

**FORM ADV**

**Uniform Application for Investment Adviser Registration**

**Part II - Page 1**

OMB APPROVAL	
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Name of Investment Adviser:					
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone number: ( )

**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.**

**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 type="checkbox"/> | (1) Provides investment supervisory services .....  | _____ | % |
| <input type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services .....  | _____ | % |
| <input type="checkbox"/> | (3) Furnishes investment advice through consultations not included in either service described above ....   | _____ | % |
| <input type="checkbox"/> | (4) Issues periodicals about securities by subscription .....   | _____ | % |
| <input type="checkbox"/> | (5) Issues special reports about securities not included in any service described above .....   | _____ | % |
| <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 ..... | _____ | % |
| <input type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities .....   | _____ | % |
| <input type="checkbox"/> | (8) Provides a timing service .....   | _____ | % |
| <input type="checkbox"/> | (9) Furnishes advice about securities in any manner not described above .....   | _____ | % |

(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 type="checkbox"/> | (1) A percentage of assets under management      | <input type="checkbox"/> | (4) Subscription fees |
| <input 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 type="checkbox"/> | A. Individuals                      | <input type="checkbox"/> | E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/> | B. Banks or thrift institutions     | <input 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 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).**

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

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

**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 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 type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services   |
| (2) <input type="checkbox"/> Inspections of corporate activities   | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input 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 type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input 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  |  |

**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:
  - (1) broker-dealer
  - (2) investment company
  - (3) other investment adviser
  - (4) financial planning firm
  - (5) commodity pool operator, commodity trading adviser or futures commission merchant
  - (6) banking or thrift institution
  - (7) accounting firm
  - (8) law firm
  - (9) insurance company or agency
  - (10) pension consultant
  - (11) real estate broker or dealer
  - (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.)

**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 of 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 *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.

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

**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<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? ..... | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| (3) broker or dealer to be used? .....                   | Yes<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| (4) commission rates paid? .....                         | Yes<br><input type="checkbox"/> | No<br><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 product 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<br><input type="checkbox"/> | No<br><input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes<br><input type="checkbox"/> | No<br><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:** Skaggs Financial Planning, LLC **SEC File Number:** 801-  
**Date:** 01/18/2008 **IRS EmpI. Ident. No.:** 03-0491757

**Item of form (identify)**

**Answer**

Item 1, Advisory Services and Fees

Skaggs Financial Planning, LLC follows a 6-step investment advisory process:

1. **DEFINE** the scope of the engagement between the client and Skaggs Financial Planning, LLC
2. **GATHER** client data and client's financial goals, needs, and priorities
3. **ANALYZE** and evaluate the client's information & financial planning strategies to help the client make informed decisions
4. **DEVELOP** and present financial planning recommendations
5. **IMPLEMENT** financial planning recommendations
6. **MONITOR** financial planning recommendations

**FEES AND EXPENSES** Unless otherwise agreed, the following fee schedule will apply to assets under management:

- The first \$1,000,000 is billed at 0.25% per quarter
- The next \$2,000,000 is billed at 0.1875%
- Amounts over \$3,000,000 are billed at 0.15%

**The minimum advisory fee is \$375 per quarter**

Hourly advisory fees will be billed at \$150 per hour.

Skaggs Financial Planning, LLC may waive minimum fees or charge lower amounts at its discretion.

Fees are payable on the first business day of each calendar quarter. The fee will be determined by combining the fair market value (measured on the last business day of the prior calendar quarter) of all of the client's assets under management. As assets actually get transferred over to Skaggs Financial Planning, LLC's control, or whenever a client makes a deposit in excess of \$100,000, partial time periods may be billed proportionally.

For clients with less than \$250,000 of assets under management, Skaggs Financial Planning, LLC's hourly professional fees for consulting services (i.e. financial planning) are not included in this fee schedule.

Clients may terminate the advisory contract any time, for any reason, upon 30 days written notice. Upon termination, Skaggs Financial Planning, LLC will refund to the client that portion of a client's prepaid fee for which no services have been provided.

