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Part II ADV Brochure – Firm Disclosure

April 11, 2011

This Brochure provides information about the qualifications and business practices of Lara, Shull & May, LLC (“LSM”). If you have any questions about the contents of this Brochure, please contact us at (703)-827-2300 or information@lsmfinancial.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. LSM is a Registered Investment Adviser with the SEC. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser are intended to provide you with information to assist you determine to hire or retain an Adviser. Additional information about LSM also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the SEC published “Amendments to Form ADV” which amends the disclosure document that is provided to clients as required by SEC Rules. This Brochure dated March 31, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Brochure is materially different in structure and requires certain new information that our previous Form ADV Part II did not require.

In the future, Item 2 will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. It will also reference the date of the last annual update of this brochure. In the past, information about LSM’s qualifications and business practices has been offered or delivered to clients on at least an annual basis. Pursuant to new SEC Rules, clients will receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of the business’ fiscal year end (12/31). Other ongoing disclosure information about material changes may be provided as necessary. A new Brochure will be provided as necessary based on changes or new information, at any time, without charge.

For any questions regarding the content of this Brochure, or to request a copy, please contact Jennifer Szaro, Chief Administrative Officer at (703) 761-3907 or information@lsmfinancial.com. This Brochure is also available online at www.lsmfinancial.com under the Consumer Information page, both free of charge.

Additional information about LSM is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with LSM who are registered, or are required to be registered, as Investment Adviser Representatives of LSM.

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Item 4 - Advisory Business

Lara, Shull & May, LLC (LSM) is a dually registered, independent broker/dealer (Member FINRA/SIPC) and Registered Investment Advisor with the Securities and Exchange Commission ("SEC"). LSM provides investment supervisory services to its clients, including Wealth Management and Financial Planning Services. The services include personal and/or business planning, asset allocation, portfolio management, estate planning, tax planning, educational planning, advisory services for businesses and retirement planning. LSM may advise clients directly and/or invest client funds through other investment advisers, investment managers and/or sub-advisers. Capital Sports Group is a division of Lara, Shull & May, LLC dedicated to providing advisory services to professional athletes.

The foundation of LSM began in 1981 as Lara, Shull & May, Ltd. On October 1, 2007 Lara, Shull & May, LLC was established and became part of the Focus Financial Partners, LLC ("Focus") network. As such, LSM now is a wholly-owned subsidiary of Focus Operating, LLC (100%), which is a wholly-owned subsidiary of Focus Financial Partners, LLC (Focus). LSM's Advisory assets on a non-discretionary basis are \$ 331,400,000 and \$18,900,000 per a discretionary basis as of 12/31/2010.

INVESTMENT SUPERVISORY SERVICES

LSM's Investment Advisor Representatives ("IAR") provide recommendation and supervision for client's specific portfolios or investment accounts. IARs provide continual advice to a client regarding investment of client funds based on the individual needs and suitability of the client. Through personal discussions client's particular circumstances, goals, and objectives are established. The IAR then develops a personal profile for the client and recommends investments based on that profile. IARs may manage advisory accounts on a discretionary or nondiscretionary basis. Account supervision is guided by the stated objectives of the client. Clients may impose restrictions in certain securities or types of securities and should bring these to the attention of their IAR.

A general client financial profile is developed to determine appropriate investments, investment time-frames, tax status and levels of risk. The profile is developed as follows:

1. Gather client information.
2. Consult with client to determine goals and objectives.
3. Review basic financial data which may include overviews of assets and liabilities, cash flow, tax situation, short-term events, long-term goals, risk management, and estate structures.
4. Identify the need for additional professional advice re: legal, tax, etc.

