


**Uniform Application for Investment Adviser Registration**

**Part II - Page 1**

Name of Investment Adviser: Raymond J. Lucia Companies, Inc.						
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Area Code:	Telephone Number:
13520 Evening Creek Drive, North, San Diego, CA	92128				(619) 497-5555	

**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.)**

Applicant: Raymond J. Lucia Companies, Inc.	SEC File Number: 801-61496	Date: 11/13/2007
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Definitions for Part II

Related person -- Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services -- Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. A. <b>Advisory Services and Fees.</b> (check the applicable boxes)	For each type of service provided, state the approximate % of total advisory billings from that service.	<b>ESTIMATED</b>
Applicant:	(See instruction below.)	
<input checked="" type="checkbox"/> (1) .....	Provides investment supervisory services	30%
<input type="checkbox"/> (2) .....	Manages investment advisory accounts not involving investment supervisory services	%
<input checked="" type="checkbox"/> (3) .....	Furnishes investment advice through consultations not included in either service described above	55%
<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 secu		%
<input checked="" type="checkbox"/> (7) .....	On more than an occasional basis, furnishes advice to clients on matters not involving securities	5%
<input type="checkbox"/> (8) .....	Provide a timing service	%
<input checked="" type="checkbox"/> (9) .....	Furnishes advice about securities in any manner not described above	10%

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its 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 <input checked="" type="checkbox"/>	No <input type="checkbox"/>
C. Applicant offers investment advisory services for: (check all that apply)		
<input checked="" type="checkbox"/> (1) A percentage of assets under management	<input type="checkbox"/> (4) Subscription fees	
<input type="checkbox"/> (2) Hourly charges	<input checked="" type="checkbox"/> (5) Commissions	
<input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees)	<input checked="" 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. <b>Types of Clients</b> -- Applicant generally provides investment advice to: (check those that apply)	
<input checked="" type="checkbox"/> A. Individuals	<input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations
<input type="checkbox"/> B. Banks or thrift institutions	<input checked="" 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 checked="" 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)

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

4. **Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |  |  |
|--|--|
| <p>(1) <input type="checkbox"/> Charting</p> <p>(2) <input checked="" type="checkbox"/> Fundamental</p> <p>(3) <input checked="" type="checkbox"/> Technical</p> | <p>(4) <input type="checkbox"/> Cyclical</p> <p>(5) <input type="checkbox"/> Other (explain on Schedule F)</p> |
|--|--|

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| <p>(1) <input checked="" type="checkbox"/> Financial newspapers and magazines</p> <p>(2) <input type="checkbox"/> Inspections of corporate activities</p> <p>(3) <input checked="" type="checkbox"/> Research materials prepared by others</p> <p>(4) <input checked="" type="checkbox"/> Corporate rating services</p> | <p>(5) <input type="checkbox"/> Timing services</p> <p>(6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission</p> <p>(7) <input checked="" type="checkbox"/> Company press releases</p> <p>(8) <input checked="" type="checkbox"/> Other (explain on Schedule F)</p> |
|---|---|

C. The investment strategies used to implement any investment advice to clients include: (check those that apply)

- |   |   |
|---|---|
| <p>(1) <input checked="" type="checkbox"/> Long term purchases<br/>(securities held at least a year)</p> <p>(2) <input checked="" type="checkbox"/> Short term purchases<br/>(securities sold within a year)</p> <p>(3) <input type="checkbox"/> Trading (securities sold within 30 days)</p> <p>(4) <input type="checkbox"/> Short sales</p> | <p>(5) <input type="checkbox"/> Margin transactions</p> <p>(6) <input type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies</p> <p>(7) <input checked="" type="checkbox"/> Other (explain on Schedule F)</p> |
|---|---|

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

Applicant:  
Raymond J. Lucia Companies, Inc.

SEC File Number:  
801-61496

Date:  
11/13/2007

**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
- formal education after high school
- year of birth
- 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:
 

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

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

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**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.)

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.

**See Schedule F**

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

**See Schedule F**

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

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**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 <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |
| (2) amount of the securities to be bought or sold? ..... | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |
| (3) broker or dealer to be used? .....                   | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |
| (4) commission rates paid? .....                         | Yes <input checked="" type="checkbox"/> | No <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 products 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 <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes <input type="checkbox"/>            | No <input checked="" 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; 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

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

(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.: 33-0642550
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Item of Form (identify)	Answer
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Item 1.D	<p style="text-align: center;"><b>ADVISORY SERVICES</b></p> <p>The applicant provides advisory services including management, referrals to third-party money managers, seminars and newsletters. It also provides financial planning services by offering analyses and recommendations in areas including, but not limited to, business planning, education, retirement planning, life and health insurance, estate planning, tax planning and investments. Clients are asked to complete informational profiles and furnish related documentation to assist the applicant's associated persons in providing these services. One or more meetings may be required in order to gather all needed information and determine the services best suited to help meet the client's needs. Clients are also urged to work closely with their attorney, accountant or other professionals regarding their financial and personal situation. Clients have sole discretion on whether or not to implement any recommendations made by the applicant's associated persons.</p> <p style="text-align: center;"><b>FINANCIAL PLANNING SERVICES</b></p> <p>Buckets of Money® is a proprietary investment strategy developed by Raymond J. Lucia, the applicant's President. The strategy matches assets to liabilities and applies a three-tiered approach to generate monthly income and protect against inflation. Short-term investments fund a client's need for current living expenses, while safe mid-term investments provide portfolio stability. Long-term investments provide growth for future financial goals.</p> <p><b><u>WRITTEN FINANCIAL PLANS</u></b></p> <p>The applicant provides written financial plans in a variety of formats, customizing each plan to meet the client's needs, concerns, goals and objectives. Clients can choose from a simple plan focusing on one specific area of concern or a more complex plan covering multiple areas relating to the client's financial situation. The following are some, but not necessarily all, of the areas clients can select:</p> <ul style="list-style-type: none"> <li>○ Buckets of Money® allocation designed to provide the client with safe and reliable income along with the potential to achieve maximum investment returns: <ul style="list-style-type: none"> <li>▪ Bucket 1 is liquid assets to provide monthly income</li> <li>▪ Bucket 2 is short term investments to provide safety between Buckets 1 and 2 and a means of investing funds</li> <li>▪ Bucket 3 is long term investments to maximize investment dollars over time</li> </ul> </li> <li>○ An assessment of the client's personal financial goals. Options to help achieve those goals will also be provided.</li> <li>○ A personalized asset allocation model determined by the client's risk tolerance. The objective is to match the client's risk tolerance with proper investments and to achieve the highest possible rate of return through diversification of assets.</li> <li>○ • A compilation and analysis of the client's current investments to help align assets with goals. Includes a listing of assumptions made to develop a personal plan for the client.</li> </ul> <p style="text-align: center;">Schedule F - Page 1</p>
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Complete amended pages in full, circle amended items and file with execution page (page 1).

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

Applicant: Raymond J. Lucia Companies

SEC File Number:  
801-61496

Date:  
11/13/2007

(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.: 33-0642550

Item of Form (identify)	Answer
Item 1.D (cont.)	<p>Generally, the maximum charge for financial planning services will not exceed \$5,000. Fees for financial planning services are negotiable based upon the complexity of the client's financial situation, the services contracted for and the knowledge and skill level required of the applicant's associated person providing the services. All fees will be disclosed to clients prior to any services being provided.</p> <p>In addition, if necessary or if requested by the client, the associated person will coordinate or consult with outside counsel (i.e., attorney, CPA, accountant) when providing advice. Any consultation or coordination required will also be considered when determining the client fee. Any fees charged by outside counsel will be separate from the fees charged by the applicant's associated person and will be billed directly to the client by outside counsel.</p> <p>The fees for services provided to clients are due upon completion and presentation of the plan. However, clients may elect to pay a retainer to the applicant at the time the agreement for services is signed. In this case, the remaining balance will be due upon completion and presentation of the plan. Fees of more than \$500 will not be charged more than six months in advance. Either party may terminate the contract at any time by submitting written notice to all appropriate parties, and termination will be effective upon the receipt of such notice. Services will be terminated without penalty. If the client is not satisfied with the financial plan as presented, the applicant's associated persons will attempt to revise the plan to the client's satisfaction. If the client is still not satisfied, the client can withhold payment or request a refund of any fees paid in advance.</p> <p style="text-align: center;"><b>ON-GOING CONSULTATIONS</b></p> <p>Clients may also contract with applicant for specialized on-going consultation services regarding investment matters and portfolio holdings. Fees for this service will generally not exceed \$10,000 per year and are negotiable based upon the complexity of the client's financial situation, the actual services provided and extraordinary expenses that may be incurred in providing the services. The negotiated fee will be disclosed to the client prior to any services being provided. Fees will be billed quarterly, in arrears, and applicant will provide to the client a statement that will be due within two weeks after issuance.</p> <p>As registered representatives, the applicant's associated persons may be named as representative of record on brokerage accounts that are included in these on-going consultation services. The associated persons may also be independently licensed insurance agents and be named as agent of record on insurance and annuity products that are included in the consultation services. In these separate capacities, the applicant's associated persons may earn commissions or 12(b)-1 fees when making transactions in securities, load mutual funds, variable life, variable annuity and insurance products. Any transactions made in the client's accounts will be made only at the client's instruction and any commissions earned on securities or load mutual fund transactions will be offset against the on-going consultation fees charged. Client will be responsible for transaction ticket charges (the actual cost of each trade, typically \$20 to \$35, plus exchange fees). These fees and charges will be noted on the client's statements and confirmations.</p> <p style="text-align: center;">Schedule F - Page 2</p>

