

FORM ADV

Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: Advanced Financial Designs				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone Number:
30 S. El Camino Real Suite 203	San Mateo	CA	94401	(650) 579-7969

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.

Applicant: Advanced Financial Designs	SEC File Number: 801-20840	Date: 021202
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1. **A. Advisory Services and Fees.** (check the applicable boxes) For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- (1) Provides investment supervisory services 70%
- (2) Manages investment advisory accounts not involving investment supervisory services %
- (3) Furnishes investment advice through consultations not included in either service described above 20%
- (4) Issues periodicals about securities by subscription %
- (5) Issues special reports about securities not included in any service described above %
- (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities %
- (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities 5%
- (8) Provides a timing service %
- (9) Furnishes advice about securities in any manner not described above 5%

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

B. Does applicant call any of the services it checked above financial planning or some similar term? Yes No

C. Applicant offers investment advisory services for: (check all that apply)

- (1) A percentage of assets under management (4) Subscription fees
- (2) Hourly charges (5) Commissions
- (3) Fixed fees (not including subscription fees) (6) Other

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- A. Individuals E. Trusts, estates, or charitable organizations
- B. Banks or thrift institutions F. Corporations or business entities other than those listed above
- C. Investment companies G. Other (describe on Schedule F)
- D. Pension and profit sharing plans

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

- | | |
|---|---|
| <input checked="" type="checkbox"/> A. Equity securities
<input checked="" type="checkbox"/> (1) exchange-listed securities
<input checked="" type="checkbox"/> (2) securities traded over-the-counter
<input type="checkbox"/> (3) foreign issues

<input type="checkbox"/> B. Warrants

<input type="checkbox"/> C. Corporate debt securities
(other than commercial paper)

<input type="checkbox"/> D. Commercial paper

<input checked="" type="checkbox"/> E. Certificates of deposit

<input checked="" type="checkbox"/> F. Municipal securities

G. Investment company securities:
<input type="checkbox"/> (1) variable life insurance
<input checked="" type="checkbox"/> (2) variable annuities
<input checked="" type="checkbox"/> (3) mutual fund shares | <input checked="" type="checkbox"/> H. United States government securities

I. Options contracts on:
<input type="checkbox"/> (1) securities
<input type="checkbox"/> (2) commodities

J. Futures contracts on:
<input type="checkbox"/> (1) tangibles
<input type="checkbox"/> (2) intangibles

K. Interests in partnerships investing in:
<input type="checkbox"/> (1) real estate
<input type="checkbox"/> (2) oil and gas interests
<input type="checkbox"/> (3) other (explain on Schedule F)

<input checked="" type="checkbox"/> L. Other (explain on Schedule F) |
|---|---|

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

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

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

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

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

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

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

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5. Education and Business Standards.

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? Yes No
 (If yes, describe these standards on Schedule F.)

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

7. Other Business Activities. (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<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 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.)

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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.

Accounts participating in th Asset Allocation Advisory Program (AAAP) will be reviewed by one or more officers of the advisor at least quarterly. More frequent reviews may occur due to unforeseen changes in perceived economic trends. Each Planner will be assigned no more than 150 accounts. Primary matters subject to review are investment performance, monitoring of income and withdrawal distributions, and possible buy or sell of positions. The AAAP program develops the rates of return and risk levels necessary to achieve an investor's personal goals. Changes in the expected forecasted rate of return, expected risk or relationship of each of the portfolio assets will suggest a reallocation. None of the other advisory services provided by Applicant (such as tax preparation or financial planning) involves the active management or supervision of investments. See Schedule A for reviewers' titles and functions.

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

Financial planning clients have their plans updated at least annually. These updates, when provided, are completed in accordance with our customary fee schedule outlined in Schedule F1.A.3. Unlimited telephone consultation with the client throughout the year is available and included in fee structure.