LSM advisory services are structured as follows:

- Financial planning and recommendations.
Please Note: Non-Discretionary Service Limitations. Clients that determine to engage LSM on a non-discretionary investment advisory basis must be willing to accept that LSM cannot effect any account transactions without obtaining prior verbal consent to any such transaction(s) from the client. Thus, in the event of a market correction during which the client is unavailable, LSM will be unable to effect any account transactions (as it would for its discretionary clients) without first obtaining the client's verbal consent.
- Clients presented with investment recommendations and enter into separate contracts depending on the program or managers selected.
- Discretionary portfolio management.
- Clients enter into a discretionary management agreement with a specific LSM IAR. The IAR selects the securities and manages per the IAR's program strategy.
- WRAP FEE Program:
 - LSM sponsors several WRAP fee programs whereby the client pays one fee that includes the fees/costs for transactions, sub-advisors fee, and the IAR's fee. A single contract is entered into between the client and the IAR for the discretionary asset management of a sub-advisor.
- Advisory consultation without management:

- Clients are able to enter into an agreement with an IAR for purely consultation regarding assets outside of LSM. Client would pay a predetermined fee payable per the agreement.
- Project basis:
 - Financial planning, analysis, investment recommendations or other services may be provided by an IAR on a “per project” basis. The IAR and client discuss the scope of the project and a set fee is agreed upon. The client is then invoiced for the service upon completion.

MISCELLANEOUS

Non-Investment Consulting/Implementation Services. To the extent specifically requested by a client, LSM may provide limited consulting services regarding non-investment related matters, such as estate planning, tax planning, insurance, etc. Neither LSM, nor any of its representatives, serves as an attorney or accountant, and no portion of LSM’s services should be construed as same. To the extent requested by a client, LSM may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.), including LMS in its separate capacities as an SEC registered and FINRA member broker-dealer and licensed insurance agency. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from LSM. Please Note: If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. Please Also Note: It remains the client’s responsibility to promptly notify LSM if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising LSM’s previous recommendations and/or services.

CLIENT OBLIGATIONS.

In performing its services, LSM 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. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify LSM if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising LSM’s previous recommendations and/or services.

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by LSM) will be profitable or equal any specific performance level(s).

Item 5 – Fees and Compensation

LSM does not implement a "Company Fee Schedule". Fee schedule(s) are based on the individual product program agreements and are negotiated between the IAR and the client. LSM primarily use programs provided through our clearing firm(s), and 3rd parties such as Morningstar, Charles Schwab, BX Asset Management etc. Fees and compensation details are provided in the respective program agreements so please read them carefully. LSM offers investment advisory services for compensation in the following manners:

A) A percentage of assets under management.

LSM is able to offer a selection of fee-based advisor (fee range: 0.75% - 1.75%) and sub-advisory/3rd party manager programs (range: 1% - 3%) through the clearing firm and other platforms. The annual compensation for the services provided to clients under these programs shall be calculated and payable quarterly in advance. The fee provides for: an initial analysis of the client's investment objectives and needs, periodic re-evaluations, consulting services as to an appropriate investment strategy, and trading execution costs. There may be other fees associated with the clients account charged by the custodian for maintenance, client requests, or other specific fees. These are typically incidental and are detailed in the client’s program agreement.

For accounts held at RBC Correspondent Services (“RBC”) fees are calculated and payable quarterly based on the market value of the assets in the account (determined by RBC in accordance with industry valuation standards) as of the last business day of the preceding calendar quarter. The initial fee shall be calculated on the value of the initial assets deposited into the account and shall cover the initial quarter, or with respect to a particular quarter, pro-rated based on the number of remaining days in such quarter. Quarterly fees are assessed during the Monthly Billing process of the first of the month of the current quarter. The investment management fee due is deducted from the account(s), if applicable, by the custodian. Unless directed by the Client, fee deductions will be funded first from the redemption of money market fund shares and, if sufficient money market fund balances are not available, then from the sale or redemption of sufficient securities. The amount deducted from the account(s) for any investment management fee will be shown as a disbursement on any account statement given to client by the custodian. In no event shall the IAR be compensated on the basis of a share of capital gains or capital appreciation of all or any portion of assets in a client’s account.