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

(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.:  
33-0642550

Item of Form (identify)	Answer										
Item 1.D (cont.)	<p>On-going consultation services are contracted for on a yearly basis and can be renewed for a like period by executing a new client agreement. The applicant and client can terminate these on-going consultation services by providing written notice to the other party, and termination will be effective immediately upon receipt. If terminated within five business days of signing the client agreement, services are terminated with no penalty. After the five business days, the client is responsible for payment of fees for time and effort expended to the date of termination. The applicant will provide to the client a statement showing the time expended to the date of termination, and the statement will be due and payable within two weeks of issuance.</p> <p style="text-align: center;"><b>SEMINARS</b></p> <p>The applicant's associated persons may present seminars on general financial and investment topics or specifically on the Buckets of Money® strategy. Generally, these seminars will be presented at no charge. However, in some instances a fee may be charged to cover the cost of providing the seminar and any materials presented at the seminar. Participants will be informed of any seminar charges in advance and charges will be due at the time the seminar is held.</p> <p style="text-align: center;"><b>NEWSLETTERS</b></p> <p>Clients can receive a quarterly Buckets of Money® newsletter produced under the direction of the applicant's President with assistance from employees of other companies owned by the applicant's President. This newsletter discusses the Buckets of Money® strategy and offers general information about investing, retirement and estate planning. It also discusses how personal finances can be impacted by current events, tax law changes and new investment products, and there is a question and answer section using real-life examples. This newsletter is provided at no charge.</p> <p style="text-align: center;"><b>ASSET MANAGEMENT</b></p> <p><b><u>RJL WEALTH MANAGEMENT PROGRAM</u></b></p> <p>The applicant provides asset management services, including giving investment advice to the client based on the individual needs of the client. The applicant's associated persons will assist the client in establishing an account with Fidelity Registered Investment Advisory Group. A minimum of \$1,000,000 in total household accounts is required to establish an account, although exceptions may be granted to this minimum upon request. Fidelity Registered Investment Advisory Group will maintain custody of all funds and securities. Neither the applicant, nor its associated persons will act as a custodian for any account. The associated persons will also assist clients in executing transactions in the account. Management services for these accounts will be provided on a discretionary basis with written authorization from the client. However, the associated persons will limit their discretionary authority by prohibiting themselves from withdrawing funds and/or securities from client accounts.</p> <p>The annual management fee for these services will be as follows:</p> <table style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th style="text-align: left;">Household Account Value</th> <th style="text-align: left;">Annual Fee</th> </tr> </thead> <tbody> <tr> <td>Up to \$500,000</td> <td>1.25%</td> </tr> <tr> <td>\$500,001 to \$1,000,000</td> <td>1.00%</td> </tr> <tr> <td>\$1,000,001 to \$5,000,000</td> <td>0.75%</td> </tr> <tr> <td>Over \$5,000,001</td> <td>Negotiable</td> </tr> </tbody> </table> <p style="text-align: center;">Schedule F - Page 3</p>	Household Account Value	Annual Fee	Up to \$500,000	1.25%	\$500,001 to \$1,000,000	1.00%	\$1,000,001 to \$5,000,000	0.75%	Over \$5,000,001	Negotiable
Household Account Value	Annual Fee										
Up to \$500,000	1.25%										
\$500,001 to \$1,000,000	1.00%										
\$1,000,001 to \$5,000,000	0.75%										
Over \$5,000,001	Negotiable										

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

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

Applicant: Raymond J. Lucia Companies

SEC File Number:  
801-61496

Date:  
11/13/2007

(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.: 33-0642550

Item of Form (identify)	Answer
Item 1.D	<p>The above fees are negotiable based upon the complexity of the client’s situation, the actual services to be provided and the associated person providing the services. The associated person will quote an exact percentage to each client prior to providing any management services.</p> <p>Management fees will be charged quarterly, in advance, based on the average daily balance of the account assets under management for the previous quarter. Fees for an account opened mid-quarter will be prorated from the date the account is open. Fees will be automatically deducted from the account and clients will be required to provide the custodian with written authorization to have the fees deducted and paid to the applicant. Prior to any fees being deducted from the account, clients will receive a statement showing the amount of fees for the quarter, the value of the assets on which the fees were calculated, the manner in which the fees were calculated, any adjustment to the fees and explanations of any adjustments. Clients are responsible for verifying the accuracy of the fee calculations; the custodian will not determine whether or not the fee is properly calculated.</p> <p>Clients may incur transaction ticket charges (the actual cost of each trade plus exchange fees). Clients may also incur certain charges imposed by other third parties in connection with investments made through the account. These charges can include, but are not limited to, 12(b)-1 fees, short-term fund redemption fees and IRA and Qualified Retirement Plan fees.</p> <p>Management fees charged in the account are separate and distinct from the fees and expenses charged by mutual funds and variable annuities which may be recommended to clients. A description of these fees and expenses is available in each fund and annuity’s prospectus.</p> <p>Either party may terminate the agreement for management services by providing notice to the other. If oral notice is provided, written confirmation will be required. If services are terminated within five business days of signing the client agreement, services will be terminated without penalty. After the initial five business days, fees will be charged on a prorated basis. While the time needed to terminate the relationship will vary depending upon the client’s circumstances, termination will generally be effective within 30 days of receiving notice. The client will receive a prorated refund of fees calculated based on the effective date of the termination.</p> <p><b><u>SEI ASSET MANAGEMENT PROGRAM</u></b></p> <p>The SEI Asset Management Program (SEI Program) is an institutional asset allocation program that the applicant uses in managing the client’s account assets. The applicant’s associated persons assist the client in establishing an SEI Program Account (the Account) at SEI Trust Company (SEI). All transactions in the Account will be processed and cleared through SEI. The SEI Program uses asset allocation portfolios developed by SEI Investments. The portfolios consist of the SEI Family of Institutional Mutual Funds (Mutual Funds) and other securities approved by SEI to be held in an account. The applicant’s associated persons provide SEI with the asset allocation policy (Asset Allocation Policy) that the client selects for the Account.</p>

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

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

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Date:  
11/13/2007

(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.: 33-0642550

Item of Form (identify)	Answer
Item 1.D (cont.)	<p>The percentage allocation of Account assets among the applicable securities may vary significantly from the percentage allocation contemplated by the client's Asset Allocation Policy due to such factors as increases or decreases in the value of shares of the securities, dividends, capital gains, or other distributions made in respect of shares of the securities, and deduction of the applicant's unpaid fees from the account. Custody of all SEI Program Client Account assets is held at SEI.</p> <p>SEI Program management fees (Management Fees) are payable quarterly, in arrears, based on assets under management at the end of the quarter. Management Fees are automatically deducted from the client's Account. Each quarter SEI will send the client an account statement that will include a Management Fee Notification which will show the computed fee, any adjustments to fee, an explanation of any adjustment and the net Management Fee to be deducted later in the period from the Account. Management Fees are paid to the applicant. Clients may terminate the SEI Program account at any time by notifying the applicant. Termination will be effective upon receipt of such notice. If services are terminated within five business days of executing the client agreement, services will be terminated without penalty. After the initial five business days, the client may be responsible for payment of fees for the number of days services were provided by the applicant prior to receipt of the notice of termination.</p> <p>The client will compensate the applicant by the payment of Management Fees in the amount of:</p> <p style="padding-left: 40px;">1.00% on the first \$1,000,000 under management; and        .75% on the market value of the Account exceeding \$1,000,000.</p> <p>Management Fees may be discounted at the discretion of the applicant and written acknowledgement of the client. Custodian fees and internal mutual fund expenses are separate from the SEI client fees. Complete details on the SEI fees and expenses are disclosed in SEI's Disclosure Brochure that will be given to all clients. The exact fee and/or fee schedule for each client will be disclosed in SEI's client agreement.</p> <p>SEI Trust Company may charge a separate custodial fee for the custody services it provides the client's account. Mutual Funds held in the Account pay their own advisory fees and other expenses, which are explained in each Mutual Fund's prospectus. These fees and expenses are separate charges from the Account management fees.</p> <p><b><u>ASSETMARK PROGRAM</u></b></p> <p>The AssetMark Program (AssetMark) is sponsored by AssetMark Investment Services, Inc., a registered investment advisor. AssetMark has two components. The first is an Asset Allocation System that the applicant may use to manage client assets made up of model portfolios provided by a number of institutional investment strategists which are based on the information, research, asset allocation methodology and investment strategies of these investment strategists. The second component is Private Managed Account Program where the applicant introduces clients to investment managers who provide discretionary management of individual portfolios of equity and/or fixed income securities. AssetMark client fees are payable quarterly, in advance, based on average assets under management during the previous quarter. Included as part of the client fee paid to the applicant is an amount to be re-allowed to AssetMark Investment Services, Inc., investment strategists and others as the AssetMark program fee.</p> <p>The maximum advisory fee charged will not exceed 2.25% per year. Custodian fees may be charged separately from the AssetMark client fees. A complete description of the AssetMark Program and related fees and charges are described in AssetMark Investment Services, Inc.'s Schedule H Disclosure Brochure, which will be given to all clients prior to or at the time an account is established.</p> <p style="text-align: center;">Schedule F - Page 5</p>

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

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

Applicant: Raymond J. Lucia Companies

SEC File Number:  
801-61496

Date:  
11/13/2007

(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.:  
33-0642550

Item of Form (identify)	Answer
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Item 1.D	<p><b><u>RJL ADVISER-DIRECTED PROGRAM</u></b></p> <p>RJL Adviser Directed accounts are managed by affiliated individuals who may be registered as an IAR through RJL and are held to compliance guidelines established by the RJL compliance department. Among the standards for affiliating with RJL as a portfolio manager is successful completion of FINRA’s Series 7 or Series 6 and Series 65 or 66 exams (if mandated by state) for investment advisers.</p> <p>IARs assist their clients by determining investment objectives and risk tolerance ("Investor Profile"). The IAR is responsible for ongoing review of the account, regular communication with the client, portfolio re-balancing as necessary, and attempting to equate the performance of the account with the investment objectives of the client. Account activity is reviewed quarterly by RJL personnel.</p> <p>Accounts are custodied at Pershing or another approved custodian. The accounts are charged a fee and small transaction charges that cover investment advisory services, custody of securities and trade execution with or through First Allied Securities, Inc., (“FASI”). Fees paid for RJL investment advisory services are separate from fees and expenses charged to shareholders of mutual fund shares by the mutual fund. A complete explanation of these expenses is contained in the mutual fund prospectus. FASI receives 12b(1) fees for investments in mutual funds. These fees are not shared with IAR or RJL.</p> <p>The standard annual fees for RJL Adviser Directed accounts are 2.0% (0.5% quarterly). As fees are negotiable, a RJL client may pay more or less than another RJL client for these services. Clients may receive similar services elsewhere for more or less than through RJL.</p> <p>The transaction fee is charged to defray the costs associated with trade execution. Each clearing firm may charge additional transaction charges, depending on the type of security, such as a foreign securities transaction fee or securities registration fee; charges by the clearing firm are not included in the RJL transaction charge and are the responsibility of the client. The IAR does not receive any portion of the transaction charge. The transaction charges are as follows:</p>
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Complete amended pages in full, circle amended items and file with execution page (page 1).