Applicant:

Advanced Financial Designs

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Date:

021202

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 type="checkbox"/> | No <input checked="" 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 type="checkbox"/> | No <input checked="" 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

FORM ADV
Schedule D
Page 1 of 5

Your Name: Advanced Financial Designs SEC File No.: 801- 20840

Date: 021202 CRD No.: 723656

Certain items in Part 1A of Form ADV require additional information on Schedule D. Use this Schedule D Page 1 to report details for items listed below. Report only new information or changes/updates to previously submitted information. Do not repeat previously submitted information.

This is an INITIAL or AMENDED Schedule D Page 1.

SECTION 1.B. Other Business Names

List your other business names and the jurisdictions in which you use them. You must complete a separate Schedule D for each business name.

Check only one box: Add Delete Amend

Name _____ Jurisdiction _____

SECTION 1.F. Other Offices

Complete the following information for each office, other than your *principal office and place of business*, at which you conduct investment advisory business. You must complete a separate Schedule D Page 1 for each location. If you are applying for registration, or are registered, only with the SEC, list only the largest five (in terms of numbers of employees).

Check only one box: Add Delete

_____ (number and street)

_____ (city) _____ (state/country) _____ (zip + 4/postal code)

If this address is a private residence, check this box:

_____ (area code) _____ (telephone number) _____ (area code) _____ (facsimile number)

SECTION 1.I. World Wide Web Site Addresses

List your World Wide Web site addresses. You must complete a separate Schedule D for each World Wide Web site address.

Check only one box: Add Delete

World Wide Web Site Address: http://www.afdadvisors.com

SECTION 1.K. Location of Books and Records

Complete the following information for each location at which you keep your books and records, other than your *principal office and place of business*. You must complete a separate Schedule D Page 1 for each location.

Check only one box: Add Delete Amend

Name of entity where books and records are kept: _____

_____ (number and street)

_____ (city) _____ (state/country) _____ (zip + 4/postal code)

If this address is a private residence, check this box:

_____ (area code) _____ (telephone number) _____ (area code) _____ (facsimile number)

This is (check one): one of your branch offices or affiliates.
 a third-party unaffiliated recordkeeper.
 other.

