

Item 1 – Cover Page

Financial Designs Wrap Fee Program

Financial Designs Corporation

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Form ADV Part 2A Appendix 1 Wrap Fee Program Brochure

This brochure provides information about the qualifications and business practices of Financial Designs Corporation. If you have any questions about the contents of this brochure, please contact us at 909-626-1642. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Financial Designs Corporation is available on the SEC's website at www.adviserinfo.sec.gov.

Financial Designs Corporation is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisors to amend their brochure when information becomes materially inaccurate. If there are any material changes to an advisor's disclosure brochure, the advisor is required to notify you and provide you with a description of the material changes.

Generally, Financial Designs Corporation will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

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Item 4 Services, Fees, and Compensation

Financial Designs Corporation ("FDC") is a registered investment advisor based in Claremont, California. We are organized as a corporation under the laws of the State of CA. FDC Holdings Corporation is the principal owner. The 2008 Pavan Family Trust is the sole shareholder of FDC Holdings Corporation.

As used in this brochure, the words "we", "our" and "us" refer to Financial Designs Corporation and the words "you", "your" and "client" refer to you as a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. Our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

We offer portfolio management services through the *Financial Designs Wrap Fee Program* ("Program") as described in this wrap fee program brochure to prospective and existing clients. We are the sponsor and portfolio manager for the Program. We manage your wrap fee account based on model portfolios that are also customized to your investment requirements and goals. Your investment portfolio is designed for you based upon your risk tolerance and investing objectives.

A wrap-fee program is a type of investment program that provides clients with asset management and brokerage services for one all-inclusive fee. If you participate in our wrap fee program, you will pay our firm a single fee, which includes money management fees, certain transaction costs, and custodial and administrative costs. You are not charged separate fees for the respective components of the total services. We receive a portion of the wrap fee for our services. The overall cost you will incur if you participate in our wrap fee program may be higher or lower than you might incur by separately purchasing the types of securities available in the Program.

Prior to becoming a client under the Program, you will be required to enter into a separate written agreement with us that sets forth the terms and conditions of the engagement and describes the scope of the services to be provided, and the fees to be paid.

Client Investment Process

Our firm will obtain your financial data and assist you in determining the suitability of the Program based on information obtained from you. We will use the suitability information we gather from our initial meeting to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. We will monitor your portfolio's performance on an ongoing basis and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

We provide discretionary portfolio management services in accordance with your individual investment objectives. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. This authorization includes deciding which securities to buy and sell, when to buy and sell, and in what amounts, in accordance with your investment program, without obtaining your prior consent or approval for each transaction. Discretionary authority is

typically granted by the investment advisory agreement you sign with our firm and/or through trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

Restrictions and guidelines, you impose may affect the composition and performance of your portfolio. For these reasons, performance of your portfolio may not be identical with the average client in our wrap fee program.

Upon entering into an Investment Advisory Agreement, you will open an account with Charles Schwab & Co., Inc. ("Schwab") an unaffiliated and independent qualified custodian. Schwab will provide you with services related to custody of securities, trade execution, and trade clearance and settlement. We will not have custody of client funds or securities, except to the limited extent of having Schwab act as paying agent for our firm by automatically deducting Program Fees from your account(s).

Changes in Your Financial Circumstances

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. Furthermore, unless you indicate to the contrary, we shall assume that there are no restrictions on our services, other than to manage your account in accordance with your designated investment objectives. It is your responsibility to promptly notify us if there are changes in your financial situation or investment objectives for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

The Program Fee

We charge an annual "wrap-fee" for participation in the Program depending upon the market value of your assets under our management. You are not charged separate fees for the different components of the services provided by the Program. Our firm pays all transaction expenses of trades placed on your behalf. Our Program fee includes the portfolio management fee and Schwab's transaction or execution costs. Assets in each of your account(s) are included in the fee assessment unless specifically identified in writing for exclusion. In special circumstances, and in our sole discretion, we may negotiate a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention, etc.).