The fee covers the asset management, trade execution, custodial and reporting services provided hereunder by LSM, sub-advisor, RBC and their respective affiliates. In addition, the fee does not cover, and the client may be responsible and charged for: (i) commissions, mark-ups, spreads and other transactional charges on securities transactions effected through or with brokers and dealers other than RBC; (ii) interest on debit account balances, where applicable; (iii) the entire public offering price (including underwriting commissions or discounts) on securities purchased from an underwriter or dealer (including RBC) involved in a distribution of securities; (iv) bid-ask spreads, odd-lot differentials, exchange fees, transfer taxes and other fees required by law; (v) RBC Investment Access® Account fees, where applicable; (vi) Individual Retirement Account fees, qualified retirement plan account fees and other account maintenance fees; (vii) redemption fees imposed by certain mutual funds (see applicable fund prospectus for details); (viii) RBC’s usual and customary transaction charges on the liquidation of assets not eligible for the specific Program; (ix) any contingent deferred sales charge assessed on the sale or liquidation of mutual fund shares, where applicable; (x) check reordering costs and fees, where applicable; (xi) management and other fees on open-end and closed-end mutual funds and UITs; (xii) margin interest; (xiii) short-term trading charges for purchases and corresponding redemptions of certain mutual fund shares (see applicable fund prospectus for details) made within short periods of time (these short-term trading charges are imposed by the mutual funds to deter “market timers” who trade in fund shares.); (xiv) safe-keeping fees for physical securities; (xv) RBC bank deposit program fees; and (xvi) any other fees on securities transactions mandated by law.

LSM also offers a type of program charging a percentage of assets under management through Charles Schwab. Upon written notification, either LSM or the investor may terminate the agreement. Prorated fees will be charged based on the market value on the date the notice is received. Billed quarterly, the fee will be based on taking the average of the account value on the 1st and last day of the quarter. The fee will be deducted from the clients account in arrears. The client will receive monthly statements from Charles Schwab indicating holdings. A quarterly report, indicating; the market value, cash flows, gains and losses, asset allocation, and performance as it relates to market indices, is also available if the investor elects to receive it. Annually, the client will receive a tax report for the account. Advisory contracts may be terminated by the client without penalty by giving written notice of termination within five business days. After the five-day period, clients may terminate the agreement at any time with written notice. Fees due will be pro-rated to the date of termination.

WRAP FEE PROGRAMS

LSM sponsors certain wrap fee program(s), identified below. As part of the wrap fee program, LSM meets with clients to establish the financial circumstances, investment objectives and investment restrictions of each wrap fee client, typically through a client profile questionnaire. Each client completes the questionnaire and enters into an advisory agreement with LSM. The advisory agreement establishes the services to be provided to the client by or on behalf of LSM. These services may include, among other things: (1) assisting clients with choosing certain independent sub-advisor(s) to manage the investment of clients' cash, securities and other property in the client's account based on the client's individual goals and investment objectives as presented by the client to LSM; (2) execution, clearing and settlement services, generally without a transaction-specific commission or charge; (3) custodial services; and/or (4) ongoing monitoring and reviewing of such sub-advisor(s), client

account performance and client's investment objectives. LSM generally insists on a minimum account size for each wrap fee client.

Under the program, the client will receive advisory services from LSM and discretionary investment management services from the sub-advisor(s) selected by the client, and brokerage, custodial and reporting services, for a single specified fee. The specific terms and conditions pertaining to each wrap fee program sponsored by LSM are also set forth in the applicable LSM Wrap Program Brochure, which should be read carefully by each client prior to engaging LSM to provide advisory services in accordance with the terms and conditions of the wrap program. Wrap fee clients should consider that, depending on the rate of the wrap fee charged, the amount of account activity, the value of custodial and other services provided and other factors, the wrap fee may exceed the aggregate costs of the services provided if they were to be obtained separately with respect to brokerage, transaction-based commissions. LSM may accept or reject a wrap fee client for any reason, including, but not limited to, such client's investment goals and restrictions.

For WRAP accounts held at RBC, clients may also be subject to additional fees and expenses (e.g., commissions on transactions executed away from the program's designated broker-dealers, dealer mark-ups or mark-downs on principal transactions and certain costs or charges imposed by 3rd parties including odd-lot differentials, exchange fees and transfer taxes mandated by law). The program fee generally ranges from an annual rate of 2% to 3% of total account assets under management and is charged on a quarterly basis in advance. Fees are prorated for any billing period that is less than a complete calendar quarter, and the fee may be adjusted proportionately based on the value of assets added to or withdrawn from the client's account between billing periods. As compensation for the investment management services rendered to the client, the applicable sub-advisor(s) will receive a portion of the program fee paid by the client. A client's participation in the program may cost the client more or less than purchasing such services separately. In addition, the program fee may be higher or lower than that charged by sponsors of other comparable wrap fee programs. LSM, in its sole discretion, may charge some clients higher or lower fees depending on considerations such as the size of the client's account, the amount of time that the client has had an account or accounts with LSM and/or the sub-advisor(s), the total amount of business that the client conducts through LSM and/or the sub-advisor(s), the types of securities and services provided, anticipated future earning capacity, anticipated future additional assets and other relevant criteria.

