

Schedule F of  
Form ADV

Continuation Sheet for Form ADV Part II

Applicant:	SEC File Number:	Date:
<b>KJH Financial Services</b>	801-	March 8, 2010

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

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
	KJH Financial Services	27-2061304
Item of Form (identify)	Answer	
Introduction	<p>This document is being offered to you on behalf of KJH Financial Services or ("KJH") so as to provide you with information about the professional services KJH provides and the manner in which those services are made available to its clients.</p> <p>A copy of this disclosure document shall be provided to each client prior to, or contemporaneously with, the execution of any advisory agreement executed by any client and KJH. Any client who has not received a copy of KJH's written disclosure statement at least forty-eight (48) hours prior to executing any confidential Client Agreement (Agreement) shall have five (5) business days subsequent to executing the agreement to terminate KJH's services and to receive a full refund of all Client monies already paid without penalty.</p> <p>KJH offers investment advisory and financial planning. As a result of engaging KJH for its asset management services, each Client may also be required to enter into a separate agreement with other parties (that may or may not be affiliated with KJH) in order to implement any recommendations provided by KJH.</p> <p>In performing its services, KJH shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. If requested by the client, KJH may recommend and/or engage the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional.</p> <p>Each client should be advised that it remains his/her responsibility to promptly notify KJH if there is ever any change in his/her financial situation or investment objectives for the purpose of reviewing/evaluating/revising KJH's previous recommendations and/or services.</p> <p><b><u>Proxy Voting</u></b></p> <p>KJH will not exercise proxy voting authority over Client securities. The obligation to vote Client proxies shall at all time rest with Client. Client shall in no way be precluded from contacting KJH for advice or information about a particular proxy vote. However, KJH shall not be deemed to have proxy voting authority solely as a result of providing such advice to Client.</p> <p>Should KJH inadvertently receive proxy information for a security held in Client's account, then KJH will immediately forward such information on to Client, but will not take any further action with respect to the voting of such proxy. Upon termination of its Agreement with</p>	

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

Client, KJH shall make a good faith and reasonable attempt to forward proxy information inadvertently received by KJH on behalf of Client to the forwarding address provided by Client to KJH. Any information received by KJH which relates to the voting of clients' proxies shall be maintained by KJH for a period of five years from the date of receipt, the first two years in the offices of KJH.

Introduction  
(Continued)

### **Privacy Policy**

All information given to KJH and all recommendations and advice furnished by KJH to its clients will be kept confidential and will not be disclosed to anyone, except as KJH may agree in writing or as may be required to do so by law.

KJH will collect non-public personal information (NPI) about its clients as part of this engagement. This information will be obtained directly from the client and includes details such as the client's date of birth, social security number, financial account numbers and balances, tax returns, sources and amounts of income, home addresses, telephone numbers, health information, and other such personal information.

As part of KJH's policy, KJH restricts access to confidential personal information about its clients to those KJH employees who need to know that information in order to provide products or services to its clients. KJH maintains physical, electronic, and procedural safeguards to comply with federal standards to guard its clients' confidential personal information.

Should a client agree to accept management services provided by KJH, KJH may share the client's NPI with non-affiliated third parties. KJH may maintain agreements with various affiliated or nonaffiliated entities who may act as the custodian and account holder for customers of KJH and securities may be offered through such entities if properly engaged by KJH. KJH will share only the appropriate customer NPI necessary to ensure that KJH is able to provide the highest level of service to its Clients.

Should a client prefer, KJH will not disclose confidential personal information about its clients to non-affiliated third parties. Clients may opt out of those disclosures; that is, clients may direct KJH not to make those disclosures (other than disclosures required or permitted by law). Clients wishing to opt out of disclosures to non-affiliated third parties may call the following number: 781-413-4879.