On an annualized basis, our Program fees are as follows:

Market Value	Maximum Quarterly Fee as % of Portfolio		Maximum Annual Fee as % of Portfolio
\$ 0 - \$ 500,000	<i>for the first \$500,000</i>	0.3750%	1.50%
\$ 500,000 - \$ 1,000,000	<i>for the next \$500,000</i>	0.3375%	1.35%
\$ 1,000,000 - \$ 2,000,000	<i>for the next \$1,000,000</i>	0.3000%	1.20%
\$ 2,000,000 - \$ 5,000,000	<i>for the next \$3,000,000</i>	0.2500%	1.00%
\$ 5,000,000+	<i>over \$5,000,000</i>	0.1875%	0.75%

A tiered rate schedule means that fees are blended; i.e., as the portfolio value reaches a new threshold, as noted in the table above, the assets greater than the prior threshold are charged a

successively lower rate.

Our annual portfolio management fee for portfolio management services is billed and payable quarterly in arrears based on the number of days in the quarter. For fee purposes, the account valuation will be based upon the last day of the preceding quarter.

The fee will be automatically withdrawn from your account approximately one (1) week after the end of each calendar quarter. For the initial quarter of portfolio management services, the first quarter's fees will be calculated on a pro rata basis, which means the advisory fee is payable in proportion to the number of days in the quarter for which you are a client.

You may withdraw account assets on notice to our firm, and subject to the usual and customary securities settlement procedures. However, we design our portfolios as long-term investments and asset withdrawals may impair the achievement of your specific investment objectives.

We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. Generally, we will receive a duplicate copy of your account statements.

If you receive an invoice and/or billing statement from our firm, we encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information, please call our main office number located on the cover page of this brochure.

In determining whether to establish a *Financial Designs Wrap Fee Program* account, a client should be aware that the overall cost to the client of the Program may be higher or lower than the client might incur by purchasing separately the types of securities available in the Program. In order to compare the cost of the Program with unbundled services, the client should consider the turnover rate in our investment strategies, trading activity in the account and standard advisory fees and brokerage commissions that would be charged at Schwab or at other broker-dealers and investment advisors.

Depending upon the Program's annual percentage fee charged by our firm (see fee schedule above), the amount of portfolio activity in your account, and the value of custodial and other services provided, the wrap-fee may or may not exceed the aggregate cost of such services if they were to be provided separately and/or if we were to negotiate transaction fees and seek best price and execution of transactions for your individual account.

Termination of Advisory Relationship

You may terminate the wrap fee program agreement upon 30-days' written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the wrap fee program agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Upon termination of accounts held at Schwab, they will deliver securities and funds held in the account per your instructions unless you request that the account be liquidated. After the wrap fee program agreement has been terminated, transactions are processed at the prevailing

brokerage rates/fees. You become responsible for monitoring your own assets and our firm has no further obligation to act upon or to provide advice with respect to those assets.

Wrap Fee Program Disclosures

- Wrap fee programs may not be suitable for all investment needs, and any decision to participate in a wrap fee program should be based on your financial situation, investment objectives, tolerance for risk, and investment time horizon, among other considerations.
- The benefits under a wrap fee program depend, in part, upon the size of the account and the number of transactions likely to be generated in the account. For example, a wrap fee program may not be suitable for accounts with little trading activity. In order to evaluate whether a wrap fee program is suitable for you, you should compare the Program Fee and any other costs of the Program with the amounts that would be charged by other advisors, broker-dealers, and custodians, for advisory fees, brokerage and other execution costs, and custodial services comparable to those provided under the Programs.
- Participating in a wrap fee program may cost more or less than the cost of purchasing advisory, brokerage, and custodial services separately from third parties.
- Financial Designs Corporation and its Associated Persons receive compensation as a result of your participation in the Program. This compensation may be more or less than the amount our firm or the Associated Person would receive if you paid separately for investment advice, brokerage, and other services. Accordingly, a conflict of interest exists because our firm and Associated Persons have a financial incentive to recommend the Program and may recommend the Program over other programs or services for which the compensation arrangements are not as beneficial.

Due to the single fee charged to a Program account, we may be regarded as having a conflict of interest in that we may realize a greater profit on a Program account with a relatively low rate of portfolio turnover compared to other types of accounts, assuming the same level of fees.