LSM is privileged to offer MORNINGSTAR MANAGED PORTFOLIOS managed by Morningstar Investment Services (MIS). An annual program fee is charged quarterly in arrears and is calculated from a breakpoint schedule that is based on the average daily account value during the previous quarter (pro-rated for partial quarters). The maximum breakpoint schedule allowed for this Program is 1.50% on the first \$500,000; 1.40% on the next \$500,000; 1.30% on the next \$1 million; and 1.10% over \$2 million. The fee covers MIS' discretionary investment advice, reports, fees charged by the custodian, PFPC, and fees covering the services performed by LSM. Agreement may be terminated at any time (including within five business days of entering into the agreement) without the imposition of any penalty on written notice by the client or MIS to the other and termination will become effective on receipt of such notice. If the value of an account falls below the minimum size of \$50,000 due to withdrawals or market action, MIS may terminate the account. Any termination by MIS or the client will not, however, affect the liabilities or obligations of the parties incurred or arising from transactions in Fund Shares initiated under the Agreement before such termination.

B) Hourly and Fixed Charges

For current investment or financial status analysis, financial planning or services that are out of the normal investment advisory or management service, such as Estate Planning, Investment Consultation, transition planning, Special Needs Planning, or for The Lifetime Success Solution® or The Retirement Success Solution® Programs a fixed or hourly fee may be used for the services provided payable as determined between the client and the IAR. For the Retirement and Lifetime Success Solutions, fees can range from \$1,500 to \$5,000. For the delivery of the Estate Plan Flow Chart, fees typically range from \$500 to \$1,500. For the Retirement Funding Analysis fees begin at \$500. Fee based wealth management consultation start at .25% of assets under consultation, with a \$1 million asset minimum.

For the projects mentioned above, an hourly fee may be applied as negotiated between the client and the IAR which ranges from \$100 - \$150/hour. Unless otherwise agreed upon, the fee is paid via an invoice at the beginning of the engagement. The project is outlined and the total fee is presented before the project is initiated. Agreement is necessary from the client before work is commenced. The fee is invoiced and due at the beginning of the engagement. If the client is not satisfied with the completed service, a full refund of all consulting fees paid, less any out-of-pocket LSM expenses, may be obtained upon the client's written request to LSM within 30 days of the receipt of completed service.

C) Subscription Fees

Aggregation and performance reporting software service is offered through LSM on an annual subscription basis. The subscription fee is a total of the per account charge for inclusion in Blackdiamond's aggregation. The Fee is prorated for the remainder of the calendar year. The subscription fee is billed and invoiced annually, in advance, as of January 1 for the full calendar year. For users terminating their subscription service, with 30 days written advanced notice, the unused portion of their Subscription Fee will be refunded.

MUTUAL FUNDS

Typically, clients investing in mutual funds under an Advisor/Fee based platform receive the net asset value (NAV) purchase price, which is without a sales charge. However, the IAR may be eligible to receive 12b-1 fees paid by the fund. This could create a conflict of interest in the selection of choosing one fund over the other. Per the LSM Code of Ethics and LSM's general guiding principles, IAR should do what is in the client's best interest. Therefore, should a client have any concerns about the reasoning for recommending one fund over another, please discuss with the IAR.

BROKERAGE

LSM is also a fully disclosed, introducing broker/dealer. Clients should discuss their investment needs with the IAR and if in some situations they may be better served by a broker/commission relationship versus an investment advisor/ fee-based program. Many IARs are also broker agents of LSM. Clients may view industry broker reports through FINRA's BrokerCheck at www.finra.org.