Item 5, Education and Business Standards

To determine or give investment advice, Skaggs Financial Planning, LLC requires a minimum of three years of applicable investment advisory experience and active pursuit of the CFP certification or one must meet all CFP certification requirements aside from the experience requirement.

Item 6, Education and Business Background

Name: Brian James Skaggs  
Birth date: June 26<sup>th</sup>, 1970

Education:  
University of Washington, Seattle, WA, 1990 - 1992, B.A. Economics  
Pacific Lutheran University, Parkland, WA 1988 – 1990  
College for Financial Planning, Completed CFP Professional Education Program, 1999  
Institute of Business & Finance, Completed CFS Designation Program, 2001  
Financial Planning Association Residency Program, Lake Arrowhead, CA, 2002  
Holds the CERTIFIED FINANCIAL PLANNER designation  
Holds the Certified Fund Specialist designation

Business Background: (last five years)  
Skaggs Financial Planning, LLC, President, 12/02 to present

Item 7, Other Business Activity

Apartment Rental, Approximately 20 hours per year are spent on this business activity

Item 9, Participation or Interest in Client Transactions

Skaggs Financial Planning, LLC agrees, to the extent within its control, not to favor itself to clients' financial detriment when buying or selling securities that it also recommends to clients. Skaggs Financial Planning, LLC agrees to keep complete records of all such securities transactions, as required by regulation.

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

(Continued)

**Applicant:** Skaggs Financial Planning, LLC **SEC File Number:** 801-

**Date:** 01/05/2007

**IRS EmpI. Ident. No.:** 03-0491757

**Item of form (identify)**

**Answer**

Item 11a

Skaggs Financial Planning, LLC reviews clients' portfolio on a quarterly basis by reviewing securities, asset allocation, rate-of-return, and market value. This may also be done following significant market moves, when customer circumstances change, or when integrating a new product.

Item 11b

At times, clients will be contacted prior to Skaggs Financial Planning, LLC placing trades for their accounts. During these calls Skaggs Financial Planning, LLC will discuss its intention to make a transaction, the details of the proposed transaction, and how this connects to the client's objectives. Quarterly, Skaggs Financial Planning, LLC provides clients with performance reports that track holdings, asset allocation, rate-of-return, and market value. Periodically, Skaggs Financial Planning, LLC will meet with clients to review the past year's results for the asset classes owned by the client, the overall results, the current allocation, and to provide information on new investment products & services as well as new academic research that may affect the client. Clients should update Skaggs Financial Planning, LLC, with their financial status, objectives, and constraints focusing on any changes since the last meeting. All of this is used to update the clients' investment advisory strategy.

Item 12a, Investment or Brokerage Discretion

Unless otherwise instructed by a client, Skaggs Financial Planning, LLC will limit clients' buying and selling financial products to those transactions which are appropriate for implementing the client's target asset allocation or a close approximation of that allocation. Skaggs Financial Planning, LLC will often consult with or attempt to consult with the clients before placing any trades.

Item 12b, Investment or Brokerage Discretion

Skaggs Financial Planning, LLC considers the overall value when recommending brokers. Value factors include price, product availability, and services offered. Skaggs Financial Planning, LLC may receive research services, computer software, technical advice, publications, electronic database updates, marketing materials, services, or other "soft dollar" compensation, and referrals of prospective clients from certain financial product vendors and from certain financial services professionals. This may influence Skaggs Financial Planning, LLC's recommendations to client in favor of doing business with these certain vendors and professionals. Specifically, Skaggs Financial Planning, LLC may recommend that clients place orders for the execution of securities transactions through certain vendors, which "directed brokerage", may result in a client paying higher commissions or transaction costs than client would have paid to another vendor. Further, Skaggs Financial Planning, LLC may recommend that clients do business with certain professionals that charge higher fees to client than would have been charged by another professional. Skaggs Financial Planning, LLC agrees to use its best efforts to act in clients' best interests when recommending brokers.