

OMB APPROVAL	
OMB Number:	3235-0049
Expires:	July 31 2008
Estimated Average burden hours per response	9.402

FORM ADV Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: Jepsen Enterprises, Inc.	
Address: (Number and Street) (City) (State) (Zip Code) 8075 9th Street Way N, Saint Paul, MN 55128-5360	Area Code: Telephone Number 651-264-1979

This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any government authority.

Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees.....	2
2	Types of Clients	2
3	Types of Investments	3
4	Methods of Analysis, Sources of Information and Investment Strategies	3
5	Education and Business Standards	4
6	Education and Business Background	4
7	Other Business Activities	4
8	Other Financial Industry Activities or Affiliations.....	4
9	Participation or Interest in Client Transactions	5
10	Conditions for Managing Accounts	5
11	Review of Accounts	5
12	Investment or Brokerage Discretion	6
13	Additional Compensation	6
14	Balance Sheet	6
	Continuation Sheet	Schedule F
	Balance Sheet, if required.....	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)
--

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant: Jepsen Enterprises, Inc.	SEC File Number: 801-	Date: 1/4/2008
--	--------------------------	-------------------

1. A. Advisory Services and Fees. (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | |
|---|------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services..... | 95 % |
| <input checked="" type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services..... | 5 % |
| <input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above..... | 0 % |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription..... | 0 % |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above..... | 0 % |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... | 0 % |
| <input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities..... | 0 % |
| <input type="checkbox"/> (8) Provides a timing service..... | 0 % |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above..... | 0 % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does the applicant call any of the services it checked above financial planning or some similar term? Yes No

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input checked="" type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of clients - Applicant generally provides investment advice to: (check those that apply)

- | | |
|--|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | |
| <input type="checkbox"/> D. Pension and profit sharing plans | <input type="checkbox"/> G. Other (describe on Schedule F) |

3. Types of Investments. Applicant offers advice on the following: (check those that apply)

- | | |
|--|--|
| <p>A. Equity Securities</p> <p><input checked="" type="checkbox"/> (1) exchange-listed securities</p> <p><input checked="" type="checkbox"/> (2) securities traded over-the-counter</p> <p><input checked="" type="checkbox"/> (3) foreign issues</p> <p><input checked="" type="checkbox"/> B. Warrants</p> <p><input checked="" type="checkbox"/> C. Corporate debt securities
(other than commercial paper)</p> <p><input type="checkbox"/> D. Commercial paper</p> <p><input checked="" type="checkbox"/> E. Certificates of deposit</p> <p><input checked="" type="checkbox"/> F. Municipal securities</p> <p>G. Investment company securities</p> <p><input checked="" type="checkbox"/> (1) variable life insurance</p> <p><input checked="" type="checkbox"/> (2) variable annuities</p> <p><input checked="" type="checkbox"/> (3) mutual fund shares</p> | <p><input checked="" type="checkbox"/> H. United States government securities</p> <p>I. Options contracts on:</p> <p><input checked="" type="checkbox"/> (1) securities</p> <p><input type="checkbox"/> (2) commodities</p> <p>J. Futures contracts on:</p> <p><input type="checkbox"/> (1) tangibles</p> <p><input type="checkbox"/> (2) intangibles</p> <p>K. Interests in partnerships investing in:</p> <p><input checked="" type="checkbox"/> (1) real estate</p> <p><input checked="" type="checkbox"/> (2) oil and gas interests</p> <p><input type="checkbox"/> (3) other (explain on Schedule F)</p> <p><input type="checkbox"/> L. Other (explain on Schedule F)</p> |
|--|--|

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting | (4) <input type="checkbox"/> Cyclical |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input checked="" type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input type="checkbox"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input checked="" type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No
(If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name • formal education after high school
- year of birth • business background for the preceding five years

7. Other Business Activities. (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<input checked="" type="checkbox"/> (1) broker-dealer	<input checked="" type="checkbox"/> (7) accounting firm
<input checked="" type="checkbox"/> (2) investment company	<input type="checkbox"/> (8) law firm
<input type="checkbox"/> (3) other investment adviser	<input type="checkbox"/> (9) insurance company or agency
<input type="checkbox"/> (4) financial planning firm	<input type="checkbox"/> (10) pension consultant
<input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input checked="" type="checkbox"/> (11) real estate broker or dealer
<input type="checkbox"/> (6) banking or thrift institution	<input type="checkbox"/> (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes No

(If yes, describe on Schedule F the partnerships and what they invest in.)