Item 6 – Performance-Based Fees and Side-By-Side Management

LSM does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

LSM generally provides wealth management and investment planning services to individuals, high net worth individuals, professional athletes, businesses, corporate pension and profit-sharing plans, ERISA plans, charitable institutions, foundations, endowments, and trusts.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. IAR's create an investment plan based on the client's unique needs and circumstances. As part of this process, IAR's consider several factors when developing investment strategies and analyzing specific securities, categories, products or types of investment vehicles. IARs are able to conduct their analysis independently and based on their unique expertise and style. Generally, methods of analysis available to IARS are: industry research reports, access to subscription ranking and reporting services, public reports, facts sheets and industry discussions with product providers, trade shows, and industry events.

LSM is able to search the financial market worldwide for available product and services. We have an extensive list of selling agreements and established relationships to provide our clients with a variety of investment vehicles to address their needs. If there is interest in a product that is not offered through our clearing firm or 3rd party manager we already

have access to, it may require the firm enter into a selling agreement. Before we decide whether to offer the product it must be reviewed and approved by the LSM Investment Committee. The Committee is comprised of the LSM management team and a selection of IARs. The group collaborates to conduct due diligence, to review product details to the best of our ability and knowledge, and decide whether it will be offered at the firm. LSM does not engage the services of outside council or other 3rd party services when reviewing new products through the Investment Committee.

LSM'S DISCRETIONARY PROGRAMS

a) Robert Walterman and Paul Corley's discretionary programs invest primarily in equity securities. Equity securities represent ownership in the business; stockholders become equity holders in the business. Ownership of common stock is open-ended; the stockholder can own the stock as long as he or she wants. Equity securities can appreciate in value over time, but equities are not guaranteed to increase in value, and they can decrease in value or an investor could lose their entire investment. Equity securities may or may not pay dividends. Investors generally purchase equity securities for their appreciation potential.

b) The Lara Options Strategy involves the writing and selling of options – typically equity covered calls and cash secured puts in the way of having available cash to cover the cost of the put if exercised. Options involve risk and are not suitable for all investors. Some risks and considerations for Option Sellers include; an option writers being assigned an exercise at any time during the period the option is exercisable. The writer of a covered call forgoes the opportunity to benefit from an increase in the value of the underlying security above the option price, but may continue to bear the risk of a decline in the value of the underlying security. Also, while the writer owns the security they bear the market and investment risks associated with that particular security. In the case of an equity security the risks can include market fluctuation in the price of the security and could result in the loss of initial investment. The writer of a put option bears a risk of loss if the put is exercised and the value of the underlying security declines below the exercise price, and such loss could be substantial if the decline is significant. The investor would be exposed to the investment risk of the underlying security. If a trading market in an option should become unavailable, or if the writers of the option are otherwise unable to engage in closing transactions, the writers of that option would remain obligated until expiration or assignment. The Characteristics and Risks of Standardized Options booklet and Supplements are written and published by The Options Clearing Corporation, and must be read by an investor prior to buying or selling options contracts. This booklet explains the purposes and risks of options transactions. Clients are encouraged to learn more about options at <http://www.cboe.com>.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to the evaluation of LSM or the integrity of LSM's management. LSM has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Other Business Activities: BROKER DEALER

- Lara, Shull & May, LLC is also a fully disclosed, introducing broker/dealer (Member FINRA/SIPC). Many IAR's are also broker agents. Broker agents may only execute securities transactions for residents of states that they are registered in or are exempt from registration. Clients should consider the type of investment plan they wish to establish. For some situations, one type may be more beneficial over the other (brokerage vs. fee based). An account with a 'buy and hold' strategy may cost the client less to establish a brokerage account where the client pays a broker commission on trades in the account. The expectation is that there should be little trading in the account, thus lower costs. However, if a client wishes to utilize the recommendations, experience and research from an advisor which could entail ongoing reviews, rebalancing of investments and periodic changes, a fee-based program may be more suitable.

Other Business Activities: INSURANCE AGENCY

- Lara, Shull & May, LLC is also an insurance agency. Many IARs are also licensed insurance agents. LSM Insurance agents may only sell insurance products that have a current selling agreement with LSM and which proper carrier appointments and applicable state licensing requirements have been met. An insurance agent may receive a commission from the insurance product company for policies sold. The insurance commissions they may receive are in addition to broker agent trading commissions for securities bought or sold or investment advisor fees earned as part of any other service.