Item 1.D

The percentages identified in Item 1.A. (1), Item 1.A. (2), and Item 1.A. (3) are estimated figures. KJH's advisory services involve three categories of service. The first service type involves "Comprehensive Financial Planning and Investment Management." The second category involves the delivery of a "Written Financial Plan." The third service type involves "Hourly Consulting" services that may or may not involve securities or investments. All advisory services will be done on a non-discretionary basis.

In order to determine a suitable course of action for an individual client, KJH shall perform an initial review of the information that is presented by the Client. Such review may include, but would not necessarily be limited to, investment objectives, consideration of the Client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to the client's particular circumstances.

Item 1.D  
(Continued)

It is KJH's practice to provide an initial, no obligation, no cost meeting in order to become familiar with Client's circumstances. KJH will obtain information from the Client verbally and on any current information gathering documents approved for use by KJH. The information gathered during this session will assist KJH in determining the most appropriate management services for that client's particular circumstances.

The following information shall describe KJH's three categories of service.

**1). COMPREHENSIVE FINANCIAL PLANNING AND INVESTMENT MANAGEMENT**

KJH's Comprehensive Financial Planning and Investment Management services involve an assessment of a client's current financial situation including, but not limited to, any future income needs from client's portfolio, time horizon, and risk tolerance. A client's current investment portfolio is reviewed and, in most cases, an "Investment Policy Statement" (IPS) is constructed that will include recommendations for asset allocation and asset selection. Periodic reviews will be performed over a client's portfolio to ensure that it is consistent with the client's IPS.

Specific services which may be offered as part of KJH's Comprehensive Financial Planning and Investment Management services may include, but would not be limited to the following:

- Preparation of an annual net worth statement;
- Create a cash flow statement;
- Create an IPS in accordance with the Client's goals and objectives;
- Implement investment recommendations as outlined in the IPS;
- Provide portfolio management services;
- Review client's most recent personal tax returns and provide tax planning advice;
- Review and/or prepare personal and small business tax returns;
- Provide insurance advice and assist client in implementing recommendations;
- Provide estate planning guidance and assist client in implementing recommendations;
- Complete a retirement analysis;
- Provide education planning advice;
- Provide advice and recommendations on any other area of financial planning in which Client has interest.

All Comprehensive Financial Planning and Investment Management services provided by KJH shall be provided in accordance with the terms of KJH's "Advisory Services Agreement." KJH's fee for Comprehensive Financial Planning and Investment Management services will be calculated as of the last business day of the billing quarter and shall be assessed in arrears. The billing quarter shall start on the date KJH's Advisory Services Agreement is fully executed by the client and KJH.

Fees assessed by KJH may be collected from a client's account(s) by the custodian upon advance notification to the appropriate custodian by KJH. KJH will not deduct such fees itself, rather, the custodian(s) that maintains and holds the client's account(s) may deduct KJH's fee(s) and remit KJH's fee directly to KJH. This billing method will involve notification to the client prior to notification to the custodian(s), so that the client is aware of the fee and KJH's method for its calculation.

Item 1.D  
(Continued)

KJH's basic fee schedule is as follows.

First \$200,000	1.00%, annually
Next \$300,000	0.80%, annually
Next \$500,000	0.60% annually
Over \$1,000,000	0.50% annually

All fees are subject to negotiation at the sole discretion of KJH. Brokerage, custodial, or other fees resulting from the implementation of KJH's Comprehensive Financial Planning and Investment Management services are separate and distinct from KJH's fees.

## 2). WRITTEN FINANCIAL PLAN

KJH's Written Financial Plan services involve consultation, analysis, and recommendations in the six areas of financial planning, which include (1) financial situation; (2) income taxes; (3) insurance; (4) investments; (5) retirement planning; and (6) estate planning. Advisor shall review the client's present financial situation and issue a written analysis and report of recommendations in accordance with the client's goals and objectives. This service may include an initial consultation and two follow-up visits. The services provided in this regard may include but would not be limited to the following:

- Preparation of an annual net worth statement;
- Create a cash flow statement;
- Review current investment and make recommendations thereon;
- Review client's most recent tax returns and provide tax planning advice;
- Review client's life insurance and disability insurance and make recommendations thereto;
- Review client's estate plan and make recommendations thereto;
- Complete a retirement analysis; and
- Provide education planning advice.

