

ADV Schedule F

1D

I provide primarily investment counseling, although in order to determine a proper level of portfolio risk, it is important that I also delve into other aspects of a client's finances. These may include cash flow, debt management, insurance, retirement plans, and estate issues. I make it clear to each client that it is important to revisit these issues, and rebalance a portfolio, at a minimum of once every 18 months, or more often if there are major changes in a client's economic status, unusual market swings, or substantial withdrawals or additions into the account. A portfolio review with investment suggestions includes a written report that delineates such suggestions, with an explanation of why the suggestions are appropriate. The report also reveals such factors as a given portfolio's level of risk (both systematic and unsystematic), historical return, liquidity, and tax efficiency. I do not hold any client's money. If I manage a client's portfolio, the portfolio is custodiated at Fidelity Investments. The client may grant me limited trading authority, but I run all trades by a client prior to execution.

My fee for asset management starts at \$5000 a year, but can be higher – up to but not exceeding 0.50 percent of assets -- depending on the size and complexity of each individual case. I generally bill on a quarterly basis in advance and the relationship can be terminated at any time with a pro-rated refund to the client. I also offer hourly consulting at a rate of \$200 an hour, or a flat fee derived from an estimate of the time necessary to complete a client's plan. Fees may be negotiable in special circumstances, such as for clients with limited means. A first-time review, depending on the complexity of the portfolio, takes somewhere between five and 15 hours. Follow-up reviews usually take less time. Fees for non-custodial services are payable at the time service is rendered.

4A

I believe that markets are largely efficient. An enormous amount of research shows that asset-class allocation, rather than market timing or stock picking, is what accounts most for portfolio returns. Low investment management costs are essential to long-term investing success. As such, I aim to build portfolios that use low-cost, passively managed index mutual funds and exchange-traded fund as their core. I use state-of-the-art Morningstar Principia software to help measure potential risk and return. I attempt to spread clients' money over as many different asset classes (stocks and bonds, value and growth, small and large-cap, domestic and international, and commodities) as is practical for maximum diversification. I use primarily index mutual funds from Vanguard, Fidelity, and Dimensional Fund Advisors, and exchange-traded funds (ETFs) from Vanguard, iShares, and State Street. I also use some

actively managed funds, such as Loomis Sayles Bond. Hussman Strategic Growth, and the Merger Fund.

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I was born on December 25, 1955. I hold a B.S. in business economics *magna cum laude* from The American University in Washington, D.C. I also hold an MBA from the Thunderbird School of Global Management in Glendale, AZ. In addition, I have earned a graduate certificate in personal financial planning from Moravian College (A CFP Board-Registered Program) in Bethlehem, PA. I hold a Series 65 license, and was first registered as an investment representative with Baldrige Asset Management of Allentown, PA, from January 13, 2003 until December 31, 2003.

I have been a freelance journalist since 1994. I am a prolific magazine writer with over 500 articles in major national magazines, including AARP The Magazine, Consumer Reports, and Reader's Digest. I have also written for a number of financial trade journals, including Financial Planning, Wealth Manager, Financial Advisor, and the newsletter of the National Association of Personal Financial Planners (NAPFA). Most of my articles deal with investments and retirement planning. I am also the author or co-author of nearly two dozen books, including several finance books, One Year to an Organized Financial Life, Index Investing for Dummies, Exchange-traded Funds for Dummies, and Bond Investing for Dummies; two business books, Career Smarts, and Games Bosses Play; and one book on divorce, including the financial aspects of divorce, titled The Unofficial Guide to Getting a Divorce.

Prior to becoming an investment consultant and financial journalist, I was a senior editor in the book division of Rodale Press. Way back when, I worked as a credit analyst in the international department of Maryland National Bank (no longer in existence) in Baltimore. I have been an avid investor and follower of the markets since 1980.

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My journalistic endeavors (see #6 above) dovetail very nicely with my work as an investment advisor, as my writings require much research into the world of investments and personal finance.

9

I invest my own money in the same indexed mutual funds and ETFs that I recommend to clients. There is no conflict of interest whatsoever, as indexed mutual funds and ETFs represent enormous holdings, and it would be virtually impossible for any individual to influence price movement. On rare occasion, I may also invest in an individual stock that I also recommend to a client. Such occasion would occur only where individual stocks are the sole means of tapping into a certain asset class -- such as timber production -- where there are no index funds or ETFs. On such occasion that I invest in the same stock

as I recommend to a client, the client's interests shall always go before my own. The same is true for an actively managed mutual fund holdings.

11A

My initial review of a client's portfolio aims to reveal how well the client has diversified his investments, and how well the overall portfolio matches the client's tolerance for risk. Other factors examined include total management fees, tax efficiency of the portfolio, and historical rates of return. I present clients with a "before" and "after" snapshot of their portfolios, demonstrating how my suggestions may improve their overall financial position. I clearly explain the concepts of market efficiency and Modern Portfolio Theory, and lay out my plan for optimal asset allocation. I suggest periodic – at least annual -- reanalysis of the client's finances, with a rebalancing of the portfolio to make certain that the initial asset allocation remains in tact.

11B

For money custodiated at Fidelity, I issue quarterly reports, upon the client's request. For hourly clients, reports are produced only at the time that a client requests a review. As stated above in 11A, I recommend that such reviews occur once a year to every year and a half, or sooner if there are any major changes in a client's financial position (change of employment, divorce, inheritance, etc.).

12B

Yes, I would suggest a broker/custodian, favoring those that offer reasonable fees, good service, and have a reputation for rapid and honest executions. In most cases, I would recommend either Fidelity or Vanguard. And I would suggest that the client do trades online. I have no fiduciary relationship with either firm (although I do have personal assets held at both Fidelity and Vanguard), and receive no special products or search in exchange for referrals.

