

**A simple statement of our philosophy for investing is “time, discipline, and consistency.”**



PETE ANDRESEN

“**TIME**” means that you are patient, you allow time to work for you, and you maintain a sense of historical perspective. History strongly suggests that if you keep investing in stocks, or better yet, stock mutual funds, for a long enough period of time, you will make money and you will feel more comfortable as you do so.

“**DISCIPLINE**” means that you cultivate the long-term perspective necessary to let the program work. It means that you try to avoid the emotions of fear, greed, and shame that ruin most investors. History shows us that once you have attained the risk level you desire, it is often better to sit and endure. Admittedly, talking about this is easy, and living it is more difficult. The goal of discipline is always professional serenity.

“**CONSISTENCY**” implies that you use time and discipline to avoid radical, emotionally driven moves, and that you pay attention to the basics and resist the fads and frenzies of the moment. The basics of this business change grudgingly and rarely, and the basics will make you a successful investor. The results of consistency should be organization and simplicity.

**ANDRESEN AND ASSOCIATES** has been in business since 1988. We are one of the first independent fee-only investment advisory services in Salinas, California. In the spectrum of available investment advisors in Monterey County, we are noted for our technological innovation, our individual service, and our willingness to work as part of a financial team.

Our staff provides a full menu of services to our clients. We are managing approximately \$38,000,000 in individual accounts, family trusts, pension plans, IRA's, and 403(b)'s.

Our clients have extremely varied risk tolerances. Some of our clients are extremely risk averse and choose to maintain portfolios comprised largely of bonds or mutual funds characterized by lower levels of volatility. Others accept a much higher level of risk and invest in aggressive equity mutual funds or stocks. Regardless of investment preferences, we offer all clients a high level of service and commitment.

References are available upon request.



FEE ONLY INVESTMENT ADVISOR

## 401(k) Portfolio Review

- objective
- educational
- independent



P.O. Box 1434  
Salinas, CA 93902

831-758-1575  
1-800-345-9644

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[pete@andresenassoc.com](mailto:pete@andresenassoc.com)  
[laurie@andresenassoc.com](mailto:laurie@andresenassoc.com)

Andresen & Associates now offers a **401(k) Portfolio Review** service for clients. This program is designed for investors who have a limited company-selected menu of fund choices and would like some investment advice or reassurance.

For example, many 401(k) plans do not provide you with enough easily understood information to make educated decisions regarding the allocation of your hard earned investment dollars. An occasional third party professional review of your 401(k) portfolio may give you the security you need to feel confident about your investment future.

As an unbiased third party, Andresen & Associates, a fee-only investment advisor, will review your plan and present recommendations in writing to you without conflicts of interest.

This service assumes that you have already made the commitment to save in a 401(k) plan with a long-term strategy in mind. It is not intended to be a comprehensive financial planning tool. **Instead, this service focuses on choosing the best available mutual funds in the appropriate amounts to keep your retirement portfolio focused on your long-term plan.**

**No hassles**  
**No commissions**  
**No appointments or meetings**  
**No long-term commitments**  
**No outrageous fees**

**The biggest investment mistake is not participating in a retirement program.**



**The most ignored investment chore is keeping track of your investments in a world of changing markets.**

According to the *Wall Street Journal*, a study by the human resources consulting firm Hewitt Associates found that nearly 45% of workers feel they do not have enough information to make the right investment choices, and more than 50% want help in making investment decisions.

45% of 401(k) investors have never adjusted their investment mix, accordingly to a survey by the Retirement Services Roundtable and Boston Research.

You work hard for your money...make sure that your money works for you!

Don't miss an opportunity to match your 401(k) allocations to current market conditions.

To get started, call our office or visit our website for a 401(k) Portfolio Review packet. Send us the required information, and within two weeks of its receipt, you will receive a written, professional, and objective opinion with unbiased suggestions on how you can maximize your investment!

#### **Investor provides:**

- Copy of portfolio statement and menu of available funds
- Completed Review Agreement and Risk Assessment Form (available from Andresen & Associates)

#### **Andresen & Associates provides:**

- A personal and independent review of your 401(k) portfolio
- Professional research data (when possible) which is not available to the average investor
- Free one year subscription to monthly investment newsletter
- Concise, customized written synopsis of your 401(k) review and suggested fund allocation chart based on stated goals, age, and risk assessment

#### **Benefits:**

- Objective third party investment suggestions by an investment advisor who studies historical, current, and future trends and events in the stock markets.

#### **Cost:**

- \$100 / single 401(k) account with a menu of 24 or less mutual fund choices

# Andresen & Associates 401(k) Portfolio Review Agreement

This 401(k) PORTFOLIO REVIEW AGREEMENT ("Agreement") is entered into on this date of \_\_\_\_\_ between Andresen & Associates, a sole proprietorship of California ("Advisor"), and \_\_\_\_\_ ("Client").