KJH's Written Financial Plan services provided by KJH shall be provided under the terms of KJH's "Financial Plan Agreement." KJH's Written Financial Plan fees shall be based upon several factors such as the complexity of pertinent circumstances, the responsibility assumed by KJH, the benefit resulting to the client and the perceived probability of certain anticipated complications that may arise. KJH will create a written financial plan for delivery to the Client. KJH, unless engaged separately to do so, will not be responsible for the implementation of the plan. Client assumes full responsibility for the implementation of the plan.

Generally, KJH shall bill an hourly rate of \$150, in twelve-minute increments for its Written Financial Plan. KJH's hourly rate is negotiable at the sole discretion of KJH. The number of hours for a particular Written Financial Plan engagement will be capped at a particular number and a maximum fee for the preparation of a written plan shall be determined at the time of KJH's engagement. Both of these elements will be identified in KJH's Financial Plan Agreement. KJH shall bill clients directly for its Written Financial Plan services. One quarter of the estimated fee, but not to exceed \$500, shall be due upon the full execution of KJH's Financial Plan Agreement and acceptance of such by KJH; a second payment representing 50% of the estimated remaining balance is invoiced when half of the plan is completed; the remaining balance is billed upon completion of the Plan. Payment is due upon receipt of invoice(s).

### **3). HOURLY CONSULTING**

KJH's Hourly Consulting services may involve services not specified or described above as either "Comprehensive Financial Planning and Investment Management" or "Written Financial Plan." All Hourly Consulting services provided by KJH shall be provided under the terms of KJH's "Hourly Services Agreement."

Fees resulting from KJH's performance of its Hourly Consulting services shall be based upon several factors such as the complexity of pertinent circumstances, the responsibility assumed by KJH, the benefit resulting to the client and the perceived probability of certain anticipated complications that may arise. Fees will be charged on an hourly basis for Hourly Consulting services and shall generally be charged at a rate of \$150 per hour, in twelve-minute increments. KJH's hourly rate is negotiable at the sole discretion of KJH.

For its Hourly Consulting services, KJH, at its sole discretion, will either request payment from Client upon the completion (i.e. at the time of delivery") of any such services, or alternatively, on a monthly basis, KJH may elect to bill clients directly for its Hourly Consulting services. All fees that are invoiced on a monthly basis shall be due upon receipt of invoice.

#### **Other Fee Considerations**

If any advisory relationship begins after the first day of a quarter or terminates before the last day of a quarter, asset management fees are prorated accordingly, and, in the event of termination, the client will receive a refund of any pre-paid asset management fees attributable to any period after the termination.

KJH, in its sole discretion, may charge a lesser or no fee based upon certain criteria (i.e. anticipated future earnings capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

Client's execution of the Agreement(s) may authorize the custodian of the Client's accounts (under the scope of the Agreement) to debit such account(s) for the amount of KJH's asset management fee and to directly remit that fee to KJH in accordance with the procedures as follows:

- 1) KJH sends to the client and the custodian at the same time, a bill showing
  - a. the amount of the fee,
  - b. the value of the client's assets on which the fee was based,
  - c. the specific manner in which KJH's fee was calculated; and
  - d. that it is the client's responsibility to verify the accuracy of KJH's fee calculation and that the custodian will not determine whether the fee has been properly calculated.
  
- 2) The custodian shall send to the client a statement, at least quarterly, indicating
  - a. all amounts disbursed from the account, and
  - b. the amount of advisory fees paid directly to KJH.