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

Applicant: Raymond J. Lucia Companies

SEC File Number:  
801-61496

Date:  
11/13/2007

(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.: 33-0642550

Item of Form (identify)	Answer
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Item of Form (identify)	Answer
Item 1.D (cont.)	<b>GENERAL INFORMATION</b>
Item 3.L.	The applicant is affiliated with RJL Financial Network, L.L.C. (Network), an investment advisor registered with the Securities and Exchange Commission. The applicant's President and sole owner is also the President, and sole owner of Network. Network is the owner of certain proprietary and intellectual property and strategies utilized by the applicant and its associated persons in providing advisory services to clients.
Item 4.B(8) & 4.C(7)	The applicant also provides advice on real estate investment trusts and hedge funds.
Item 5	Model asset allocation portfolio programs, provided by a number of institutional investment managers and strategists, may be used when managing client assets. The applicant's associated persons also use various Internet resources, including Morningstar and Ibbotson.
Item 6	<p>The applicant requires persons providing advisory services to clients to have all required securities licenses. The applicant's President will also consider business experience, professional designations and other criteria on an individual basis.</p> <p>The applicant has several persons determining general investment advice given to clients.</p> <p>The persons listed below supervise those individuals:</p> <p><b>Raymond J. Lucia, Sr.</b>, CFP® Born 4/50 BS, Humanities: California Western University, 1970          California Teacher's Credential, 1970-1971 San Diego State University, 1968-1969 Western Illinois University, 1968</p> <p>RJL Financial Network, L.L.C., President, Director &amp; Owner, 7/03-Present; Investment Advisor Representative, 4/04-Present</p> <p>First Allied Securities, Inc., Registered Representative and Registered Principal, 11/07-Present</p> <p>Securities America, Inc., Registered Representative and Registered Principal, 9/02-11/07</p> <p>Raymond J. Lucia Companies, Inc., Owner/President/Secretary/Treasurer/Investment Advisor Representative, 10/94-Present</p> <p>24-7 Financial Advisors, Inc., President, 2/00-Present; Investment Advisor Representative, 2/00-9/03; sole owner, 3/03-Present</p> <p>Raymond J. Lucia, General/Limited Partner, 8/88-Present</p> <p>Lucia Financial Group, Inc. d/b/a Lucia Insurance Service and also d/b/a Pro-Consultants, President, Owner, 1974-Present</p> <p>Lucia, LLC, Owner &amp; Member, 2001-2006</p> <p>Spectrum Professional Management, Inc., President, 1/83-12/02</p> <p>The Advisors Group, Registered Representative, 8/95-9/02</p> <p>The Acacia Group, Managing Director and Agent, 8/96-12/02</p> <p>"The Ray Lucia Show", Radio Show Host, 1991-Present</p> <p>KSDO-AM, San Diego, Financial Editor, 1998-6/03</p> <p>KOGO-AM, San Diego, Financial Editor, 1998-Present</p> <p>KPOP-AM, San Diego, Financial Editor, 1998-Present</p> <p>KGTV (ABC affiliate), Business Expert, 1997-Present</p> <p>Jurupa, LLC., General Partner, 08/2000-Present</p> <p>Danceology, Majority Owner, 06/2003-Present</p> <p>Rocky Silver Sands, LTD., General Partner, 04/1990-Present</p> <p>Central Texas Storage, LLC., General Partner, 02/2007-Present</p>

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

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

Applicant: Raymond J. Lucia Companies

SEC File Number:  
801-61496

Date:  
11/13/2007

(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.:  
33-0642550

Item of Form (identify)	Answer
Item 6 (cont.)	<p>Lucia Financial, LLC., President/CEO, 12/2006-Present  Vance Jackson, LTD., General Partner, 03/1997-Present  Cimarron Ventures, LTD./Rocky Midland, LTD., General Partner, 10/1990-Present  Mission Plaza Investors, LLC., General Partner, 08/2000-Present</p> <p><b>Raymond J. Lucia, Jr.</b>, CPA, Born 1/75,  BS, Accounting, Loyola Marymount University, 1997  First Allied Securities, Inc., Registered Representative, 11/07-Present  Securities America, Inc., Registered Representative, 8/03-11/07  Raymond J. Lucia Companies, Inc., Investment Advisor Representative, 10/02-Present  Raymond J. Lucia Companies, Inc., VP Marketing &amp; Business Development, 2/02-Present  RJL Financial Network, L.L.C., Vice President &amp; Director, 7/03; Investment Advisor Representative 4/04-2/06  Deloitte and Touche, Tax Accountant, 9/97-2/02</p> <p><b>Richard B. Plum</b>, CFP® Born 6/60  BS, Finance, San Diego State University, 1987  AA, General Education, Grossmont Junior College, 1984  First Allied Securities, Inc., Registered Representative, 11/07-Present  Securities America, Inc., Registered Representative, 9/02-11/07  Raymond J. Lucia Companies, Inc., Director of Financial Planning, 10/93-Present  Raymond J. Lucia Companies, Inc., Investment Advisor Representative, 10/93-Present  RJL Financial Network, L.L.C., Investment Advisor Representative, 4/04-6/06  The Acacia Group, Agent, 8/95-5/03  The Advisors Group, Registered Representative, 8/95-9/02</p>
Item 8.C(1)	<p>Lucia Financial LLC is a limited use broker/dealer and an affiliate of the applicant. There are currently no accounts established or processed through this broker/dealer.</p> <p>In addition, the applicant's associated persons are registered representatives of First Allied Securities, Inc. ("FASI") a full-service broker/dealer, member FINRA/SIPC. When placing securities transactions through First Allied in their capacity as registered representatives, the applicant's associated persons may earn sales commissions. The applicant and FASI are not related. However, the fact that the applicant's associated persons can act in their separate capacities as FASI registered representatives is material to the applicant's advisory business.</p>
Item 8.C(3)	<p>The applicant is affiliated with RJL Financial Network, L.L.C. (Network), an investment advisor registered with the Securities and Exchange Commission. The applicant's President and sole owner is also the President and sole owner of Network. Network is the owner of certain proprietary and intellectual property and strategies utilized by the applicant and its associated persons in providing advisory services to clients.</p>
Item 8.C(9)	<p>Some of the applicant's associated persons are also independently licensed to sell insurance products through various insurance companies. When acting in this capacity, they may receive fees or commissions for selling these products.</p>

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

Applicant: Raymond J. Lucia Companies

SEC File Number:  
801-61496

Date:  
11/13/2007

(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.:  
33-0642550

Item of Form (identify)	Answer
Item 8.C(11)	<p>Clients are under no obligation to direct insurance transactions to insurance companies with which the applicant's associated persons may be licensed. Suitable insurance and investment products may be available from other companies.</p> <p>One of the applicant's associated persons, Thomas A. Ketelaar, is an independent real estate broker. The applicant has no connection with or involvement in Mr. Ketelaar's activities when acting in this capacity.</p> <p>The applicant's associated persons are also registered representatives of First Allied Securities, Inc., a full-service broker/dealer, a member FINRA/SIPC. As registered representatives, the associated persons sell securities to any client for commissions.</p>
Item 9.B	<p>This could present a potential conflict of interest since they could receive fees and commissions if the client chooses them to implement recommendations in their capacity as registered representatives. Clients are free to select any broker/dealer they wish to implement recommendations.</p>
Item 9.E.	<p>The applicant or its associated persons may buy or sell securities or have an interest or position in a security for their personal account which they also recommend to clients. The applicant is and shall continue to be in compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. As these situations may represent a potential conflict of interest, it is a policy of the applicant that no associated persons shall prefer his or her own interest to that of the advisory client. No person employed by the applicant may purchase or sell any security prior to a transaction or transactions being implemented for an advisory account. Associated persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. The applicant maintains a list of all securities holdings for itself and all associated persons which is reviewed on a regular basis by a principal of the firm. This log is available for client review upon request.</p> <p>According to the Investment Advisers Act of 1940, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each of its clients. The applicant and its associated persons have a fiduciary duty to all clients. The applicant has established a Code of Ethics which all associated persons must read. They must then execute an acknowledgment agreeing that they understand and agree to comply with the applicant's Code of Ethics. The fiduciary duty of the applicant and its associated persons to clients is considered the core underlying principle for the applicant's Code of Ethics and represents the expected basis for all associated persons' dealings with clients. The applicant has the responsibility to make sure that the interests of clients are placed ahead of it or its associated persons' own investment interests. All associated persons will conduct business in an honest, ethical and fair manner. All associated persons will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to services being conducted.</p> <p>All associated persons have a responsibility to avoid circumstances that might negatively affect or appear to affect the associated persons' duty of complete loyalty to their clients. This section is only intended to provide current clients and potential clients with a description of the applicant's Code of Ethics. If current clients or potential clients wish to review the applicant's Code of Ethics in its entirety, a copy may be requested from any of the applicant's associated persons and a copy will be provided promptly.</p>

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

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

Applicant: Raymond J. Lucia Companies

SEC File Number:  
801-61496

Date:  
11/13/2007

(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.: 33-0642550

Item of Form (identify)	Answer
Item 10	<p>A minimum of \$1,000,000 in total household accounts is required to establish an RJL Wealth Management account, although exceptions may be granted to this minimum upon request.</p> <p>The minimum investment required in the SEI Program is \$100,000. Exceptions to this minimum requirement may be granted upon request.</p> <p>The minimum investment required for AssetMark Asset Allocation System accounts is generally \$50,000 and \$250,000 for Private Managed Accounts. Exceptions may be granted to the minimums at the discretion of AssetMark and the applicant.</p> <p>The minimum investment required for an RJL Advisor-Directed account is \$25,000, although exceptions may be granted upon request.</p>
Item 11.A	<p>Financial planning services usually terminate upon presentation of the financial plan. Unless on-going services are contracted for, there is no review conducted for financial planning clients. However, the applicant recommends that all clients have their financial plan reviewed and updated annually. If clients elect to have this annual review, a new contract may be required and additional fees may be charged. Accounts at third party money managers are reviewed when statements are received from those managers, usually quarterly. However, these accounts may also be reviewed monthly if there is account activity. Managed accounts are reviewed on a regular basis, but at least quarterly. All accounts are reviewed by the advisor of record under the direct supervision of the applicant's President. The calendar is the main triggering factor, although reviews may also be conducted because of a client request, a change in client circumstances, unusual market activity or the client's cash management needs. The advisor of record may also conduct reviews due to potential concerns regarding accounts managed by an outside money manager.</p>
Item 11.B	<p>The applicant prepares reports for distribution to clients reflecting their progress in the Buckets of Money® strategy. These reports are provided at least annually during the client's annual account review. Clients will also receive statements at least quarterly from the investment company, broker/dealer, clearing firm or money manager at which their account is maintained.</p>
Item 12.A(1), (2) & (4)	<p>Upon receiving written authorization from client, the applicant may manage the client's assets on a limited discretionary basis. When it does, discretionary authority is limited in that the applicant will not have the authority to withdraw funds and/or securities from client accounts except when written authorization has been provided to have fees automatically deducted from the client's account and paid directly to the applicant.</p> <p>The applicant offers clients model portfolios composed by a group of independent investment strategists in the AssetMark Asset Allocation Program. The independent investment strategists have no direct relationship with the applicant or the clients, make no analysis of the clients' circumstances or objectives, and do not tailor the Models Portfolios to any specific client's needs. The applicant assists the client in selecting the Model Portfolio(s) that best suit the client's objectives. The client then specifically directs the account to be invested in accordance with the chosen Model Portfolio. When the client selects the Model Portfolio, the client further directs that the account be automatically adjusted to reflect any adjustment in the Model Portfolio by the investment strategist. This client authorization would result in the purchase and sale of certain mutual funds or transfers between variable annuity sub-accounts without further authorization by the client at such time as the investment strategist changes the composition of the selected model portfolio. The applicant has no authority to cause any purchase or sale of securities in any client account, or change the Model Portfolio or to direct the account to be invested in any manner other than as previously authorized by the client</p>