## 1) Services

401(k) Advisory Services are contracted independently of investment advisory services and may or may not take place concurrently.

When providing a 401(k) Portfolio Review, the Advisor will:

- (a) Review
  - the Risk Assessment form provided by the Advisor and completed by the Client,
  - the Client's current 401(k) portfolio holdings based on a statement provided by the Client, and
  - the menu of available funds for 401(k) investing provided by the Client.
- (b) Provide professional research data to accompany the analysis when possible.
- (c) Compose a concise, one-time, customized written synopsis of the Advisor's suggested fund allocation based on a review of the above mentioned data. This will be mailed to the Client in a timely manner upon receipt of the Client's documents by the Advisor.
- (d) Provide the Client with a one-year subscription to investment newsletters published by the Advisor.

When providing a 401(k) Review, the Advisor will **NOT**:

- (a) Meet personally with the Client via appointments or meetings.
- (b) Invest Client funds according to the suggested fund allocation provided by the Advisor.
- (c) Provide investment advice outside of the scope of the 401(k).
- (d) Provide any kind of ongoing 401(k) advisory services or overwatch.

## 2) Compensation

- (a) Fees for 401(k) advisory services will be billed to the Client when the written report is mailed to the Client.
- (b) The fee is \$100 per single 401(k) account with a menu of 24 mutual funds or less. The fee is negotiable when the menu of mutual funds exceeds 24.
- (c) Fees are payable within 30 days of billing. Should the Client be unsatisfied with the report provided by the Advisor, the fee may be waived.
- (d) The Advisor reserves the right to refuse service.

## 3) Recommended Investments

The Client understands that:

- (a) The Advisor, in determining suggested investments for a Client's 401(k) portfolio, may not have completely reviewed all aspects of the services and performances of all investments available.
- (b) The Advisor does not recommend a particular investment because the performance of the selected investment is necessarily "better" than that of all other investments. "Better" is a subjective term entirely dependent upon interpretation based upon individual investment philosophies.
- (c) The Advisor's recommended selection of investments for the Client's 401(k) portfolio does not imply or represent any guarantee or assurance of future performance of those investments, or the preservation or appreciation of the Client's assets.

4) **Confidentiality**

All information and recommendations furnished by either the Client or the Advisor to the other shall at all times be treated in strictest confidence and shall not be disclosed to third persons except as may be required by law or except upon prior written approval of the other party to this Agreement.

5) **Acknowledgment of Disclosure**

CLIENT HEREBY ACKNOWLEDGES RECEIPT OF PART II OF FORM ADV FROM THE ADVISOR AS REQUIRED BY STATE SECURITIES LAWS.  
Initial: \_\_\_\_\_

6) **Resolution of Disputes**

In the event of a dispute arising of this agreement, the parties agree to exercise their best efforts to resolve said dispute by means of mediation using a neutral third party mediator whose identity will be mutually agreed upon at the time the dispute occurs by the parties involved.

No party to this agreement will commence either an arbitration proceeding or litigation prior to making a good faith effort to mediate as provided herein.

7) **Entire Agreement**

This Agreement constitutes the entire agreement between the Advisor and the Client. It may be amended only by a written agreement and signed by authorized representatives of both Advisor and Client.

8) **Attorney's Fees and Costs**

If any action at law or in equity is necessary to enforce or interpret the terms of this Agreement, the prevailing party shall be entitled to reasonable attorney's fees, costs, and necessary disbursements in addition to any other relief to which that party may be entitled. This provision shall be construed as applicable to this entire Agreement.

AGREED TO AND ACCEPTED BY:

**ADVISOR:**

Andresen & Associates  
P.O. Box 1434  
Salinas, Ca. 93902-1434  
831-758-1575  
pete@andresenassoc.com

\_\_\_\_\_  
Peter G. Andresen

\_\_\_\_\_  
Date

AGREED TO AND ACCEPTED BY:

**CLIENT:** Printed Name: \_\_\_\_\_

Signature

Date

Please mail the following items to **Andresen & Associates PO Box 1434 Salinas, CA 93902**

1. Signed and completed **401(k) Portfolio Review Agreement**
2. Completed **Risk Assessment Form**
3. Copy of most recent **401(k) Statement**
4. Copy of **menu of funds available** in 401(k) plan (tickers preferred)

**Risk Assessment Form**

Name \_\_\_\_\_

Address \_\_\_\_\_

Phone home- \_\_\_\_\_ cell- \_\_\_\_\_ Email address \_\_\_\_\_

How would you like us to contact you? \_\_\_\_\_ Marital status? \_\_\_\_\_

Employer \_\_\_\_\_ Children's ages \_\_\_\_\_

Investment Experience: (circle appropriate answer)