Item 1.D  
(Continued)

In the event that a Client does not authorize the/a custodian to deduct KJH's Asset Management fee(s) from the Client's account(s), on a quarterly basis, KJH shall send to the Client, an invoice indicating,

- 1) the amount of the fee,
- 2) the value of the client's assets on which the fee was based, and
- 3) the specific manner in which KJH's fee was calculated.

In addition to KJH's management service fee(s), Client may be assessed other fees by parties' independent from CFA. The Client may also incur, relative to certain investment products (such as mutual funds), charges imposed directly at the investment product level (e.g. advisory fees, administrative fees, and other fund expenses). Brokerage fees/commissions charged to Client for securities trade executions may be billed to the Client by the broker-dealer or custodian of record for the Client account, not KJH. Any such fees are exclusive of, and in addition to KJH's compensation. Client acknowledges s/he will be solely and directly responsible for all KJH fees as well as any other fees resulting from the implementation of KJH's management service(s).

Item 5

KJH seeks to employ investment professionals with the highest personal integrity and the dedication, ability, training, and experience to provide superior investment management services to each of its clients. KJH generally requires that its personnel possess a college degree or equivalent business experience, preferably in the field of investments. Advanced degrees are desirable but not required. KJH's personnel must have and maintain all licenses required by applicable laws and rules.

Any associated person of KJH providing investment advice to clients is required to meet the specific state registration examination/licensing requirements in order to provide such advice. This licensing typically involves a state "blue-sky" law examination (Series 63) and/or a Uniform Investment Adviser Law Examination (Series 65 or Series 66), or some combination thereof, administered by NASD. In cases where an associated person of KJH qualifies for a waiver or exemption from a particular jurisdiction's licensing requirements, KJH may not require the licenses/examinations noted above.

Item 6

**Education and Business Background for KJH's Owner**

Kimberly J. Howard

Year of Birth: 1956

**Formal Education after High School:**

Certified Financial Planner

Achieved September 2006

Boston University

1986-1987

MS in Management of Information Systems – 1987

Item 6  
(Continued)

Stephen F. Austin State University  
1975-1979  
BS in Mathematics and Education

**Business Background for the preceding five years:**

KJH Financial Services  
Owner  
January 2004 to Present

CitiStreet  
Portfolio Manager  
March 2004 – July 2006

Item 10                   KJH may assess minimum fee amounts for providing its financial management or asset planning services. Please refer to Item 1.D for KJH's fee information.

Item 11 .A

**Reviews:**

Comprehensive Financial Planning and Investment Management Clients - KJH shall review a client's financial situation at least annually. Additional reviews may also be requested by a client or may otherwise be performed by KJH at its discretion.

Every quarter, transaction suitability is reviewed. The Designated Owner will review the performance and cost basis for client transactions, comparing executed transactions to the offering memorandum to client financial information. Client objectives are used to review for suitability. Quarterly transactions are reviewed referencing the client objectives for any transaction that may not fit the client's stated objectives, or KJH's understanding of the client's objectives.

Events that may trigger further client account reviews in addition to the standard quarterly review process may include, but would not be limited to, a notable increase in the volume of requests by a client to effect transactions in their accounts, where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Other factors may include requests by a client to liquidate certain securities positions/contracts where such transactions may appear to be inconsistent with the client's previously stated investment objectives.

Additional triggering factors could be the performance on an individual account being outliers to the performance of accounts with similar investment objectives, and a very important trigger would be customer complaints. This last trigger would be a prime example of a trigger for an intermittent review of a customer account.

Annually, the Designated Owner shall have the advisers update the client information. It is to be explained that the client should provide the adviser with notice once the client's investment objectives or financial situation changes; however, the adviser is calling to ensure the Firm has the latest information for the client.

Item 11.A  
(Continued)

**Reviewers:**

Number of reviewers: 1

Name and title of Owner: Kimberly J Howard

Ms. Howard will employ the procedures noted above for each Client account subject to KJH's Comprehensive Financial Planning and Investment Management services.