Additional Fees and Expenses

The Program Fee includes the costs of brokerage commissions for transactions executed through Schwab, and charges relating to the settlement, clearance, or custody of securities in the Account. The Program Fee does not include mark-ups and mark-downs, dealer spreads or other costs associated with the purchase or sale of securities, interest, taxes, or other costs, such as national securities exchange fees, charges for transactions not executed through Schwab, costs associated with exchanging currencies, wire transfer fees, or other fees required by law or imposed by third parties. The Account will be responsible for these additional fees and expenses.

The wrap program fees that you pay to our firm for portfolio management services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others.

Billing on Cash Balances

We treat cash and cash equivalents as an asset class. Accordingly, unless otherwise agreed in writing, all cash and cash equivalent positions (e.g., money market funds, etc.) are included as part of assets under management for purposes of calculating our advisory fee. At any specific point in time, depending upon perceived or anticipated market conditions/events (there being no guarantee that such anticipated market conditions/events will occur), we may maintain cash and/or cash equivalent positions for defensive, liquidity, or other purposes. While assets are maintained in cash or cash equivalents, such amounts could miss market advances and, depending upon current yields, at any point in time, the firm's advisory fee could exceed the interest paid by the client's cash or cash equivalent positions.

Periods of Portfolio Inactivity

We have a fiduciary duty to provide services consistent with clients' best interest. As part of our investment advisory services, we will review client portfolios on an ongoing basis to determine if any changes are necessary based upon various factors, including but not limited to investment performance, fund manager tenure, style drift, account additions/withdrawals, the client's financial circumstances, and changes in the client's investment objectives. Based upon these and other factors, there may be extended periods of time when we determine that changes to a client's portfolio are neither necessary nor prudent. Notwithstanding, unless otherwise agreed in writing, our annual investment advisory fee will continue to apply during these periods, and there can be no assurance that investment decisions made by the firm will be profitable or equal any specific performance level(s).

Brokerage Practices

If you participate in the Program, you will be required to establish an account with Charles Schwab & Co., Inc. ("Schwab") member FINRA/SIPC, an unaffiliated SEC-registered broker-dealer. If you do not direct our firm to execute transactions through Schwab, we reserve the right to not accept your account. Not all advisors require their clients to direct brokerage. Since you are required to use Schwab, we may be unable to achieve the most favorable execution of your transactions. We believe that Schwab provides quality execution services based on several factors, including, but not limited to, the ability to provide professional services, reputation, experience and financial stability.

Schwab also makes available to our firm other products and services that benefit our firm but may not benefit its clients' accounts. These benefits may include national, regional or specific to our firm, educational events organized and/or sponsored by Schwab Advisor Services. Other potential benefits may include occasional business entertainment of personnel of our firm by Schwab Advisor Services personnel, including meals, invitations to sporting events, including golf tournaments, and other forms of entertainment, some of which may accompany educational opportunities. Also, there are other products and services which assist us in managing and administering clients' accounts. These include software and other technology (and related technological training) 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 research, pricing information and other market data, facilitate payment of our firm's fees from its clients' accounts, and assist with back-office training and support functions, recordkeeping and client reporting. Many of these services generally may be used to service all or some substantial number of our firm's accounts, including accounts not maintained at Schwab Advisor Services. Schwab Advisor Services also makes available to our firm other services intended to help us manage and further develop its business enterprise.

These services may include professional compliance, legal and business consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, employee benefits providers, human capital consultants, insurance and marketing. In addition, Schwab may make available, arrange and/or pay vendors for these types of services rendered to our firm by independent third parties. Schwab Advisor Services 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 our firm. While, as a fiduciary, we endeavor to act in our clients' best interests, our firm's recommendation / requirement that clients maintain their assets in accounts at Schwab may be based in part on the benefit to us of the availability of some of the foregoing products and services and other arrangements 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.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Item 5 Account Requirements and Types of Clients

We offer investment advisory services to individuals, trusts, estates, charitable organizations, corporations, pensions, profit sharing plans and other business entities.