Beginner                      Moderately Experienced                      Fully Experienced                      Expert

Current age \_\_\_\_\_ Projected age of retirement \_\_\_\_\_

What other issues are affecting your retirement plans? \_\_\_\_\_

Approximate yearly income? \$ \_\_\_\_\_ Approximate Net Worth? \$ \_\_\_\_\_

Amount of savings to 401(k) per year? \_\_\_\_\_ Company match? \_\_\_\_\_

Do you own real estate? If so, about what percentage of your net worth does real estate represent? \_\_\_\_\_

Other source of retirement income? \_\_\_\_\_

Rate your distress (on a scale of 1 to 10) when the stock market goes down. (circle appropriate answer)

**No Worry**    1    2    3    4    5    6    7    8    9    10    **Great Distress**

Do you feel more concerned about... (check appropriate answer)

\_\_\_\_\_ missing a rising market **OR** \_\_\_\_\_ being hurt by a declining market?

Have you ever been unable to live/work/sleep effectively due to your concerns about your investments? \_\_\_\_\_

If so, why? \_\_\_\_\_

Do you have a life dream? If so, what is it? \_\_\_\_\_

Are you taking steps to attain it? \_\_\_\_\_

Does this dream involve your 401(k)? If so, how? \_\_\_\_\_

*If there is anything else we should know about your financial situation, please feel free to include another page.*

Signature \_\_\_\_\_ Date \_\_\_\_\_

**FORM ADV**

**Uniform Application for Investment Adviser Registration**

**Part II - Page 1**

Name of Investment Adviser: <b>Andresen, Peter Garth dba Andresen and Associates</b>				
Address: (Number and Street) <b>P.O. Box 1434</b>	(City) <b>Salinas</b>	(State) <b>CA</b>	(Zip Code) <b>93902-1434</b>	Area Code: Telephone Number: <b>( 831) 758-1575</b>

**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 governmental authority.**

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**(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: <b>Andresen, Peter Garth</b>	SEC File Number: <b>801-32938</b>	Date: <b>01/03/2006</b>
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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 .....	<u>100%</u>
<input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services .....	<u>    </u> %
<input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above .....	<u>    </u> %
<input checked="" type="checkbox"/> (4) Issues periodicals about securities by subscription .....	<u>0%</u>
<input type="checkbox"/> (5) Issues special reports about securities not included in any service described above .....	<u>    </u> %
<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 .....	<u>    </u> %
<input type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities .....	<u>    </u> %
<input type="checkbox"/> (8) Provides a timing service .....	<u>    </u> %
<input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above .....	<u>    </u> %

(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 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 type="checkbox"/> (5) Commissions
<input 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"/> G. Other (describe on Schedule F)
<input checked="" type="checkbox"/> D. Pension and profit sharing plans	

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

Applicant:

**Andresen, Peter Garth**

SEC File Number:

801- **32938**

Date:

**01/03/2006**

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

- |   |   |
|---|---|
| <p><input checked="" type="checkbox"/> 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 type="checkbox"/> (3) foreign issues</p> <p><input type="checkbox"/> B. Warrants</p> <p><input checked="" type="checkbox"/> C. Corporate debt securities<br/>(other than commercial paper)</p> <p><input checked="" 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 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 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 type="checkbox"/> (1) real estate</p> <p><input 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 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 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 type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the<br>Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases  |
| (4) <input 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<br>(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options,<br>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   |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

Applicant: <b>Andresen, Peter Garth</b>	SEC File Number: <b>801-32938</b>	Date: <b>01/03/2006</b>
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**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
- year of birth
- formal education after high school
- 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 type="checkbox"/> (1) broker-dealer	<input type="checkbox"/> (7) accounting firm
<input 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 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.)

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**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.)

- 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 *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? . . . . .

Yes  No

(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.

**Reviews are triggered by:**

**(1) A change in the client's personal investment objectives. (2) An "abnormal" performance by an investment in a client's portfolio (as judged subjectively by either the client or the advisor.) (3) Time: a review will take place at least once a quarter from the date of initial commitment of funds by the client.**

**Reviews incorporate an overall determination of portfolio value relative to historic performance, analysis of possible reasons for any change in the portfolio, and comments and recommendations concerning possible ways to reduce risk or better obtain the client's personal objectives. Discussion between clients and the Advisor may take place in person or via phone. See Schedule F for details.**

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

**Quarterly**

Applicant: <b>Andresen, Peter Garth</b>	SEC File Number: <b>801-32938</b>	Date: <b>01/03/2006</b>
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**12. Investment or Brokerage Discretion.**

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

(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; 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