Item 11.B

The Client's broker of record and/or custodian (not by KJH) will send statements to Client no less than quarterly. Statements will be provided monthly if account activity exists occurs during the month. Account positions by current price for all securities transactions will be identified on client statements. The broker of record and/or custodian will send monthly statements, or quarterly if there is no activity in the account. KJH may, at its discretion or upon request from a client, provide periodic performance reports for its Comprehensive Financial Planning and Investment Management clients.

Item 12.B

From time to time, KJH may refer its clients to broker-dealers for the purposes of the effecting of securities transactions. For details as to what factors KJH may consider in selecting such broker-dealers, see below.

**SECURITIES AND BROKERAGE SERVICES**

KJH is not a broker dealer. Unless Client directs otherwise, KJH shall generally recommend that all such client accounts be maintained at, by, or through certain other firms that are unaffiliated with KJH. Such firms shall generally be broker-dealers that may also maintain registrations that allow such firms to engage in other types of businesses outside of their broker-dealer activities.

Any such other firm may act in the capacity of "broker of record" for KJH's clients' accounts, in which case, another firm may serve as the custodian for the Client account(s). Alternatively, any such other firm may serve as both the "broker of record" and "custodian" for KJH's clients' accounts. In no case shall KJH act or attempt to act in the capacity of "broker of record" or "custodian" of any Client account, funds, or other assets. Although not all-inclusive, KJH may recommend the following brokers of record and their corresponding custodian.

<b>Broker of Record</b>	<b>Custodian</b>
Shareholder Services	Shareholder Services

Broker-dealers with whom a KJH Client's account(s) may be maintained may charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity/debt securities transactions, etc.). All such transactions shall be effected in compliance with Section 28 (e) of the Securities Exchange Act of 1934.

(Continued)

In addition to KJH's fees or brokerage commissions and/or transaction fees, the client may also incur, relative to all mutual fund purchases, charges imposed at the mutual fund level (e.g. advisory fees and other fund expenses). The brokerage commissions and/or transaction fees charged by a broker-dealer/custodian are exclusive of and in addition to, KJH's financial planning or asset management fees.

Factors which KJH considers in recommending certain broker-dealers or custodians to clients may include such entity's financial strength, reputation, execution, pricing, research, and service. In return for effecting securities transactions through certain broker-dealers/custodians, KJH or certain of its representatives may receive certain investment research products and/or services. Such investment research products and/or related services may assist KJH in its investment decision making process for all of KJH's clients.

In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including factors such as the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although KJH will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products and/or services that may be obtained by KJH will generally be used to service all of KJH's clients, a brokerage commission paid by a specific client may be used (indirectly and in part) to pay for research that is not used in managing that specific client's account.

In most circumstances, KJH will provide its clients with advice regarding securities transactions and effect such transactions on Client's behalf. When requested by a client, KJH may direct client securities transactions to a specific broker-dealer.

KJH's general policies relative to the execution of client securities and brokerage transactions are as follows:

Consistent with obtaining best execution, transactions in an account may be effected through broker-dealers in return for research products and/or services, which assist KJH in its investment decision-making process. Such research may be used to service all of KJH's clients, but brokerage commissions paid by clients may be used to pay for research that is not used in managing client account(s). Transactions for each client account generally will be effected independently, unless KJH decides to purchase or sell the same securities for several clients at approximately the same time. KJH may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable transaction rates. To the extent that KJH elects to aggregate client orders for the purchase or sale of securities, including securities in which KJH's principal(s) and/or associated person(s) may invest; KJH shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* KJH shall not receive any additional compensation or remuneration as a result of the aggregation. The client may direct KJH to use a particular broker-dealer (subject to KJH's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such an event, the client will negotiate terms and arrangements for the account with that broker-dealer, and KJH will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by KJH. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

The following factors may also be taken into consideration by KJH when recommending a particular broker-dealer to a client.