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

Applicant: Raymond J. Lucia Companies

SEC File Number:  
801-61496

Date:  
11/13/2007

(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.: 33-0642550
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Item of Form (identify)	Answer
Item 12.B	<p>Clients wishing to implement the applicant’s advice are free to select any broker they wish and are so informed. If clients wish to have the applicant’s associated persons implement the advice in their capacity as registered representatives, their broker/dealer, First Allied Securities, Inc. (FAS) will be used. FAS has a wide range of approved securities products for which FAS performs due diligence in selecting. Registered Representatives of FAS are required to adhere to these products when implementing securities transactions through FAS. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer.</p> <p>The applicant’s associated persons sell securities in their separate capacity as registered representatives. Some of the associated persons are also independently licensed insurance agents and sell insurance products. They can earn commissions when selling these products.</p> <p>Some of the advice offered by the associated persons involves investments in mutual fund products. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12(b)-1 fees. The associated persons may receive a portion of these 12(b)-1 fees from some investment companies in their separate capacities as registered representatives. Clients should be aware that these 12(b)-1 fees come from fund assets and, thus, indirectly from client’s assets. The receipt of these fees could represent an incentive for registered representatives to recommend funds with 12(b)-1 fees or higher 12(b)-1 fees over funds with no fees or lower fees, therefore creating a potential conflict of interest.</p>
Item 13.A	<p>From time to time, the applicant may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. The applicant’s affiliated limited use broker/dealer, Lucia Financial, LLC has arrangements with First Allied Securities, Inc. to share in the distribution fees related to the sale of various investment and/or insurance products. The associated persons endeavor at all times to put the interest of the clients first as a part of their fiduciary duty. However, clients should be aware that the receipt of additional compensation through 12(b)-1 fees, servicing fees, nominal sales awards, distribution fees, and expense reimbursements creates a conflict of interest that may impact the judgment of the associated persons when making advisory recommendations. The applicant has established relationships with other investment advisors through which the applicant will act as a solicitor referring clients to the other investment advisors management programs. When acting in this solicitor/referral capacity, the applicant will receive a portion of the fee paid to the other investment advisors by the client.</p>

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

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

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33-0642550

Item of Form (identify)	Answer
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Item 13.A (cont.)	<p style="text-align: center;"><b>Other Business Activities:</b></p> <p>The applicant’s primary business is providing advisory services and investment advice to clients. However, all of the applicant’s associated persons are engaged in professions other than giving investment advice. All of them sell securities products to any client for commissions. Some of them are also independently licensed insurance agents.</p> <p>The supervisors also spend time on other activities. Raymond J. Lucia, Sr. hosts The Ray Lucia Show, a daily financial talk show syndicated nationally on the Business Talk Radio Network. He is also the Financial Editor for KOGO-AM and KPOP-AM in San Diego and spends approximately 20 hours per week on these radio shows. Mr. Lucia serves as Business Editor on the daily “10 On the Money” segment aired on KGTV (ABC) in San Diego. He spends approximately two hours a week on these television appearances. Mr. Lucia also spends a small amount of his time on publishing activities with Wiley &amp; Sons. He is available as a convention and conference speaker, but spends only a small amount of his time on these engagements.</p> <p>Richard Plum appears on The Ray Lucia Show broadcast daily on the Business Talk Radio Network and spends about 15 hours per week on these broadcast activities.</p> <p>Principals and IARs of RJL may be registered representatives of First Allied Securities, Inc., a registered securities broker dealer and SEC-registered investment adviser, a member of FINRA and Securities Investors Protection Corp.</p> <p>First Allied is a wholly owned indirect subsidiary of Advanced Equities Financial Corp.</p> <p>Advanced Equities Financial Corp. is a private holding company divided into two primary business units: (a) the Financial Services Group; and (b) the Capital Markets Group. The Financial Services Group engages primarily in retail and institutional securities brokerage, investment banking, private equities and asset management services through its subsidiaries, Advanced Equities, Inc., First Allied Securities Inc., First Advisors, Inc. FFP Securities, Inc., and Advanced Equities Asset Management, Inc. First Allied is part of the Financial Services Group. The Capital Markets Group primarily provides investment banking and late stage private equity financing to emerging companies through subsidiary Advanced Equities, Inc.</p> <p>Advanced Equities, Inc. is a related broker/dealer and registered investment adviser. First Allied does not provide advice that is formulated by this related entity, nor does this related entity appear to present any potential conflicts of interest with First Allied’s clients.</p> <p>Greenbook Investment Management (“Greenbook”), Advanced Equities Asset Management (“AEAM”), and First Advisors, Inc. are related registered investment advisers. First Allied may utilize the investment management products and services of these firms from time to time. These products and services are described more fully in the Form ADV Part II of each firm. Potential conflicts of interest will be disclosed to clients who utilize these services through delivery of the respective Form ADV Part II.</p> <p>First Allied Securities, Inc. is a member of the National Futures Association.</p> <p>For material disclosures regarding First Allied Securities, Inc., the client may request a copy of First Allied’s Form ADV Part II from the RJL IAR.</p> <p style="text-align: center;">Schedule F - Page 13</p>
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**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV Part II**

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Item of Form (identify)	Answer
Item 13.A (cont.)	<p>Current regulations place substantial limits on the ability of First Allied and its registered representatives to execute principal trades for investment advisory clients in, fixed income and certain other securities generally traded on a principal basis. Accordingly, trades involving such securities for clients of the programs described in this brochure generally are executed by dealers other than First Allied. Dealers executing principal trades typically include a mark-up or spread in the net price at which the transaction is executed. As a result, such trades will include the payment of mark-ups or similar compensation to such unaffiliated dealers.</p> <p>Principal transactions in which First Allied buys or sells a security from its own inventory from or to a client, may be effected with investment management clients only after appropriate disclosure is made by First Allied and consent obtained from client. Significant conflicts of interest exist in principal transactions, including the possibility that the client could receive a better price if the trade were transacted in a non-principal capacity and First Allied's incentive to generate a profit by buying or selling from its own inventory.</p> <p><b><u>PROXY VOTING</u></b></p> <p>The applicant and its employees will not vote proxies on a client's behalf. All proxy materials will be sent directly to clients. Clients are instructed to read through the information provided with the proxy materials and to make a determination based on the information provided. However, upon the client's request, the applicant and its associated persons may provide advice or interpretations based upon their understanding of issues presented in the voting materials. Clients will be solely responsible for all proxy voting decisions.</p> <p><b><u>PRIVACY NOTICE</u></b></p> <p>Raymond J. Lucia Companies, Inc. is an SEC (Securities and Exchange Commission) Registered Investment Advisor (RJL, Inc.). RJL, Inc. representatives offer securities through First Allied Securities, Inc., a Registered Broker-Dealer ("First Allied").</p> <p><b>Information Collection</b></p> <p>RJL, Inc. collects information about customers to facilitate the servicing of customer account(s). RJL, Inc. may receive non-public personal information about customers from any of the following sources:</p> <ul style="list-style-type: none"> <li>• Information we receive from customers on applications or other forms, including but not limited to customer name, address, social security number, income, income tax rate, net worth, financial objectives, risk tolerance and the names of beneficiaries</li> <li>• Information we receive or obtain from other sources, including:             <ul style="list-style-type: none"> <li>○ Information collected and developed by issuers of securities customers own, in order to administer and process transactions;</li> <li>○ For products involving the extension of credit, that we may obtain from unaffiliated consumer reporting agencies;</li> <li>▪ Information about customer financial products and services transactions with First Allied;</li> <li>▪ If a customer applies for insurance products, RJL, Inc. may collect health information provided to us by the customer</li> </ul> </li> </ul> <p>RJL, Inc. collects information about customers to develop financial plans and assist with advisory services</p>

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

**Schedule F of  
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Item of Form (identify)	Answer
Item 13.A (cont.)	<ul style="list-style-type: none"> <li>• Information about existing insurance policies, wills, mortgages and tax returns;</li> <li>• Personal and household information such as spending habits, financial goals and other records concerning customer financial condition</li> </ul> <p>RJL, Inc. employees use information about customers to respond to customer needs and to provide information about specific products in which customers may have an interest. RJL, Inc. instructs our employees to use strict standards of care in handling the personal and confidential customer information. RJL, Inc. reminds employees regularly of their obligations regarding the confidentiality of customer information. Additionally, as a security measure, RJL, Inc. has in its employ an outside bonded company to shred all sensitive documents.</p> <p>Newsletter</p> <p>If a customer wishes to subscribe to our newsletter, we ask for contact information such as name, address and email address. Should the customer wish to unsubscribe from the newsletter at any time, the customer should simply contact RJL, Inc. via any convenient method available to them in order to make their request.</p> <p>Customer Service</p> <p>RJL, Inc. communicates with customers on a regular basis to provide requested services. Regarding issues relating to their account we reply via telephone, email, US Postal Service or United Parcel Service (overnight service) in accordance with the customer's wishes.</p> <p>Legal Disclaimer</p> <p>RJL, Inc. makes every effort to preserve customer privacy. However, we may need to disclose personal information when required by law wherein we have a good-faith belief that such action is necessary to comply with a current judicial proceeding, a court order or legal process served on RJL, Inc. RJL, Inc. does not disclose customer information to nonaffiliated third parties except as permitted or required by law. RJL, Inc. DOES NOT sell customer personal information to third parties.</p> <p>Third Party Intermediaries</p> <p>RJL, Inc. provides information about current or former customers from the sources described above to parties outside RJL, Inc. only as described below:</p> <ul style="list-style-type: none"> <li>▪ To First Allied, a registered broker/dealer and registered investment adviser, in order to process activities for customer investment accounts;</li> <li>▪ To the clearing firm for First Allied, Pershing LLC, in order to process activities for customer investment accounts, the clearing firm handles all custody functions, processes and settles trades, transmits 1099 reporting to the IRS, sends monthly statements of customer accounts, etc.;</li> <li>▪ To companies with whom we have joint marketing agreements. A joint marketing agreement is one in which another financial institution offers a product or service jointly with RJL, Inc., such as providing credit card access to customer accounts.</li> </ul> <p>These institutions are prohibited by agreement from using information about customers except for the narrow purpose of servicing the customer accounts;</p> <ul style="list-style-type: none"> <li>▪ To other companies as necessary to process customer business. Third parties in this category, like those in the category above, must limit their use of the information to the purpose for which it was provided:</li> </ul> <p style="text-align: center;">Schedule F - Page 15</p>

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

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

Applicant: Raymond J. Lucia Companies

SEC File Number:  
801-61496

Date:  
11/13/2007

(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.:  
33-0642550

Item of Form (identify)	Answer
Item 13.A (cont.)	<ul style="list-style-type: none"> <li>▪ Where required by law or regulation, e.g. responses to a subpoena, court order or regulatory demand;</li> <li>▪ As authorized by the customer. The customer may direct us, for example, to send customer account statements and trade confirmations to a third party or request bank wire transmissions;</li> <li>▪ As otherwise authorized, permitted by law or the customer. For example, the law permits us to respond to requests for information about the customer from a consumer-reporting agency.</li> </ul> <p><b>Business Transitions</b></p> <p>In the event RJL, Inc. goes through a business transition, such as a merger, being acquired by another company, or selling a portion of its assets, customer personal information will, in most instances, be part of the assets transferred.</p> <p><b>Choice to Opt Out</b></p> <p>If for any reason at any time in the future, RJL, Inc. finds it necessary to disclose any customer personal information in a way that is inconsistent with this policy, we will give customers advance notice of the proposed change and the opportunity to opt out of such disclosure. Customers must be given the opportunity and means to opt out of (or prevent) such disclosure. A copy of the revised policy will accompany any notification of change.</p> <p><b>Security</b></p> <p>RJL, Inc. considers the protection of sensitive information to be a corner-stone of customer trust and a sound business practice. We employ extensive physical, electronic and procedural controls and we regularly adapt these controls to respond to changing requirements and advances in technology. RJL, Inc. takes every precaution to protect customer information. When customers submit sensitive information, their information is protected.</p> <p>RJL, Inc. implements our procedural controls to protect customer information both on and offline. For information that is gathered online we use SSL encryption to protect sensitive information. Offline, customer information, not just the sensitive information mentioned above, is restricted in our offices. RJL, Inc. uses procedural, physical and electronic system safeguards to store and secure information about customers in compliance with federal standards. Our systems protect customer information from unauthorized access, alteration and destruction. Access is permitted only to those individuals within our organization who need the information to perform their job responsibilities. Furthermore, RJL, Inc. employees are kept up-to-date on our security and privacy practices. Finally, the servers that store personally identifiable information are in a secure environment in a locked facility.</p> <p><b>Correcting/Updating Personal Information</b></p> <p>Customers may call, write or send an email to <a href="mailto:info@rjlwm.com">info@rjlwm.com</a> in order to update or correct their information. In certain circumstances, the customer will receive a letter from First Allied confirming the change. Customers should keep this confirmation of change letter and all other important documents in a safe and secure location.</p>