Applicant:
Jepsen Enterprises, Inc.

SEC File Number:
801-

Date:
1/4/2008

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services Yes No
and impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

See Schedule F for details

B. Describe below the nature and frequency of regular reports to clients on their accounts.

See Schedule F for details

12. Investment or Brokerage Discretion.

- A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:
- | | | |
|--|-------------------------------------|--------------------------|
| | Yes | No |
| (1) securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (3) broker or dealer to be used? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| (4) commission rates paid? | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

- B. Does applicant or a related person suggest brokers to clients? Yes No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|--|---|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes
<input type="checkbox"/> | No
<input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes
<input checked="" type="checkbox"/> | No
<input type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet? Yes No

**Schedule F of
FORM ADV**

Continuation Sheet for Form ADV Part II

Applicant: Jepsen Enterprises, Inc.	SEC File Number: 801-	Date: 1/4/2008
--	--------------------------	-------------------

(Do not use this Schuedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Jepsen Enterprises, Inc.	IRS Empl. Ident. No.: 42-1434759
Item of Form Answer	

Item 1. A. (1)

Jepsen Enterprises, Inc., d.b.a. Jepsen Consulting, d.b.a Jepsen Investment Management "The Adviser" abides by the rules and regulations of The United States Securities and Exchange Commission (SEC) and States of registration under the Investment Advisors Act of August 22nd, 1940, 54 Stat. 847, 15 U.S. Code, Sections 80b-1 - 80b021, as amended, and the States specific rules and regulations. The primary source of federal adviser regulation are the Advisers Act, 15 U.S.C. 80b-1 et seq., and the reules thereunder, Title 17, Part 275 of the Code of Federal Regulations.

The Adviser currently manages tens of millions in assets for primarily individuals and also corporate entities (i.e. LLC, S Corp, C Corp, LP) and trusts almost exclusively using no-load mutual funds and stocks as the main investment securities.

No publications or reports are issued by The Adviser on a subscription basis or for a fee. The Adviser normally mails out a general letter to the investment clients 3-4 times per year, but doesn't not charge a fee for that added service.

The general services performed by The Adviser may include:

- Gathering your current financial and personal goals and objectives
- Determining your investment objectives and risk (variance) profile
- Gathering and analyzing your current investment allocation and tax structure
- Developing your current investment asset allocation and your recommended asset allocation model to suit your investment profile
- Selecting and managing your investment porfolio on an ongoing, discretionary basis
- Monitoring and tracking progress, making changes when economic and market conditions and your risk profile may dictate
- Provide ongoing professional services pertaining to investment management

The Adviser provides primarily uses investment companies (mutual funds), exchange traded funds (ETFs) and also individual securities. The trades do not pay a commission directly or indirectly to The Adviser. No soft-dollar arrangement are in place.

The general fee structure is 0.375% of assets per quarter for clients with total assets under management of \$500,000 or less; 0.3125% of total assets under management per quarter for clients with assets under management of \$500,000 and \$1,000,000. If assets under management exceed \$1,000,000, the fee will be 0.25% of assets under \$1,000,000 and 0.125% of asset above \$1,000,000. This fee may be negotiable under very unique circumstances. Clients are debited following the last business day of each calendar quarter (3/31, 6/30, 9/30, 12/31) and The Adviser is credited from the client's Schwab Institutional account shortly after the last business day of each calendar quarter.

The Adviser agreement may be terminated within two days of the initial investment management agreement if Form ADV Part II is presented by the adviser prior to services, and within five days after Form ADV Part II is presented if consultation begins immediately.