Conflict of Interest: The recommendation by LSM representatives that a client purchase a securities or insurance commission product from the firm presents a *conflict of interest*, as the receipt of commissions may provide an incentive to recommend investment products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any securities or insurance commission products from LSM and/or its representatives. Clients are reminded that they may purchase securities and insurance products recommended by LSM through other, non-affiliated broker-dealers and/or insurance agencies.

AFFILIATIONS:

LSM is a subsidiary of Focus Operating, LLC, which is a subsidiary of Focus Financial Partners, LLC ("Focus"). Focus also controls other Registered Investment Advisers, broker-dealers, pension consultants, insurance firms, and other financial services firms (the "Focus Affiliates"). The Focus Affiliates may provide, among other services, wealth management, benefit and other investment consulting services that may serve individuals, families, employers, and institutions. Some Focus Affiliates also manage or advise limited partnerships, private funds or limited liability companies as disclosed on their respective Form ADV Schedule D. A list of the affiliated investment advisers and broker dealers can be found on LSM's Form ADV Part 1 Schedule D. Additional information about Focus and the Focus Affiliates can be found at www.focusfinancialpartners.com.

E. Ronald Lara, CFP and Jennifer L. Szaro each hold a 25% ownership interest in The Lara Group, Ltd. (CRD 115607), a Registered Investment Advisor with the State of Virginia engaged in the management of U.S. Treasury Securities. Client accounts of The Lara Group, Ltd are separate from those of LSM. No material conflict has been found. Mr. Lara is not an IAR of The Lara Group, Ltd.

LSM receives some economic benefit from non-clients in connection with giving advice to clients in the form of receiving client account statements and reports from RBC Correspondent Services ("RBC"). Furthermore, in connection with its clearing arrangement with RBC, LSM receives a rebate from RBC on certain money market fund balances held by RBC for LSM's clients, including its wrap program clients. On occasion LSM receives economic assistance from asset management companies in the form of reimbursement for postage, seminar charges or printed materials.

Item 11 – Code of Ethics

CODE OF ETHICS

All personnel of Lara, Shull & May, LLC ("LSM") whether employees or independent contractors, broker agents, or investment advisor representatives ("representatives"), shall abide by the standards of fair and ethical conduct in all dealings with the public and others. The Code of Ethics addresses the following topics: prohibited activities, personal securities transactions, outside business activities and gifts.

In addition to the foregoing Company Standards all representatives and employees of LSM must adhere to the following industry standards in all dealings with the public so as to ensure fair and ethical dealing with customers: excessive and unauthorized trading, excessive mark-ups or commissions are not permitted, use of margin accounts is only allowed after a thorough internal review; Under no circumstances may a registered person open a discretionary trading account for a customer without the approval of the firm's CCO; registered persons are not permitted to receive or hold customer

funds (i.e. cash, checks or drafts that are made payable to the registered person) or securities; Registered persons may not engage in any form of fraudulent activity, such as opening fictitious accounts to execute transactions that would otherwise be prohibited; in making recommendations to customers as to the purchase of securities or mutual funds registered personnel shall not make recommendations beyond a customer's capability; free riding and withholding by customers is strictly prohibited (i.e. purchased securities must be paid for before they can be sold; sold securities must be delivered before cash proceeds can be used for other purposes); known or suspected illegal or unethical behavior must be promptly reported to a firm principal, the CCO or COO; and no retaliatory action of any kind will be permitted against anyone making such a report, and the firm's managing partners and officers will strictly enforce this prohibition. NOTE: A copy of LSM's Code of Ethics will be provided upon request by contacting 703-827-2300 or information@lsmfinancial.com.

PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS.

LSM is an introducing broker-dealer and submits retail buy and sell orders for securities and mutual funds and may receive brokerage commissions on these trades. Trades are monitored for suitability, as pertaining to the client's goals and risk tolerances. A registered principal of the firm reviews all trades. Trades are placed on an individual basis by each advisor based on the needs of the client. The firm in itself does not engage in "block trades". IAR's may affect block trades as it relates to their client's needs. There could be disparity among clients between securities held, price and execution times. As advisors work independently, it is also possible that at any given time, while an advisor is recommending to a client to "buy" another advisor could be recommending to another client the same security to "sell." Likewise, 3rd party managers may be buying or selling the same security without knowledge of the activity of the client's investments held elsewhere. Investments into fee-based asset allocation programs are also reviewed before submission. Fee-based advisor clients do not pay commissions on assets eligible under the annual asset management fee of the program.