### **SECURITIES AND BROKERAGE SERVICES**

KJH may recommend affiliated or unaffiliated broker-dealers with which clients may establish accounts to be managed by KJH. In recommending these broker-dealers, KJH takes into account the range and quality of services provided by the broker-dealer to the client and to KJH in its capacity as investment manager for the client's account, including, but not limited to, the broker-dealer's computer software and support systems that enable CFA to access online account information, generate account statements and reports and place orders to buy or sell securities for the account. KJH generally will direct transactions in securities for the account of a client to the broker-dealer firm that the client has selected as its broker-dealer and account custodian, provided that KJH reasonably believes that such broker-dealer will provide best execution for such transactions.

### **DIRECTED BROKERAGE**

When so instructed by a client, KJH will direct all transactions for the client's account to a particular broker-dealer designated by the client. In these cases, KJH will not be able to seek to obtain better prices on transactions for the client by placing trades with another brokerage firm, and the client may receive less favorable prices or pay higher commissions, mark-ups or spreads than might be the case if KJH were able to negotiate for more favorable terms with other broker-dealer firms.

### **COMBINED ORDERS**

Where purchases or sales of the same security are being placed for execution at the same time for the accounts of two or more clients, KJH may combine or "batch" those trades for execution in order to seek more favorable prices for all clients participating in the order.

Generally, the unless KJH decides to purchase or sell the same securities for several clients at approximately the same time. KJH may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable transaction rates. To the extent that KJH elects to aggregate client orders for the purchase or sale of securities, including securities in which KJH's principal(s) and/or associated person(s) may invest; KJH shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* KJH shall not receive any additional compensation or remuneration as a result of the aggregation. The client may direct KJH to use a particular broker-dealer (subject to KJH's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such an event, the client will negotiate terms and arrangements for the account with that broker-dealer, and KJH will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by KJH. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices. On transactions for the account than would otherwise be the case.

The following factors may also be taken into consideration by KJH when recommending a particular broker-dealer to a client.

#### **SECURITIES AND BROKERAGE SERVICES**

KJH may recommend affiliated or unaffiliated broker-dealers with which clients may establish accounts to be managed by KJH. In recommending these broker-dealers, KJH takes into account the range and quality of services provided by the broker-dealer to the client and to KJH in its capacity as investment manager for the client's account, including, but not limited to, the broker-dealer's computer software and support systems that enable KJH to access online account information, generate account statements and reports and place orders to buy or sell securities for the account. KJH generally will direct transactions in securities for the account of a client to the broker-dealer firm that the client has selected as its broker-dealer and account custodian, provided that KJH reasonably believes that such broker-dealer will provide best execution for such transactions.

#### **DIRECTED BROKERAGE**

When so instructed by a client, KJH will direct all transactions for the client's account to a particular broker-dealer designated by the client. In these cases, KJH will not be able to seek to obtain better prices on transactions for the client by placing trades with another brokerage firm, and the client may receive less favorable prices or pay higher commissions, mark-ups or spreads than might be the case if KJH were able to negotiate for more favorable terms with other broker-dealer firms.

#### **COMBINED ORDERS**

Where purchases or sales of the same security are being placed for execution at the same time for the accounts of two or more clients, KJH may combine or "batch" those trades for execution in order to seek more favorable prices for all clients participating in the order. Generally, the securities purchased or proceeds received in such "batched" transactions will be allocated among the client accounts participating in the order at the average price achieved for the order in accordance with the purchase or sale orders placed for each client account.

Where insufficient securities are bought or sold in a "batched" transaction to satisfy the orders for all participating client accounts, the securities or proceeds actually obtained generally will be allocated ratably among the client accounts at the average price, in proportion to the size of the order placed for each such account, or in accordance with another allocation method that KJH believes is reasonably designed to treat all participating clients fairly and equitably. Allocations of "batched" trades also may be rounded up or rounded down to avoid odd-lot or small holdings in any client account. Clients that direct KJH to use a particular broker-dealer to effect transactions may not be able to participate in "batched" trades and therefore may not receive best execution.