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

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

Applicant: Raymond J. Lucia Companies	SEC File Number: 801-61496	Date: 11/13/2007
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(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.: 33-0642550
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Item of Form (identify)	Answer
Item 13.A. (cont.)	<p><b>Notification of Changes</b></p> <p>RJL, Inc. reviews our privacy policy at least annually and sends it to all current customers each year at the same time. Should we deem it necessary to alter our privacy policy, we will post those changes to our website at <a href="http://www.raylucia.com">www.raylucia.com</a> and send an updated privacy policy to all of our existing customers so they are always aware of the information we collect, how we use it, and under what circumstances, if any, we disclose it. Customers may contact RJL, Inc. at any time for a copy of our privacy policy.</p> <p><b>Former Customers of RJL, Inc.</b></p> <p>If a customer closes an account with RJL, Inc., we will continue to operate in accordance with the principles defined under the RJL, Inc. Privacy Policy.</p> <p><b>Federal Law Requirements</b></p> <p>The Securities and Exchange Commission adopted Regulation S-P, privacy rules promulgated under Section 504 of the Gramm-Leach-Bliley Act which Congress enacted in November of 1999. A financial institution must provide its customers with a notice of its privacy policies and practices.</p> <p><b>Contact Information</b></p> <p>If customers have questions or concerns regarding this statement, they should contact Sondra Forkner, Compliance Principal, at 619.497.5555, ext. 1013.</p>

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

**Schedule H of  
Form ADV  
Page 1**

Applicant: Raymond J. Lucia Companies, Inc.	SEC File Number: 801-61496	DATE: 10/22/2007
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(for sponsors of wrap fee programs)

Name of wrap fee program or programs described in attached brochure:

1. **Applicability of Schedule.** This Schedule must be completed by applicants that are compensated under a wrap fee program for sponsoring, organizing, or administering the program, or for selecting, or providing advice to clients regarding the selection of, other investment advisers in the program ("sponsors"). A wrap fee program is any program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and execution of client transactions.
2. **Use of Schedule.** This Schedule sets forth the information the sponsor must include in the wrap fee brochure it is required to deliver or offer to deliver to clients and prospective clients of its wrap fee programs under Rule 204-3 under the federal Advisers Act and similar rules of the jurisdictions. The wrap fee brochure prepared in response to this Schedule must be filed with the Commission and the jurisdictions as part of Form ADV by completing the identifying information on this Schedule and attaching the brochure. Brochures should be prepared separately, not on copies of this Schedule. Any wrap fee brochure filed with the Commission as part of an amendment for Form ADV shall contain in the upper right hand corner of the cover page the sponsor's registration number (801- ).
3. **General Contents of Brochure.** Unlike Parts I and II of this form, this Schedule is not organized in "check-the-box" format. These instructions, including the requests for information in Item 7 below, should not be repeated in the brochure. Rather, this Schedule describes minimum disclosures that must be made in the brochure to satisfy the sponsor's duty to disclose all material facts about the sponsor and its wrap fee programs. **Nothing in this Schedule relieves the sponsor from any obligation under any provision of the federal Advisers Act or rules thereunder, or other federal or state law to disclose information to its advisory clients or prospective advisory clients not specifically required by this Schedule.**
4. **Multiple Sponsors.** If two or more persons fall within the definition of "sponsor" in Item 1 above for a single wrap fee program, only one such sponsor need complete the Schedule. The sponsors may choose among themselves the sponsor that will complete the Schedule.
5. **Omission of Inapplicable Information.** Any information not specifically required by this Schedule that is included in the brochure should be applicable to clients and prospective clients of the sponsor's wrap fee programs. If the sponsor is required to complete this Schedule with respect to more than one wrap fee program, the sponsor may omit from the brochure furnished to clients and prospective clients of any wrap fee program or programs information required by this Schedule that is not applicable to clients or prospective clients of that wrap fee program or programs. If a sponsor of more than one wrap fee program prepares separate wrap fee brochures for clients of different programs, each brochure prepared must be filed with the Commission and the jurisdictions attached to a separate copy of this Schedule. Each such brochure must state that the sponsor sponsors other wrap fee programs and state how brochures for those programs may be obtained.
6. **Updating.** Sponsors are required to file an amendment to the brochure promptly after any information in the brochure becomes materially inaccurate. Amendments may be made by use of a "sticker," *i.e.*, a supplement affixed to the brochure that indicates what information is being added or updated and states the new or revised information, as long as the resulting brochure is readable. Stickers should be dated and should be incorporated into the text of the brochure when the brochure itself is revised.
7. **Contents of Brochure.** Include in the brochure prepared in response to this Schedule:
  - (a) on the cover page, the sponsor's name, address, telephone number, and the following legend in bold type or some other prominent fashion:

**This brochure provides clients with information about [name of sponsor] and the [name of program or programs] that should be considered before becoming a client of the [name of program or programs]. This information has not been approved or verified by any governmental authority.**
  - (b) a table of contents reflecting the subject headings in the sponsor's brochure;
  - (c) the amount of the wrap fee charged for each program or, if fees vary according to a schedule established by the sponsor, a table setting forth the fee schedule, whether such fees are negotiable, the portion of the total fee (or the range of such amounts) paid to persons providing advice to clients regarding the purchase or sale of specific securities under the program ("portfolio managers"), and the services provided under each program (including the types of portfolio management services);

Applicant: Raymond J. Lucia Companies, Inc.	SEC File Number: 801-61496	DATE: 10/22/2007
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- (d) a statement that the program may cost the client more or less than purchasing such services separately and a statement of the factors that bear upon the relative cost of the program (*e.g.*, the cost of the services if provided separately and the trading activity in the client's account);
- (e) if applicable, a statement that the person recommending the program to the client receives compensation as a result of the client's participation in the program, that the amount of this compensation may be more than what the person would receive if the client participated in other programs of the sponsor or paid separately for investment advice, brokerage, and other services, and that the person may therefore have a financial incentive to recommend the wrap fee program over other programs or services;
- (f) a description of the nature of any fees that the client may pay in addition to the wrap fee and the circumstances under which these fees may be paid (including, if applicable, mutual fund expenses and mark-ups, mark-downs or spreads paid to market makers from whom securities were obtained by the wrap fee broker);
- (g) how the program's portfolio managers are selected and reviewed, the basis upon which portfolio managers are recommended or chosen for particular clients, and the circumstances under which the sponsor will replace or recommend the replacement of the portfolio manager;
- (h) (1) if applicable, a statement to the effect that portfolio manager performance information is not reviewed by the sponsor or a third party and/or that performance information is not calculated on a uniform and consistent basis,  
(2) if performance information is reviewed to determine its accuracy, the name of the party who reviews the information and a brief description of the nature of the review,  
(3) a reference to any standards (*i.e.*, industry standards or standards used solely by the sponsor) under which performance information may be calculated;
- (i) a description of the information about the client that is communicated by the sponsor to the client's portfolio manager, and how often or under what circumstances the sponsor provides updated information about the client to the portfolio manager.
- (j) any restrictions on the ability of clients to contact and consult with portfolio managers;
- (k) in narrative text, the information required by Items 7 and 8 of Part II of this form and, as applicable to clients of the wrap fee program, the information required by Items 2, 5, 6, 9A and C, 10, 11, 13 and 14 of Part II;
- (l) if any practice or relationship disclosed in response to Item 7, 8, 9A, 9C and 13 of Part II presents a conflict between the interests of the sponsor and those of its clients, explain the nature of any such conflict of interest; and
- (m) if the sponsor or its divisions or employees covered under the same investment adviser registration as the sponsor act as portfolio managers for a wrap fee program described in the brochure, a brief, general description of the investments and investment strategies utilized by those portfolio managers.

**8. Organization and Cross References.** Except for the cover page requirements in item 7(a) above, information contained in the brochure need not follow the order of the items listed in Item 7. However, the brochure should not be organized in such a manner that important information called for by the form is obscured.

Set forth below the page(s) of the brochure on which the various disclosures required by Item 7 are provided.

	<i>Page(s)</i>		<i>Page(s)</i>		<i>Page(s)</i>
Item 7(a)	cover	Item 7(f)		Item 7(j)	
# 7(b)		# 7(g)		# 7(k)	
# 7(c)		# 7(h)		# 7(l)	
# 7(d)		# 7(i)		# 7(m)	
# 7(e)					

Raymond J. Lucia Companies, Inc..

13520 Evening Creek Drive North, Suite 300  
San Diego, CA 92128  
(619) 497-5555

Wrap Fee Brochure

October 22, 2007

THIS BROCHURE PROVIDES CLIENTS WITH INFORMATION ABOUT RAYMOND J. LUCIA COMPANIES, INC. AND ITS RJL SELECT PLUS, RJL SELECT AND RJL ADVISER-MANAGED PORTFOLIOS THAT SHOULD BE CONSIDERED BEFORE BECOMING A CLIENT OF THE RJL SELECT PLUS, RJL SELECT AND RJL ADVISER-MANAGED PORTFOLIOS. THIS INFORMATION HAS NOT BEEN APPROVED OR VERIFIED BY ANY GOVERNMENTAL AUTHORITY.

Raymond J. Lucia Companies, Inc.

Wrap Fee Brochure

This brochure provides clients with information about Raymond J. Lucia Companies, Inc. and its wrap fee programs.

The portfolios described herein are available on an all-inclusive, wrap fee basis.

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## INTRODUCTION

Raymond J. Lucia Companies, Inc. (“RJL”) and its affiliated investment adviser representatives (“IARs”) provide a variety of services designed to meet the varying investment advisory and related needs of individual clients. RJL offers portfolio management or asset allocation services through an agreement with First Allied Securities, Inc. (“First Allied”), the RJL Select Plus, RJL Select and RJL Adviser-Managed programs for one all-inclusive fee. Other services included in the program are trade execution and custody. RJL offers these consulting services to individuals, pension and profit sharing plans, trusts, estates or charitable organizations, and corporate entities.

Clients in all programs described in this brochure work with a RJL IAR to select a portfolio for the client’s account. RJL, through its IARs, will obtain sufficient client information to be able to assist the client in determining investment objectives and financial goals. RJL IARs assist clients in establishing an account custodied at Pershing, LLC. Brokerage, trade execution, and billing are conducted through First Allied.