Generally, we require a minimum account size of \$500,000 to open and maintain an advisory account with our firm. We may waive or lower this minimum requirement in our sole discretion. We may combine the account values of family members living in the same household to determine the applicable advisory fee.

Item 6 Portfolio Manager Selection and Evaluation

We are the sponsor and sole portfolio manager for the Program. Our firm does not utilize outside portfolio managers. Our firm and our Associated Persons act as portfolio managers for the wrap fee program described in this Wrap Fee Program Brochure.

You will work with an Associated Person of our firm to identify your financial needs, investment objectives, tolerance for risk, and investment time horizon for each account to be established in the Program. Based on information you provide, we will assist you in identifying objectives in accordance with the risk profile that is suitable for the account. Each portfolio is constructed with a view to achieving certain objectives and risk profiles, and we will manage the account's assets to reflect the portfolio selected by you.

Advisory Business

Please see the disclosures above regarding Services, Fees and Compensation, including the Wrap Fee disclosures.

Performance-Based Fees and Side-by-Side Management

We do not accept performance-based fees or participate in side-by-side management. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts

that are not charged performance-based fees. Our fees are calculated as described above and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Methods of Analysis, Investment Strategies and Risk of Loss

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

Charting Analysis - involves the gathering and processing of price and volume pattern information for a particular security, sector, broad index or commodity. This price and volume pattern information is analyzed. The resulting pattern and correlation data is used to detect departures from expected performance and diversification and predict future price movements and trends.

Risk: Our charting analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company and its industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.

Risk: The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends. Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions.

Risk: The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

Technical Analysis - involves studying past price patterns, trends, and interrelationships in the financial markets to assess risk-adjusted performance and predict the direction of both the overall market and specific securities.

Risk: The risk of market timing based on technical analysis is that our analysis may not accurately detect anomalies or predict future price movements. Current prices of securities may reflect all information known about the security and day-to-day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

Long-Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

Risk: Using a long-term purchase strategy generally assumes the financial markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may create an

opportunity cost - "locking-up" assets that may be better utilized in the short-term in other investments.

Short-Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

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

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Short-term trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk.

We may use investment strategies that involve buying and selling securities frequently in an effort to capture significant market gains and avoid significant losses during a volatile market.

Tax Considerations

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

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals

and objectives will be met. Past performance is in no way an indication of future performance.

Cybersecurity Risks: Our firm and our service providers are subject to risks associated with a breach in cybersecurity. Cybersecurity is a generic term used to describe the technology, processes, and practices designed to protect networks, systems, computers, programs, and data from cyber-attacks and hacking by other computer users, and to avoid the resulting damage and disruption of hardware and software systems, loss or corruption of data, and/or misappropriation of confidential information. In general, cyber-attacks are deliberate; however, unintentional events may have similar effects. Cyber-attacks may cause losses to clients by interfering with the processing of transactions, affecting the ability to calculate net asset value or impeding or sabotaging trading. Clients may also incur substantial costs as the result of a cybersecurity breach, including those associated with forensic analysis of the origin and scope of the breach, increased and upgraded cybersecurity, identity theft, unauthorized use of proprietary information, litigation, and the dissemination of confidential and proprietary information. Any such breach could expose our firm to civil liability as well as regulatory inquiry and/or action. In addition, clients could be exposed to additional losses as a result of unauthorized use of their personal information. While our firm has established a business continuity plan and systems designed to prevent cyber-attacks, there are inherent limitations in such plans and systems, including the possibility that certain risks have not been identified. Similar types of cyber security risks are also present for issuers of securities, investment companies and other investment advisers in which we invest, which could result in material adverse consequences for such entities and may cause a client's investment in such entities to lose value.

Recommendation of Particular Types of Securities

We offer advice on many types of securities. However, we primarily recommend mutual funds and exchange traded funds (ETFs). Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds and ETFs are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds.

