Representatives retained by the Company will be required to have suitable investment experience in fields directly related to investment management; and/or have the required examinations and qualifications to act as such representative.

Analysis, Sources of Information & Investment Strategies

Methods of Analysis

The Company uses fundamental approach, such as economic conditions, earnings, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, and general level of interest rates, company management, debt ratios and tax benefits.

Sources of Information

The Company uses analysis and research software developed by Morningstar® that provides insightful analysis, coordinated data, and tools for building and analyzing portfolios of stocks, mutual funds, ETFs, variable annuities, and closed-end funds.

Other sources include general media of domestic, international and governmental newspapers, bulletins, magazines, books and other publications. Material prepared by the investment companies and research releases prepared by others are also utilized.

Investment Strategies

The Company recommends long-term investment strategies requiring a minimum of a three to five year time horizon and holding period.

FINANCIAL INDUSTRY

A C T I V I T I E S

& A F F I L I A T I O N S

Custodial and Brokerage

The Company has custodial and brokerage relations with Shareholders Service Group, Inc., who utilizes the custody and clearing services of Pershing, LLC, a Bank of New York Securities Group Company.

Shareholders Service Group provides custodial and brokerage services including on-line services for account administrative and operational support. On-line services include electronic trading, account forms and applications, trading authorization, accounting and reporting, and other relevant administration and support services.

Shareholders Service Group is located at: 9845 Erma Road, Suite 312, San Diego, CA 92131. Pershing, LLC, located at One Pershing Plaza, Jersey City, NJ 07399, performs custody and clearing services on behalf of Shareholders Service Group.

The Company has arrangements with Shareholders Service Group to waive all charges for access based on total client assets under management. An arrangement with Shareholders Service Group for use of its software, NetExchangePro, allows the Company access to trading and client information and management. The Company has no soft-dollar arrangements.

In addition to Shareholders Service Group, Inc. the Company also utilizes the custody and clearing services of brokersXpress, LLC, a wholly owned subsidiary of optionsXpress, LLC. BrokersXpress, LLC is located at 311 W. Monroe Street, Suite 1000, Chicago, IL 60606. The Company uses the online trading capabilities of brokersXpress, LLC primarily for the execution of exchange traded index option contracts. The Company also has arrangements with brokersXpress, LLC to waive all charges for access to all client account information, trading, account forms and applications, all other relevant administration and supports services and the use of its Account Information Manager (AIM). The Company has no soft-dollar arrangements.

CONFLICTING INTERESTS

Client Transactions

Participation or Interests

It is against Company policies for any officers, directors and employees to invest in a private business interest or other non-marketable investment with a client or clients unless the Company has granted prior approval, and only in compliance with SEC and/or State rules and regulations.

Personnel of the Company are permitted to personally invest their own monies in investments that may, from time to time, be recommended to clients. Such investment purchases are to be independent of, and not connected in any way to, investment decisions made on behalf of the Company's clients. Personal trading activities conducted by the Company's officers, directors and employees are monitored by Mr. von dem Bussche to ensure that such activities do not impact upon client security or create conflicts of interest.

Insider Trading Activities

The Company has implemented procedures to comply with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, we have adopted a firm-wide policy statement outlining insider trading compliance by the Company and our personnel. This statement has been distributed to all personnel of the company and has been signed and dated by such persons. Copies of such signed originals are maintained in our personnel files.

Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in clients' best interest. To maintain this ethical responsibility to clients, the Company has adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all officers, directors and employees in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim, "Do the right thing!"

The Company's Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.
- ❖ Compliance with applicable rules and regulations.
- ❖ Reporting of any violation to the Code.
- ❖ Accountability.

To help clients understand the Company's ethical culture and standards, how the Company controls sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of the Company's Code of Ethics is available for review upon request.

Proxy Voting

The Company is hereby expressly precluded from voting proxies. Clients understand and agree that the client retains the right to vote all proxies, which are solicited for securities held in the managed accounts. Any proxy solicitations received at the Company's place of business will be immediately forwarded to the client for their evaluation and decision.