An agency cross transaction occurs when an investment adviser acting either as a registered broker-dealer or through an affiliated broker-dealer executes for a fee a transaction between an advised client and a client of the broker-dealer. If LSM recommends an agency cross transaction it must disclose to the client in writing the capacity in which it is acting and obtain the client's consent to the transaction.

Where it is determined that restitution is called for or that a trade must be cancelled and/or corrected, all or part of the disputed trade will be placed in LSM's error account and corrected accordingly. Any profit resulting from subsequent trade(s) may go to LSM; if determined, losses will be the responsibility of the LSM representative(s) at fault as determined at the exclusive discretion of the designated LSM principal.

Related persons of LSM (such as employees, advisors or broker agents of the firm) may buy or sell for themselves or family accounts, securities that they also recommend to clients. It is common practice that if an IAR is buying or selling securities for a personal or related account that they also recommend to clients, the trades will be aggregated as a block trade with the average price applied. If a security is bought/sold for a client at the same time it is bought/sold by the IAR the lowest/highest price will go to the client. If the IAR is unable to block the trade for their personal account and the client's account (such as if the account types are different) the IAR will submit the client's trade first if the IAR is doing the same. If the client and IAR's activity is opposite, the IAR will submit their transaction first. Unsolicited trades will be executed per the client's request and will not apply to these practices. Personal and related accounts are coded as such and trades are monitored by a firm principal. Additionally statements of personal accounts outside of LSM are reviewed monthly for conflicts of interest. Clients should consult with the IAR regarding any conflicts of interest or concerns.

Item 12 – Brokerage Practices

LSM is a fully disclosed introducing broker-dealer (Member FINRA/SIPC), as introducing broker for RBC Capital Markets. LSM IARs are able to use this brokerage relationship and avoid paying additional commission charges that may otherwise be charged by a 3rd party broker. LSM also has relationships with other custodians/broker/dealers such as Schwab, TD Ameritrade and Fidelity. Advisor programs may be held at these custodians depending on the managers

used and the investment plan needed. The client should discuss the advantages and disadvantages of these options in order to determine which is most suitable for their needs.

IARs Robert Walterman, E. Ronald Lara CFP® and Paul Corley offer discretionary asset management programs as a fee-based platform. Clients pay a negotiated fee (average fee range 1 - 2.5%), and no transaction trading costs. Programs managed by Robert Walterman, E. Ronald Lara CFP® and Paul Corley are custodied at RBC Correspondent Services. LSM recommends using RBC's broker/dealer firm to execute trades for LSM's investment strategies. Trades are generally expected to be executed only with the broker/dealer with which the client has entered into a contract. LSM does not receive research services from another broker/dealer. Clients should refer to their program agreement for details on what the investment fee covers and what the client is responsible for. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

LSM sponsors certain wrap fee program(s). By participating in the program, clients instruct the applicable sub-advisor(s) to its program account to direct all orders for the purchase and sale of securities for the client's account. In addition, clients may further direct LSM to execute, clear and settle all client orders received by LSM from the applicable sub-advisor(s) through a specified broker-dealer with whom LSM has entered into a clearing agreement.

By directing brokerage to LSM, or designated broker-dealer(s), the client may not necessarily receive best execution on each transaction. As a result of directing brokerage transactions to LSM and the designated broker-dealer(s), the client may pay higher brokerage fees or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the client's account than would otherwise be the case if the applicable sub-advisor(s) had the discretion to place orders for the purchase and sale of securities for the client's account through other broker-dealers. Furthermore, the sub-advisor(s) to the client's account may execute trades for the same securities for its other clients through other broker-dealers ahead of client's trades. By executing non-directed trades ahead of the client's directed trades, the client may receive less favorable executions prices to such sub-advisor's other clients due to, among other things, market movements. In addition, at times the sub-advisor(s) may aggregate trades ("Block Trades") of its other clients through other broker-dealers for the same securities as those being traded by the sub-advisor(s) through LSM for the client. Block Trades may obtain more favorable prices and brokerage charges than transactions excluded from the Block Trades.