RJL IARs base investment decisions for client accounts on suitability information provided by the client, including birth date, income and net worth, employment information, account value, account holdings, investment objective, and any reasonable restrictions the client may place on the account. The Client should notify RJL in writing if client’s financial situation or investment objectives change or reasonable account restrictions change.

## RJL RISK MANAGED-STRATEGIES

RJL Risk-Managed Strategies is a program of asset allocation among various securities (including listed equities, American Depository Receipts (ADRs), exchange-traded funds (ETFs), and money market funds) with Advanced Equities Asset Management, Inc. (“AEAM”), an affiliate of First Allied, as Portfolio Manager and First Allied and Raymond J. Lucia Companies, Inc., as the Sponsors

RJL has contracted with AEAM to co-manage RJL Risk-Managed Strategies. Principals of RJL and AEAM (together referred to as “Macro Investment Committee”) are jointly responsible for determining the macro investment strategies to be employed by RJL Risk-Managed Strategies. AEAM is responsible for daily discretionary selection of the securities bought or sold in RJL Risk-Managed Strategies Portfolios, based on guidance received from the Macro Investment Committee.

The minimum account size RJL Risk-Managed Strategies is \$100,000. Account minimums may be waived at the discretion of RJL, First Allied or AEAM.

### Balanced Strategy

The **Balanced Strategy** is allocated approximately 70% to equity and 30% to fixed income and is designed for investors with an investment horizon of roughly 7 to 10 years. The portfolio follows a "top down" Global Tactical Asset Allocation or GTAA approach, focusing on asset classes as a whole rather than individual company selection. The Portfolio Manager employs an "in-house" team-managed approach to the strategy, relying on the skill and judgment of its managers as well as quantitative tools to filter and process large quantities of fundamental, technical, and economic information. The strategy will typically invest in a basket of Exchange Traded Funds, Exchange Traded Notes, and Closed End Funds providing global exposure to a variety of stock (style, size, sector, country and region), bond, commodity, currency, and public real estate asset classes. The Portfolio Manager will systematically adjust some portion of the total holdings to reflect changes in its investment outlook. For example, the Portfolio Manager may adopt a more historically defensive posture in response to a bearish equity market outlook - increasing fixed income holdings, raising cash, or potentially adding inverse asset classes (i.e. those designed to increase in value based on a decline in an underlying equity index). Periodic rebalancing is not done according to a fixed schedule, such as annually or quarterly, but rather is done based on the managers expected market and volatility outlook, as well as "threshold rebalancing" when the value of a specific asset deviates sharply from its target weighting because of large price movement.

### Growth Strategy

The **Growth Strategy** is a separately managed account investing in highly liquid US-listed equities (including ADRs) and is designed for investors with a long-term investment horizon (defined roughly as 10-12 years). The strategy may also hold both domestic and global Exchange Traded Funds. Its primary objective is to offer clients market-like returns with lower than benchmark volatility. The strategy follows a Growth at Reasonable Prices (“GARP”) approach, combining proprietary fundamental and valuation analysis with technical factors to rank-order roughly 1000 large-cap, 500 mid-cap, and 500 small-cap individual securities based upon a risk-adjusted return forecast. The goal is to establish positions in approximately 40-60 securities across size ranges with strong balance sheets and consistent earnings growth at opportunistic, lower-risk entry points. Sector, style (for example, growth versus value), and size weightings are carefully monitored for absolute and relative exposures.

The strategy often maintains a hedging element (by buying instruments designed to go up in value as the market declines) to partially offset some of the portfolio's market risk. The amount of hedging is regularly adjusted based upon the manager's market outlook.

### **Proxy Voting**

The client agrees that AEAM, not RJL or First Allied, will vote proxies relating to assets in the account(s). The client may revoke this authorization at any time in writing addressed to RJL, indicating another person who will vote proxies in the account(s). For employee benefit plans subject to ERISA, AEAM has been delegated the right, or has accepted discretion, to vote proxies that pertain to assets in the account(s).

### **FEES**

#### **Schedule of Fees**

The highest annual fee payable for RJL Risk-Managed Strategies is 2.0% (0.5% per quarter), payable quarterly in advance, based on the asset value of the account(s) on the last calendar day of each calendar quarter. The fee will be payable on the business day following the end of the previous calendar quarter. The fee for the portion of the first quarter the account(s) is managed will be calculated on a pro rata basis. In the event that a large deposit occurs mid-quarter, the fee will be recalculated at quarter-end and the account will be billed a second fee, in arrears, on the additional deposits.

First Allied receives Rule 12b-1 shareholder servicing and/or distribution fees that, on an annual, investment weighted basis, are generally limited to a maximum aggregate amount of 25 basis points (equal to .25% or one quarter of one percent) of account value. These fees are retained by First Allied and are not shared with IARs, RJL, AEAM or any other third party. These fees do not reduce fees that are otherwise due.

Fees are negotiable based on a number of factors, which may result in a client paying a fee which is less than the highest annual fee, or more or less than other RJL Select Plus clients.

### **RJL CORE/ALPHA ETF STRATEGIES PROGRAM**

Clients in the RJL Core/Alpha ETF Strategies program work with a RJL IAR to select a portfolio managed by AEAM for the client's account.

Qualified AEAM employees manage the client's portfolio on a discretionary basis, utilizing primarily exchange-traded and closed-end funds, although other securities may be included in RJL Select accounts, in the discretion of the Portfolio Manager. RJL IARs do not exercise discretion in RJL Select accounts.

The minimum for RJL Core/Alpha ETF Strategies accounts is \$50,000. From time to time, account minimums may be waived by the IAR, RJL and AEAM, under certain circumstances. Waivers may be granted in situations where a client intends to make additional contributions to the account sufficient to meet the minimum or if the IAR manages accounts for family members of the prospective client, bringing the overall family account values to the minimum account size, or if the client's overall relationship with RJL or AEAM affiliates is substantial.

RJL Core/Alpha ETF Strategies portfolios available include:

The core **Growth & Income Portfolio** is allocated to approximately 50% Equity/50% Fixed Income, seeking both capital appreciation and preservation. The portfolio follows an allocation strategy that systematically adjusts as our market outlook changes. For example, in more bearish environments, the fixed income allocation will increase, while in more bullish environments, the equity exposure will increase.

The core **Moderate Growth Portfolio** is allocated to approximately 60% Equity/40% Fixed Income, seeking both capital appreciation and preservation. The portfolio follows an allocation strategy that systematically adjusts as our market outlook changes. For example, in more bearish environments, the fixed income allocation will increase, while in more bullish environments, the equity exposure will increase.

The core **Growth Portfolio** is allocated to approximately 75% Equity/25% Fixed Income, prioritizing capital appreciation over preservation. The portfolio follows an allocation strategy that systematically adjusts as our market outlook changes. For example, in more bearish environments, the fixed income allocation will increase, while in more bullish environments, the equity exposure will increase.

## **Proxy Voting**

The client agrees that AEAM, not RJL, will vote proxies relating to assets in the account(s). The client may revoke this authorization at any time in writing addressed to RJL, indicating another person who will vote proxies in the account(s).

## **FEES**

### **Schedule of Fees**

The highest annual fee payable for RJL Core/Alpha ETF Strategies accounts is 2.0% (0.5% per quarter), payable quarterly in advance, based on the asset value of the account(s) on the last calendar day of each calendar quarter. The fee will be payable on the business day following the end of the previous calendar quarter. The fee for the portion of the first quarter the account(s) is managed will be calculated on a pro rata basis. In the event that a large deposit occurs mid-quarter, the fee will be recalculated at quarter-end and the account will be billed a second fee, in arrears, on the additional deposits.

First Allied receives Rule 12b-1 shareholder servicing and/or distribution fees that, on an annual, investment weighted basis, are generally limited to a maximum aggregate amount of 25 basis points (equal to .25% or one quarter of one percent) of account value. These fees are retained by First Allied and are not shared with IARs, RJL, AEAM or any other third party. These fees do not reduce fees that are otherwise due.

Fees are negotiable based on a number of factors, which may result in a client paying a fee which is less than the highest annual fee, or more or less than other RJL Select clients.

## **RJL ADVISER-MANAGED PROGRAM**

Clients in the RJL Adviser-Managed program work with a RJL IAR to select securities for the client's account. Each IAR individually manages a client's portfolio. All RJL Adviser-Managed accounts are eligible for the IAR to have discretion over mutual fund selections. If requested by the client, and upon approval from RJL and First Allied management, individual IARs may retain discretion over other securities in the RJL Adviser-Managed account, such as stocks, bonds and covered call options.

The minimum for RJL Adviser-Managed accounts is \$50,000. From time to time, account minimums may be waived. The minimum may be waived by the IAR and RJL under certain circumstances. Waivers may be granted in situations where a client intends to make additional contributions to the account sufficient to meet the minimum or if the IAR manages accounts for family members of the prospective client, bringing the overall family account values to the minimum account size.

## **Proxy Voting**

The client agrees that the client, not RJL, will vote proxies relating to assets in the account(s). The client may assign this responsibility at any time in writing addressed to RJL, indicating another person who will vote proxies in the account(s).

## **FEES**

### **Schedule of Fees**

The highest annual fee payable for an RJL Adviser-Managed account is 2.0% (0.5% per quarter), payable quarterly in advance, and is based on the asset value of the account(s) on the last calendar day of each calendar quarter. The fee will be payable on the business day following the end of the previous calendar quarter. The fee for the portion of the first quarter the account(s) is managed will be calculated on a pro rata basis. In the event that a large deposit occurs mid-quarter, the fee will be recalculated at quarter-end and the account will be billed a second fee, in arrears, on the additional deposits.

First Allied receives Rule 12b-1 shareholder servicing and/or distribution fees that, on an annual, investment weighted basis, are generally limited to a maximum aggregate amount of 25 basis points (equal to .25% or one quarter of one percent) of account value. These fees are retained by First Allied and are not shared with IARs, RJL, AEAM or any other third party. These fees do not reduce fees that are otherwise due.

Fees are negotiable based on a number of factors, which may result in a client paying a fee which is less than the highest annual fee, or more or less than other RJL Select clients.

## **INFORMATION ON ALL PROGRAMS**

### **Confidential Client Information**

RJL may provide information about the client to First Allied, AEAM, and their affiliates and Pershing, in order for RJL to provide retained services, including but not limited to, client name, Social Security number, suitability information (including birth date, income and net worth), address, employment information, account number, account value, account holdings, investment

objective, any options the client has selected and any reasonable restrictions the client may place on the account. The client should notify RJL in writing if the client's financial situation or investment objectives change. The client should also notify RJL in writing if the client's reasonable account restrictions change.

### **Cost Comparisons: Wrap Fee vs. Non-Wrap Fee**

Clients who pay inclusive wrap fees for a variety of services may pay more or less for such services than if they purchase such services separately. Factors that bear upon the cost of a RJL Select Plus, RJL Select or RJL Adviser-Managed account in relation to the cost of the same services, if purchased separately, include the type and size of the account, the expected number of trades in the account, and the range of supplementary client related services provided with respect to the account, among other things.