Disaster Recovery and Business Continuity

For measures to protect against destruction, loss or damage of customer information due to potential hazards such as fire, hurricanes, water damage, or technological failures, the Company has in place a formal contingency and disaster recovery plan ("Plan"). The purpose of the Plan is to provide specific guidelines for the Company and its staff to follow in the event of failure of any critical business capabilities. The full text of the Company's Plan is available upon request.

Investment or Brokerage Discretion

Securities and Amount Bought or Sold

The Company executes an agreement with each client, which sets forth the authority to buy and sell securities in whatever amounts are determined to be appropriate for the account and whether such transactions are with, or without, prior approval by the client.

Direction of Transactions and Commission Rates

The choice of brokerage firm to act as the custodian over each client account will always be approved by the client. However, the Company will suggest Shareholders Service Group because Shareholder Service Group specializes in meeting the unique servicing requirements of fee-only, independent registered investment advisors and their clients.

There has been no attempt to utilize custodian firms based solely on the lowest commission rates available. Trading capabilities, investment inventory, client investment needs, financial strength, general reputation, and personal knowledge of each custodian firm may be considered, among other items, in making the suggestion to use one custodian firm over another. Nevertheless, the Company strives to serve the best interest of their client.

Shareholders Service Group provides the Company with access to its institutional trading and operations services, which are typically not available to retail investors. These institutional services may include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors. Software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide pricing information and other market data, facilitate

payment of the Company's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of the Company's accounts.

Additional Compensation

Financial Planning Economic Benefits & Conflicts of Interest

Clients are cautioned to consider their options carefully when the Company and its Investment Advisor Representatives ("RA") suggests the need for outside consultations and coordination (e.g.: attorneys, CPAs, insurance and securities representatives) to implement certain aspects of financial planning services.

Even though the Company is a fee-only investment advisor who does not earn commissions for the sale or implementation of any financial products, nor share in any fees earned by attorneys or CPAs when implementing an estate or tax plan those entities to which the Company refers business can. As a result, this creates incentive on the part of the Company and the RA to refer client business to only those entities that in turn refer potential clients to the Company. This can eliminate the possibility for the client to be referred to someone who may provide better services at lower cost. Consequently, the objectivity of the advice rendered by the Company could therefore be subjective and disadvantage the client.

Therefore, to ensure clients understand the full relationship of the Company to any related parties that the Company may refer business, as well as the choices clients have in receiving investment services and/or financial planning, the following disclosures are provided:

- ❖ The Company will suggest the custodial/brokerage services of Shareholders Services Group and brokersXpress, LLC.
- ❖ Investments involve risk and some investment decisions will result in losses. Clients understand that we cannot guarantee that their investment objectives will be achieved.
- ❖ Clients are under no obligation to have any related parties that the Company recommends prepare planning documents (*i.e.*, estate, insurance, tax, etc.). Clients are free to choose anyone to implement the recommendations made in their financial plan.
- ❖ The related parties that the Company will have perform certain aspects of the financial planning services for clients may be registered representatives of a broker/dealer and/or licensed representatives of insurance companies – they may receive the normal commissions associated with such transactions.
- ❖ The Company is a fee-only investment advisory firm – no officer, director, or employee will receive commissions associated with the recommendations made from a financial plan.
- ❖ The Company does not receive any economic benefit from referring clients to another professional without first notifying the client of such possibilities. The Company acts completely in a fiduciary capacity – **the interests of the client are first and foremost.**

Notwithstanding such potential conflicts of interest, the Company strives to serve the best interest of the client; as well as, ensuring such disclosure is being properly made to clients in compliance with the Investment Advisor Act of 1940, Rule 275.206.

Referral Compensation

The Company directly compensates persons for client referrals, provided that those persons are qualified and have entered a solicitation agreement with the Company. Under such arrangements, the Company agrees to pay the solicitor for the referral, which is dependent on the client entering into an advisory agreement with the Company. Compensation to the solicitor is an agreed upon percentage of the Company's advisory fee. The solicitor is required to provide to the client full disclosure of the compensation paid to them. The solicitor is not permitted to offer investment advice on behalf of the Company. Clients obtained through a referral may pay higher fees on average than clients not obtained through referrals. Currently the following persons act as Solicitors for the Company: Robert E. Crown, William E. Crown III, Kenneth Delarbre and G & O Financial Services, Inc.

END OF THE DISCLOSURE BROCHURE