In connection with its participation in various wrap programs (including those sponsored by LSM and by 3rd parties), LSM may recommend 3rd parties for custody or brokerage services. LSM may receive direct or indirect benefits through participation in these programs, such as receipt of client statements and confirmations, access to research related products and tools, discounts for conference attendance or prepared presentation materials and sales literature. Furthermore, in connection with its clearing arrangement with RBC, LSM receives a rebate from RBC on certain money market fund balances held by RBC for LSM's clients, including its wrap program clients.

BEST EXECUTION

LSM periodically reviews best execution practices of custodial and broker-dealer relationships to help LSM clients achieve best execution for their investment plans, including competitive commission rates, and securities transaction fees. Among several factors, LSM considers are: custodians and broker-dealer costs, skills, reputation, dependability, industry compliance practices, and compatibility with the client. Based on the results of this best execution analysis, LSM may recommend clients establish an account with certain custodians that may be able to offer the best alternative to implement their investment plan.

UNAFFILIATED PRIVATE INVESTMENT FUNDS.

LSM representatives, in their separate capacities as registered representatives of LSM, an SEC registered and FINRA member broker-dealer, may also offer clients investments in unaffiliated private investment funds on a non-discretionary commission basis.

Please Note: Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and consideration. Unlike other liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that he/she is qualified for investment in the fund, and acknowledges and accepts the various risk factors that are associated with such an investment.

Please Also Note: Valuation. In the event that LSM references private investment funds owned by the client on any supplemental account reports prepared by LSM, the value(s) for all such private investment funds shall reflect either the initial purchase and/or the most recent valuation provided by fund sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be significantly more or less than the original purchase price.

Item 13 – Review of Accounts

Accounts are reviewed by the IAR on an annual or quarterly and as-needed basis to ascertain whether the current asset allocation is consistent with the client's objectives and goals. If a client has a significant change in their suitability profile, financial or lifestyle situation or goals they should notify their IAR promptly to update their information and ascertain if their current investment plan is still suitable or changes need to be made. Likewise, if there are significant market changes or industry occurrences, these could also trigger an investment review. Each IAR is responsible for reviewing their client's investment plan and making recommendations.

Clients receive account statements directly from the custodian of their account(s) on a quarterly, and if applicable, monthly basis. Clients may also receive confirmations of transactions directly from the custodian as generated. Clients participating in LSM's Wrap Fee Program should refer to LSM's Schedule H - Wrap Program Brochure for information on the nature and frequency of reports they are to receive.

Item 14 – Client Referrals and Other Compensation

LSM has current client referral arrangements with Millennium Bank, John Pieper, Sherif Abdalla and McPherson Enterprises, LLC. E. Ronald Lara, CFP® owns 1,380 shares of Millennium Bank private stock. Clients referred as a result of these arrangements will not be charged a higher asset management fee or additional fees due to the establishment of these arrangements. Compensation as part of these arrangements range from 20 – 50% of fees earned from clients referred. Arrangements are made in accordance with SEC Rule 206(4)-3 and with consideration of the client's state of residence. Clients may be referred to and from The Lara Group, Ltd. with no additional compensation paid to either party in connection with such referrals.

Item 15 – Custody

LSM as a firm, LSM IARs and employees are prohibited from having custody of client accounts or funds. No employee or IAR shall accept securities, hold client checks, directly debit or withdrawal from a client's account at the custodian for fees, serve as trustee for clients, have check writing authority on behalf of clients, have full power of attorney, serve as general partner of a private placement/private fund or managing member of a LLC for a pooled vehicle. Clients interested in bookkeeping services will be referred to an unaffiliated 3rd party outside of LSM. Clients should receive at least quarterly statements from their qualified custodian that holds and maintains the client's investment assets. LSM urges clients to carefully review such statements and compare such official custodial records to any reports that LSM provides. Statements from different custodians may vary from one to another based on their accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

For those clients wishing to participate in an established Discretionary Program offered by an IAR, LSM requires discretionary authority from the client at the outset of the advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account and in accordance to the Programs guidelines and strategy.

When selecting securities and determining amounts, the IAR observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions placed by the client must be provided to the respective IAR in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, LSM does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about LSM's financial condition. LSM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.