### **Additional Information Regarding Fees and Charges**

The IAR is compensated with a portion of the fee. The amount of this compensation may or may not be more than that which would be received by the IAR if the client paid separately for investment advice, brokerage and other services, or participated in other programs offered by RJL. The IAR may therefore have a financial incentive to recommend the program over other programs and services.

AEAM is compensated with a portion of the fee for RJL Select Plus and RJL Select. The amount of this compensation may or may not be more than AEAM would have received if the client paid separately for AEAM's or other third-party managers' investment advice or participated in other programs. AEAM may have a financial incentive to recommend the program over other programs or services.

RJL is compensated with a portion of the fee. The amount of this compensation may or may not be more than that which would be received by First Allied if the client paid separately for First Allied's or other broker/dealer's services or participated in other programs. First Allied may have a financial incentive to recommend the program over other programs or services. For RJL Select Plus, RJL is compensated with an additional portion of the Portfolio Management fee for Macro-Investment Committee responsibilities, which could result in a financial incentive for RJL to recommend this program over other RJL programs.

First Allied is compensated with a portion of the fee. The amount of this compensation may or may not be more than that which would be received by First Allied if the client paid separately for First Allied's or other broker/dealer's services or participated in other programs. First Allied may have a financial incentive to recommend the program over other programs or services.

The wrap fees described above shall include First Allied's brokerage services, custodial services, and First Allied's other services to the account(s), including Quarterly Performance.

The fee will not include certain odd-lot differentials, transfer taxes, exchange fees, and other charges imposed by law on the execution of transactions in the account(s), or any brokerage or other charges for transactions not effected through First Allied. If the Adviser selects closed-end investment companies for the account(s), the client will pay its proportionate share of the investment companies' expenses, including such closed-end company's advisory fee.

The fee covers brokerage services only when transactions are executed through Pershing or another approved custodian. Some programs discussed in this brochure are limited to specific custodians. Should the Adviser or client select another brokerage provider, the client may pay additional charges.

When the client selects mutual funds for all or a portion of its account(s), the client will pay its proportionate share of the mutual funds' fees and expenses, including management fees and shareholder servicing and/or distribution (Rule 12b-1) expenses, to the extent permitted by law. These fees and expenses are separate and distinct from the wrap fee charged by RJL. RJL, its IARs, and First Allied will receive Rule 12b-1 fees for distributing a fund's shares and/or providing services to shareholders, to the extent permitted by law. Shareholder services fees compensate First Allied for, among other things, handling purchases and sales of fund shares, maintaining records, providing clients with copies of prospectuses and other materials, assisting mutual funds in soliciting proxies, and responding to Client inquiries about share prices, balances, dividend amounts, and dividend payment dates.

For ERISA accounts, IARs act as "Fiduciary Advisors" under ERISA and their compensation will not be affected by the 12(b)1 fees received by First Allied.

### **Reports/Account Reviews**

The client will receive statements from the custodian on a monthly basis unless there is no trading activity in a 30 day period, in

which case the client will receive statements quarterly.

The IAR servicing the account is responsible for reviewing the accounts on at least a quarterly basis. IARs are supervised by a DRP. The DRP is obliged to review the accounts at least quarterly and is responsible for ongoing supervision. In addition, the First Allied Compliance and Supervision Departments are provided with a variety of exception reports and undertake regular reviews to help identify problem situations. Exception reports are designed to detect transactions in designated securities, excessive transactions, front-running, and suitability issues, among others.

## **Termination**

The account(s) may be terminated by either party with five (5) days written notice. Any pre-paid fees will be refunded to the client on a pro rata basis.

## **RAYMOND J. LUCIA COMPANIES, INC.**

The applicant is affiliated with RJL Financial Network, L.L.C. (Network), an investment advisor registered with the Securities and Exchange Commission. The applicant's President and sole owner is also the President, and sole owner of Network. Network is the owner of certain proprietary and intellectual property and strategies utilized by the applicant and its associated persons in providing advisory services to clients.

The applicant also provides advice on real estate investment trusts and hedge funds. Model asset allocation portfolio programs, provided by a number of institutional investment managers and strategists, may be used when managing client assets. The applicant's associated persons also use various Internet resources, including Morningstar and Ibbotson.

The applicant requires persons providing advisory services to clients to have all required securities licenses. The applicant's President will also consider business experience, professional designations and other criteria on an individual basis. The applicant has several persons determining general investment advice given to clients.

The persons listed below supervise those individuals:

**Raymond J. Lucia, Sr.**, CFP® Born 4/50 BS, Humanities: California Western University, 1970 California Teacher's Credential, 1970-1971 San Diego State University, 1968-1969 Western Illinois University, 1968

RJL Financial Network, L.L.C., President, Director & Owner, 7/03-Present; Investment Advisor Representative, 4/04-Present

First Allied Securities, Inc., Registered Representative and Registered Principal, 10/07-Present

Securities America, Inc., Registered Representative and Registered Principal, 9/02-10/07

Raymond J. Lucia Companies, Inc., Owner/President/Secretary/Treasurer/Investment Advisor Representative, 10/94-Present

24-7 Financial Advisors, Inc., President, 2/00-Present; Investment Advisor Representative, 2/00-9/03; sole owner, 3/03-Present

Raymond J. Lucia, General/Limited Partner, 8/88-Present

Lucia Financial Group, Inc. d/b/a Lucia Insurance Service and also d/b/a Pro-Consultants, President, Owner, 1974-Present

Lucia, LLC, Owner & Member, 2001-2006

Spectrum Professional Management, Inc., President, 1/83-12/02

The Advisors Group, Registered Representative, 8/95-9/02

The Acacia Group, Managing Director and Agent, 8/96-12/02

"The Ray Lucia Show", Radio Show Host, 1991-Present

KSDO-AM, San Diego, Financial Editor, 1998-6/03

KOGO-AM, San Diego, Financial Editor, 1998-Present

KPOP-AM, San Diego, Financial Editor, 1998-Present

KGTV (ABC affiliate), Business Expert, 1997-Present

**Raymond J. Lucia, Jr.**, CPA, Born 1/75,

BS, Accounting, Loyola Marymount University, 1997

First Allied Securities, Inc., Registered Representative, 10/07-Present

Securities America, Inc., Registered Representative, 8/03-10/07

Raymond J. Lucia Companies, Inc., Investment Advisor Representative, 10/02-Present

Raymond J. Lucia Companies, Inc., VP Marketing & Business Development, 2/02-Present

RJL Financial Network, L.L.C., Vice President & Director, 7/03; Investment Advisor

Representative 4/04-2/06

Deloitte and Touche, Tax Accountant, 9/97-2/02

**Richard B. Plum, CFP®** Born 6/60

BS, Finance, San Diego State University, 1987

AA, General Education, Grossmont Junior College, 1984

First Allied Securities, Inc., Registered Representative and Registered Principal, 10/07-Present

Securities America, Inc., Registered Representative, 9/02-10-07

Raymond J. Lucia Companies, Inc., Director of Financial Planning, 10/93-Present

Raymond J. Lucia Companies, Inc., Investment Advisor Representative, 10/93-Present

RJL Financial Network, L.L.C., Investment Advisor Representative, 4/04-6/06

The Acacia Group, Agent, 8/95-5/03

The Advisors Group, Registered Representative, 8/95-9/02

Lucia Financial LLC is a limited use broker/dealer and an affiliate of the applicant. There are currently no accounts established or processed through this broker/dealer. In addition, the applicant's associated persons are registered representatives of First Allied Securities, Inc. ("First Allied") a full-service broker/dealer, member FINRA/SIPC. When placing securities transactions through First Allied in their capacity as registered representatives, the applicant's associated persons may earn sales commissions. The applicant and First Allied are not related. However, the fact that the applicant's associated persons can act in their separate capacities as First Allied registered representatives is material to the applicant's advisory business.

The applicant is affiliated with RJL Financial Network, L.L.C. (Network), an investment advisor registered with the Securities and Exchange Commission. The applicant's President and sole owner is also the President and sole owner of Network. Network is the owner of certain proprietary and intellectual property and strategies utilized by the applicant and its associated persons in providing advisory services to clients.

Some of the applicant's associated persons are also independently licensed to sell insurance products through various insurance companies. When acting in this capacity, they may receive fees or commissions for selling these products. Clients are under no obligation to direct insurance transactions to insurance companies with which the applicant's associated persons may be licensed. Suitable insurance and investment products may be available from other companies.

One of the applicant's associated persons, Thomas A. Ketelaar, is an independent real estate broker. The applicant has no connection with or involvement in Mr. Ketelaar's activities when acting in this capacity.

The applicant's associated persons are also registered representatives of First Allied Securities, Inc., a full-service broker/dealer, a member FINRA/SIPC. As registered representatives, the associated persons sell securities to any client for commissions.

The applicant or its associated persons may buy or sell securities or have an interest or position in a security for their personal account which they also recommend to clients. The applicant is and shall continue to be in compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. As these situations may represent a potential conflict of interest, it is a policy of the applicant that no associated persons shall prefer his or her own interest to that of the advisory client. No person employed by the applicant may purchase or sell any security prior to a transaction or transactions being implemented for an advisory account. Associated persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. The applicant maintains a list of all securities holdings for itself and all associated persons which is reviewed on a regular basis by a principal of the firm. This log is available for client review upon request.

According to the Investment Advisers Act of 1940, an investment advisor is considered a fiduciary. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts. In addition, an investment advisor has a duty of utmost good faith to act solely in the best interest of each of its clients. The applicant and its associated persons have a fiduciary duty to all clients. The applicant has established a Code of Ethics which all associated persons must read. They must then execute an acknowledgment agreeing that they understand and agree to comply with the applicant's Code of Ethics. The fiduciary duty of the applicant and its associated persons to clients is considered the core underlying principle for the applicant's Code of Ethics and represents the expected basis for all associated persons' dealings with clients. The applicant has the responsibility to make sure that the interests of clients are placed ahead of it or its associated persons' own investment interests. All associated persons will conduct business in an honest, ethical and fair manner. All associated persons will comply with all federal and state securities laws at all times. Full disclosure of all material facts and potential

conflicts of interest will be provided to clients prior to services being conducted. All associated persons have a responsibility to avoid circumstances that might negatively affect or appear to affect the associated persons' duty of complete loyalty to their clients. This section is only intended to provide current clients and potential clients with a description of the applicant's Code of Ethics. If current clients or potential clients wish to review the applicant's Code of Ethics in its entirety, a copy may be requested from any of the applicant's associated persons and a copy will be provided promptly.

The applicant's associated persons sell securities in their separate capacity as registered representatives. Some of the associated persons are also independently licensed insurance agents and sell insurance products. They can earn commissions when selling these products. Some of the advice offered by the associated persons involves investments in mutual fund products. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12(b)-1 fees. The associated persons may receive a portion of these 12(b)-1 fees from some investment companies in their separate capacities as registered representatives. Clients should be aware that these 12(b)-1 fees come from fund assets and, thus, indirectly from client's assets. The receipt of these fees could represent an incentive for registered representatives to recommend funds with 12(b)-1 fees or higher 12(b)-1 fees over funds with no fees or lower fees, therefore creating a potential conflict of interest.