The Adviser does not generally charge an hourly rate for specific financial consultation, however rates for financial consultation may range from \$175 per hour up to \$400 per hour depending upon the value added professional service provided. If a client is under an investment management contract this hourly fee does not apply unless a verbal consent between The Adviser and The Client and this fee will be negotiated prior to

**Schedule F of
FORM ADV**

Continuation Sheet for Form ADV Part II

Applicant: Jepsen Enterprises, Inc.	SEC File Number: 801-	Date: 1/4/2008
--	--------------------------	-------------------

(Do not use this Schuedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Jepsen Enterprises, Inc.	IRS Empl. Ident. No.: 42-1434759
Item of Form Answer	

services, and the fee to The Adviser shall be paid via check by The Client, and never debited from their investment portfolio.

No compensation is payable before service is provided.

Item 1. A. (2)

No publication or report is on a subscription basis or charges a fee.

Basic fee structure, compensation, and termination is the same as the aforementioned fee structure.

Item 5.

Les Jepsen gives all the investment advice and manages all of the client portfolios. He has a Bachelor's Degree in Management Information Systems from The University of Iowa (1990) and a Masters in Business Administration, M.B.A. from The University of Iowa (1997).

No others individuals give investment advice on behalf of Jepsen Enterprises, Inc. to our clients.

The Adviser employs administrative assistant(s) that do filing and very general office duties on a part-time basis. At no time do they recommend securities or financial advice to clients.

Item 6.

The Adviser's principal, Les Jepsen, 6/24/67, determines all general investment advice given to clients. Mr. Jepsen has a degree in Management Information Systems from The University of Iowa, 1990 and also a M.B.A. from The University of Iowa, 1997.

Mr. Jepsen's business background since February, 1995 has been working directly with Jepsen Enterprises, Inc. as an investment adviser and manager. He holds both a Minnesota and Wisconsin real estate license (5+ years).

Item 7. A.

Mr. Jepsen has a real estate license in Minnesota and Wisconsin. He generally spends 5-15 hours per week working with real estate related activities, and the balance with The Advisory Firm.

Item 7. B.

Mr. Jepsen holds Minnesota and Wisconsin real estate licenses through Keller Williams Premier Realty (KWPR) in Woodbury, MN. The web site is www.jepsenteam.com.

When working with real estate clients, is paid a fee generally between 2.4% and 4.3% of the value of a property his he or his team sells, incurs a buyer-controlled sale, or refers to another agent inside or outside the company with Keller Williams Premier Realty (KWPR). 90% or more of the transactions involve residential real estate and are typically non-investment related.

The real estate commissions are paid to Jepsen Enterprises, Inc.

Item 8. C. (1)

The Adviser uses Charles Schwab & Co. and its affiliate Schwab Institutional to custody client's investment assets. No fee is paid directly from Schwab to The Adviser. Adviser is not charged by Schwab to custody assets. Any commission that is generated from a no-load fund or any mutual fund expense portion is revenue generated and retained by Schwab.

Item 8. C. (2)

The Adviser uses Charles Schwab & Co., Schwab Institutional, TIAA-CREF, Fidelity, The Vanguard Group and other Investment Companies for the majority of it's mutual fund and ETF securities investments. Vanguard does not charge. All of these organizations have proprietary mutual funds. There is no compensation paid directly or indirectly to The Advisor in selecting a mutual fund or exchange

**Schedule F of
FORM ADV
Continuation Sheet for Form ADV Part II**

Applicant: Jepsen Enterprises, Inc.	SEC File Number: 801-	Date: 1/4/2008
--	--------------------------	-------------------

(Do not use this Schuedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Jepsen Enterprises, Inc.	IRS Empl. Ident. No.: 42-1434759
Item of Form Answer	

traded fund (ETF).

Item 8. C. (7)

The Adviser's principal, Les Jepsen, has a brother, Nathan Jepsen, who is a Certified Public Accountant (CPA) and owner of Nathan Jepsen, CPA (www.nathanjepsen.com) which provides accounting services and advice to many of The Adviser's clients. No direct compensation is paid by either party for referrals to each other. Both Les Jepsen and Nathan Jepsen have seperate businesses.

Item 8. C. (11)

Mr. Jepsen has a Minnesota and Wisconsin real estate license held with Keller Williams Premier Realty in Woodbury, MN.