Proxy Voting

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder. In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by

electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 7 Client Information Provided to Portfolio Managers

The Financial Designs wrap fee program is managed through the use of model portfolios and the recommendations of Associated Persons with Financial Designs Corporation (See "Portfolio Manager Selection and Evaluation" above). Our Associated Persons communicate directly with clients on a regular basis as needed in order to ensure your most current investment goals and objectives are understood and are followed. In most cases, we will communicate such information as part of our regular investment management duties. In addition, you may communicate personal information, instructions, and changes in your investment goals and objectives when market or economic conditions warrant such action directly to an Associated Person of Financial Designs Corporation.

Item 8 Client Contact with Portfolio Managers

You should contact our firm or your advisory representative directly with any questions regarding your account.

Item 9 Additional Information

Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Other Financial Industry Activities and Affiliations

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships

Code of Ethics

We have adopted a Code of Ethics that sets the standard of conduct expected to comply with applicable securities laws. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. We

adhere strictly to these guidelines. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

Review of Accounts

We monitor client portfolios as part of an ongoing process while account reviews are conducted at least annually. The reviews are designed to ensure that the advisory services provided to you are consistent with your stated investment needs and objectives. Additional reviews may be conducted at your request, or based on various circumstances, including, but not limited to contributions and withdrawals, year-end tax planning, market moving events, security specific events, and/or, changes in your risk/return objectives.

Personnel currently performing reviews are:

- Nino G. Pavan, President
- Vaughn Heydel, Vice President

The individuals conducting reviews may vary from time to time, as personnel join or leave our firm.

You will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

Client Referrals and Other Compensation

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 4 – Services, Fees, and Compensation*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

Compensation for the Sale of Insurance Products

Certain Executive officers and other Associated Persons of FDC are licensed as independent insurance agents. These persons will earn commission-based compensation for selling

insurance products, including insurance products they sell to clients of FDC. Insurance commissions earned by these persons are separate and in addition to FDC's advisory fees. FDC does not charge advisory fees on annuities sold to clients. However, this practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs.

The sale of annuity contracts, insurance instruments and other commissionable products offered by Associated Persons are intended to complement FDC's advisory services. However, Associated Persons are incentivized to recommend or sell these products based on the compensation received rather than upon the client's best interests. Clients should also note that the annuity sales result in substantial up-front commissions and ongoing trails based on the annuity's total value. In most cases, FDC will choose an upfront commission only which results in no ongoing trails received. We address this conflict of interest by recommending insurance products only where we, in good faith, believe that it is appropriate for the client's particular needs and circumstances and only after a full presentation of the recommended insurance product to our client. In addition, we explain the insurance underwriting process to our clients to illustrate how the insurer also reviews the client's application and disclosures prior to the issuance of a resulting insuring agreement.

Many annuities contain surrender charges and/or restrictions on access to your funds. Payments and withdrawals can have tax consequences. Optional lifetime income benefit riders are used to calculate lifetime payments only and are not available for cash surrender or in a death benefit unless specified in the annuity contract. In some annuity products, fees can apply when using an income rider. Guarantees are based on the financial strength and claims-paying ability of the issuing insurance company. We urge our clients to read all insurance contract disclosures carefully before making a purchase decision. Rates and returns mentioned on any program presented are subject to change without notice. Insurance products are subject to fees and additional expenses.

Clients to whom the firm offers advisory services are informed that they are under no obligation to purchase insurance services. Clients who do choose to purchase insurance services are under no obligation to use our licensed Associated Persons and may use the insurance brokerage firm and agent of their choice.

Schwab Advisor Services

We have entered into a Client Benefit agreement with Charles Schwab & Co., Inc. ("Schwab") through its Advisor Services division. Under the provisions of the agreement, Schwab has discounted the fee on certain software solutions used by our firm. These discounts will be credited to our invoices received from Schwab.

Block Trades

We may combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs. Accounts owned by our firm or persons associated

with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Financial Information

We are not required to provide a balance sheet or other financial information to our clients, because we do not require the prepayment of fees in excess of \$1,200 and six months or more in advance; we do not take custody of client funds or securities; and, we do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Moreover, we have never been the subject of a bankruptcy petition.

Privacy Policy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, insurance agencies and insurance companies, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit. Moreover, we do not determine whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf.

Item 10 Requirements for State-Registered Advisers

This section is not applicable to our firm because we are an SEC registered investment adviser.