From time to time, the applicant may receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as advertising, publishing and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are typically made by those sponsors for whom sales have been made or it is anticipated sales will be made. The applicant's affiliated limited use broker/dealer, Lucia Financial, LLC has arrangements with First Allied Securities, Inc. to share in the distribution fees related to the sale of various investment and/or insurance products. The associated persons endeavor at all times to put the interest of the clients first as a part of their fiduciary duty. However, clients should be aware that the receipt of additional compensation through 12(b)-1 fees, servicing fees, nominal sales awards, distribution fees and expense reimbursements creates a conflict of interest that may impact the judgment of the associated persons when making advisory recommendations.

#### **Other Business Activities:**

The applicant's primary business is providing advisory services and investment advice to clients. However, all of the applicant's associated persons are engaged in professions other than giving investment advice. All of them sell securities products to any client for commissions. Some of them are also independently licensed insurance agents.

The supervisors also spend time on other activities. Raymond J. Lucia, Sr. hosts The Ray Lucia Show, a daily financial talk show syndicated nationally on the Business Talk Radio Network. He is also the Financial Editor for KOGO-AM and KPOP-AM in San Diego and spends approximately 20 hours per week on these radio shows. Mr. Lucia serves as Business Editor on the daily "10 On the Money" segment aired on KGTV (ABC) in San Diego. He spends approximately two hours a week on these television appearances. Mr. Lucia also spends a small amount of his time on publishing activities with Wiley & Sons. He is available as a convention and conference speaker, but spends only a small amount of his time on these engagements.

Richard Plum appears on The Ray Lucia Show broadcast daily on the Business Talk Radio Network and spends about 15 hours per week on these broadcast activities.

Principals and IARs of RJL may be registered representatives of First Allied Securities, Inc., a registered securities broker dealer and SEC-registered investment adviser, a member of FINRA and Securities Investors Protection Corp.

First Allied is a wholly owned indirect subsidiary of Advanced Equities Financial Corp.

Advanced Equities Financial Corp. is a private holding company divided into two primary business units: (a) the Financial Services Group; and (b) the Capital Markets Group. The Financial Services Group engages primarily in retail and institutional securities brokerage, investment banking, private equities and asset management services through its subsidiaries, Advanced Equities, Inc., First Allied Securities Inc., First Advisors, Inc. FFP Securities, Inc., and Advanced Equities Asset Management, Inc. First Allied is part of the Financial Services Group. The Capital Markets Group primarily provides investment banking and late stage private equity financing to emerging companies through subsidiary Advanced Equities, Inc.

Advanced Equities, Inc. is a related broker/dealer and registered investment adviser. First Allied does not provide advice that is formulated by this related entity, nor does this related entity appear to present any potential conflicts of interest with First Allied's clients.

Greenbook Investment Management (“Greenbook”), Advanced Equities Asset Management (“AEAM”), and First Advisors, Inc. are related registered investment advisers. First Allied may utilize the investment management products and services of these firms from time to time. These products and services are described more fully in the Form ADV Part II of each firm. Potential conflicts of interest will be disclosed to clients who utilize these services through delivery of the respective Form ADV Part II.

First Allied Securities, Inc. is a member of the National Futures Association.

For material disclosures regarding First Allied Securities, Inc., the client may request a copy of First Allied’s Form ADV Part II from the Horizon IAR.

Current regulations place substantial limits on the ability of First Allied and its registered representatives to execute principal trades for investment advisory clients in, fixed income and certain other securities generally traded on a principal basis. Accordingly, trades involving such securities for clients of the programs described in this brochure generally are executed by dealers other than First Allied. Dealers executing principal trades typically include a mark-up or spread in the net price at which the transaction is executed. As a result, such trades will include the payment of mark-ups or similar compensation to such unaffiliated dealers.

Principal transactions in which First Allied buys or sells a security from its own inventory from or to a client, may be effected with investment management clients only after appropriate disclosure is made by First Allied and consent obtained from client. Significant conflicts of interest exist in principal transactions, including the possibility that the client could receive a better price if the trade were transacted in a non-principal capacity and First Allied’s incentive to generate a profit by buying or selling from its own inventory.

## PROXY VOTING

The applicant and its employees will not vote proxies on a client’s behalf. All proxy materials will be sent directly to clients. Clients are instructed to read through the information provided with the proxy materials and to make a determination based on the information provided. However, upon the client’s request, the applicant and its associated persons may provide advice or interpretations based upon their understanding of issues presented in the voting materials. Clients will be solely responsible for all proxy voting decisions.

## PRIVACY NOTICE

Raymond J. Lucia Companies, Inc. is an SEC (Securities and Exchange Commission) Registered Investment Advisor (RJL, Inc.). RJL, Inc. representatives offer securities through First Allied Securities, Inc., a Registered Broker-Dealer (“First Allied”).

### Information Collection

RJL, Inc. collects information about customers to facilitate the servicing of customer account(s). RJL, Inc. may receive non-public personal information about customers from any of the following sources:

- Information we receive from customers on applications or other forms, including but not limited to customer name, address, social security number, income, income tax rate, net worth, financial objectives, risk tolerance and the names of beneficiaries
- Information we receive or obtain from other sources, including:
- Information collected and developed by issuers of securities customers own, in order to administer and process transactions;
- For products involving the extension of credit, that we may obtain from unaffiliated consumer reporting agencies;
- Information about customer financial products and services transactions with First Allied;
- If a customer applies for insurance products, RJL, Inc. may collect health information provided to us by the customer RJL, Inc. collects information about customers to develop financial plans and assist with advisory services for our customers. This customer information may include:
- Information about existing insurance policies, wills, mortgages and tax returns;
- Personal and household information such as spending habits, financial goals and other records concerning customer financial condition RJL, Inc. employees use information about customers to respond to customer needs and to provide information about specific products in which customers may have an interest. RJL, Inc. instructs our employees to use strict standards of care in handling the personal and confidential customer information. RJL, Inc. reminds employees regularly of their obligations regarding the confidentiality of customer information. Additionally, as a security measure, RJL, Inc. has in

its employ an outside bonded company to shred all sensitive documents.

#### Newsletter

If a customer wishes to subscribe to our newsletter, we ask for contact information such as name, address and email address. Should the customer wish to unsubscribe from the newsletter at any time, the customer should simply contact RJL, Inc. via any convenient method available to them in order to make their request.

#### Customer Service

RJL, Inc. communicates with customers on a regular basis to provide requested services. Regarding issues relating to their account we reply via telephone, email, US Postal Service or United Parcel Service (overnight service) in accordance with the customer's wishes.

#### Legal Disclaimer

RJL, Inc. makes every effort to preserve customer privacy. However, we may need to disclose personal information when required by law wherein we have a good-faith belief that such action is necessary to comply with a current judicial proceeding, a court order or legal process served on RJL, Inc. RJL, Inc. does not disclose customer information to nonaffiliated third parties except as permitted or required by law. RJL, Inc. DOES NOT sell customer personal information to third parties.

#### Third Party Intermediaries

RJL, Inc. provides information about current or former customers from the sources described above to parties outside RJL, Inc. only as described below:

- To First Allied, a registered broker/dealer and registered investment adviser, in order to process activities for customer investment accounts;
- To the clearing firm for First Allied, Pershing LLC, in order to process activities for customer investment accounts, the clearing firm handles all custody functions, processes and settles trades, transmits 1099 reporting to the IRS, sends monthly statements of customer accounts, etc.;
- To companies with whom we have joint marketing agreements. A joint marketing agreement is one in which another financial institution offers a product or service jointly with RJL, Inc., such as providing credit card access to customer accounts.

These institutions are prohibited by agreement from using information about customers except for the narrow purpose of servicing the customer accounts;

- To other companies as necessary to process customer business. Third parties in this category, like those in the category above, must limit their use of the information to the purpose for which it was provided;
- Where required by law or regulation, e.g. responses to a subpoena, court order or regulatory demand;
- As authorized by the customer. The customer may direct us, for example, to send customer account statements and trade confirmations to a third party or request bank wire transmissions;
- As otherwise authorized, permitted by law or the customer. For example, the law permits us to respond to requests for information about the customer from a consumer-reporting agency.

#### Business Transitions

In the event RJL, Inc. goes through a business transition, such as a merger, being acquired by another company, or selling a portion of its assets, customer personal information will, in most instances, be part of the assets transferred.

#### Choice to Opt Out

If for any reason at any time in the future, RJL, Inc. finds it necessary to disclose any customer personal information in a way that is inconsistent with this policy, we will give customers advance notice of the proposed change and the opportunity to opt out of such disclosure. Customers must be given the opportunity and means to opt out of (or prevent) such disclosure. A copy of the revised policy will accompany any notification of change.

#### Security

RJL, Inc. considers the protection of sensitive information to be a corner-stone of customer trust and a sound business

practice. We employ extensive physical, electronic and procedural controls and we regularly adapt these controls to respond to changing requirements and advances in technology. RJL, Inc. takes every precaution to protect customer information. When customers submit sensitive information, their information is protected.

RJL, Inc. implements our procedural controls to protect customer information both on and offline. For information that is gathered online we use SSL encryption to protect sensitive information. Offline, customer information, not just the sensitive information mentioned above, is restricted in our offices. RJL, Inc. uses procedural, physical and electronic system safeguards to store and secure information about customers in compliance with federal standards. Our systems protect customer information from unauthorized access, alteration and destruction. Access is permitted only to those individuals within our organization who need the information to perform their job responsibilities. Furthermore, RJL, Inc. employees are kept up-to-date on our security and privacy practices. Finally, the servers that store personally identifiable information are in a secure environment in a locked facility.

#### Correcting/Updating Personal Information

Customers may call, write or send an email to [info@rjline.com](mailto:info@rjline.com) in order to update or correct their information. In certain circumstances, the customer will receive a letter from First Allied confirming the change. Customers should keep this confirmation of change letter and all other important documents in a safe and secure location.

#### Notification of Changes

RJL, Inc. reviews our privacy policy at least annually and sends it to all current customers each year at the same time. Should we deem it necessary to alter our privacy policy, we will post those changes to our website at [www.raylucia.com](http://www.raylucia.com) and send an updated privacy policy to all of our existing customers so they are always aware of the information we collect, how we use it, and under what circumstances, if any, we disclose it. Customers may contact RJL, Inc. at any time for a copy of our privacy policy.

#### Former Customers of RJL, Inc.

If a customer closes an account with RJL, Inc., we will continue to operate in accordance with the principles defined under the RJL, Inc. Privacy Policy.

#### Federal Law Requirements

The Securities and Exchange Commission adopted Regulation S-P, privacy rules promulgated under Section 504 of the Gramm-Leach-Bliley Act which Congress enacted in November of 1999. A financial institution must provide its customers with a notice of its privacy policies and practices.

#### Contact Information

If customers have questions or concerns regarding this statement, they should contact Sondra Forkner, Compliance Principal, at 619.497.5555, ext. 1013.

**RJL SPONSORS OTHER ADVISORY PROGRAMS. INFORMATION ABOUT THESE PROGRAMS IS IN RJL'S FORM ADV PART II AND WILL BE FURNISHED UPON REQUEST.**