If an investment client has a need to list or sell a property, Mr. Jepsen is the agent to Keller Williams Realty (the real estate broker). Keller Williams Realty retains 36% of the gross real estate commission that is generated from a real estate transaction up to a maximum of \$22,500 annually. The net commissions for each real estate transaction in MN and WI are paid to Jepsen Enterprises, Inc.

At no time is an investment client charged an ongoing fee for a real estate asset by The Adviser.

Item 9. E.

Mr. Jepsen invests in the same no-load mutual funds, ETFs, annuities, and other securities The Adviser recommends to clients. The mutual funds and securities are widely held, publicly traded, and have no conflict of interest to the clients that hold these same securities.

Item 11. A.

The Adviser's client portfolios are monitored on an ongoing basis. The calendar is the triggering factor. Periodic changes in the investments selected may be made to assure the The Adviser's standards of management and to provide ongoing asset allocation. Reviews are typically made quarterly by The Adviser, and will make changes to the portfolio as deemed necessary by The Adviser. The number of accounts assigned is unlimited. If a client wishes to be involved with the securities buy and sell process, The Adviser may not be readily available during the course of the day or week to make the trade based on a specific client request.

Item 11. B.

Reports via Schwab Institutional are mailed out following the last business day of each calendar month. Reports via all other custodians (i.e. The Vanguard Group, TIAA-CREF, ING, Fidelity) are mailed out following the last business day of the each calendar quarter.

Other reports such as asset allocation, internal rate of portfolio return, and others are mailed out on a discretionary basis by The Adviser or upon request by the client.

Item 12. A. (1)

Generally all investment portfolios managed by The Adviser are on a discretionary basis, unless determined via the contract.

Any distributions on clients accounts not fee related are to be to the clients address of record, unless determined by written consent by the client.

Item 12. A. (2)

Generally all investment portfolios managed by The Adviser are on a discretionary basis, unless determined via the contract.

Any distributions on clients accounts not fee related are to be to the clients address of record, unless determined by written consent by the client.

Item 12. A. (3)

The Advisor may recommend/require that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The Advisor is independently owned and operated and not affiliated with Schwab. Schwab provides The Advisor with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets is maintained in accounts at Schwab Institutional and is otherwise contingent upon Advisor committing to Schwab any specific amount of business (assets in custody or trading). Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally only available to institutional investors or would require a significantly higher minimum initial investment.

For The Advisor's clients' accounts maintained in its custody, Schwab generally does not charge separately for custody but is

**Schedule F of
FORM ADV**

Continuation Sheet for Form ADV Part II

Applicant: Jepsen Enterprises, Inc.	SEC File Number: 801-	Date: 1/4/2008
--	--------------------------	-------------------

(Do not use this Schuedule as a continuation sheet for Form ADV Part I or any other schedules.)

I. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: Jepsen Enterprises, Inc.	IRS Empl. Ident. No.: 42-1434759
Item of Form Answer	

compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab also makes available to The Advisor other products and services that benefit The Advisor but may not benefit its clients' accounts. Some of these other products and services assist The Advisor in managing and administering clients' accounts. These include 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 clients accounts); provide research, pricing information and other market data, facilitate payment of The Advisor's fees from its clients' accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of The Advisor's accounts, including accounts not maintained at Schwab Institutional. Schwab Institutional also makes available to The Advisor other services intended to help The Advisor manage and further develop its business enterprise. These services may include consulting, publications and conferences on practices management, information technology, business succession, regulatory compliance and marketing. In addition, Schwab may make available, arrange and/or pay for these types of services rendered to The Advisor by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third party providing these services to The Advisor. While as a fiduciary, The Advisor endeavors to act in its clients' best interests, and The Advisor's recommendation/requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to The Advisor of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

Item 12. A. (4)

If a Schwab custodied client agrees to electronic statement delivery, client may be charged a lesser rate by Schwab. Also see Item 12(a) (3).

Item 12. B.

The Adviser uses Charles Schwab & Co. (through Schwab Institutional), The Vanguard Group, TIAA-CREF, Fidelity and ING to custody (hold) the investment assets and recommends and suggests those firms.

Item 13. B.

Any arrangement for direct or indirect compensation for client referrals shall be in writing with The Adviser, the referring party, and the client.