Briefly describe the books and records kept at this location. _____

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant: Advanced Financial Designs	SEC File Number: 801- 20840	Date: 021202
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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: Advanced Financial Designs	IRS Empl. Ident. No.: 77-0013407
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Item of Form (identify)	Answer
<p>1.A. (1) Investment Supervisory Services</p>	<p>Advisory Services and Fees: ADVANCED FINANCIAL DESIGNS offers an Asset Allocation Advisory Program (AAAP) service to its clients for investment and management authority. The fee for this service is an annual investment advisory fee equal to one percent (.01) of the market value of the assets in the client’s account deducted quarterly in advance based upon the above formula. Either party upon thirty (30) days prior written notice may terminate the “AAAP” service. The fees for the quarter in which termination of this service occurs shall be pro-rated from the date of termination and refunded to the client. Fees for individual accounts over \$1 million, the fees are 1% on the first \$1million, .60% of the next \$1,000,000, and .20% thereafter. Each client signing an Asset Allocation Advisory Program agreement will be offered a copy of Form ADV Part II and AFD Privacy Policy Statement and be given five business days to rescind the agreement. Clients wishing to terminate the agreement during any quarter will receive a pro-rated refund based of the number of days of service actually received. The basic general objective of the (AAAP) service is to 1) preserve capital and 2) obtain capital growth. Each portfolio is developed based on the individual client’s risk tolerance, tax bracket, and financial goals and objectives.</p> <p>Clients who have entered into agreements with Advanced Financial Designs before the date of this disclosure may have different fee arrangements.</p> <p>ADVANCED FINANCIAL DESIGNS supervises and directs the investments of the client’s account in accordance with the investment objectives of the “AAAP” service. Advanced Financial Designs will not act as custodian for client’s account, buy may issue instructions to the custodian for client’s account, to exchange or otherwise trade in specific investment products elected by Advanced Financial Designs or client. Client agrees and understands that the risks of the client’s investment program are to be borne solely by the client and/or client’s account.</p> <p>AAAP accounts are discretionary asset management accounts where you choose to delegate the duty of managing certain investment account(s) to us. To do this, you must appoint AFD as your agent and attorney-in-fact to transact securities in those accounts on your behalf. In granting us this discretionary power, you give us all the powers you yourself would have with respect to those account(s). This means we will determine which securities we feel match your objectives, select securities to buy or sell, determine when and how much of each to transact, place the orders and work with your custodian to get the job done. This also means we are not required to give you notice prior to taking theses actions. Your custodian will send you notice of these actions after they have occurred. We will not manage an account that has not had a holistic analysis of the current state of the investment portfolio with recommendations made that the client initially approves.</p> <p>Non-Discretionary advice is available to those who want to retain authority over decisions regarding their securities and/or accounts (for example: employer-sponsored retirement accounts, mutual fund accounts held with the fund company, securities you hold outright, brokerage accounts managed by you and/or your broker, and investments in various insurance products). AFD will make recommendations regarding these investments and you are free to follow them in full, in part, or not at all. We do not monitor these investments for you unless you engage us on an hourly basis for that activity.</p>
<p>1.A.(3) Investment Advice</p>	<p>Advice Not Involving Securities:</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: Advanced Financial Designs	SEC File Number: 801- 20840	Date: 021202
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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: Advanced Financial Designs	IRS Empl. Ident. No.: 77-0013407
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Item of Form (identify)	Answer
<p>1.A. (7) Tax Planning</p> <p>1.A. (9) Seminars</p> <p>4.B. (8) Other Sources of Information</p> <p>5. Education and Experience Standards</p>	<p>ADVANCED FINANCIAL DESIGNS (Applicant) prepares comprehensive financial plans for clients. Clients execute an Advisory Services contract agreeing to pay the Applicant for these services at a rate not to exceed \$250.00 per hour for Senior Planners and \$175 for Associate Planners.</p> <p>Typically, a comprehensive plan will cost between \$2,000 and \$7,500 and include all or part of a Financial Plan: goals and objectives, cash flow analysis, risk management, portfolio analysis, retirement and pension plan analysis, tax forecasting or estate planning. Segmented plans are available at a reduced fee. Clients are requested to deposit a minimum of one half of the estimated fee. Clients are given up to five days after signing the Advisory Contract and being offered a copy of Form ADV Part II and AFD Privacy Policy Statement to unconditionally rescind the contract.</p> <p>Clients may elect the Financial Planning process without a written analysis. This process consists of the collection of data and a meeting to answer any questions and make recommendations where appropriate.</p> <p>ADVANCED FINANCIAL DESIGNS prepares income tax returns (for a flat fee per schedule) and renders income tax advice to clients for fees not to exceed \$250. an hour.</p> <p>ADVANCED FINANCIAL DESIGNS holds frequent seminars to promote the general education of the public on the techniques and strategies of financial planning. No fee or a nominal fee is charged for these seminars. The seminars cover topics on the various aspects of financial and tax planning.</p> <p>Fee-based advice is also offered on the following: Incentive and Non-Qualified Stock Options Income Tax Matters Estate Tax Matters Home Ownership Retirement Planning Long Term Care Matters</p> <p>The other secondary source of information used by ADVANCED FINANCIAL DESIGNS is research that is obtained or offered by third party organizations such as Morningstar, Lipper Analytical Services, Ibbotson Associates, and others that may be appropriate.</p> <p>All principals (control persons) are required to have a professional designation of either Certified Financial Planner (CFP), Chartered Financial Consultant (ChFC), Certified Public Accountant (CPA), or Enrolled Agent (EA). In addition, other personnel are required to have financial services and/or investment advisory experience.</p> <p>The backgrounds of other individuals offering advice under the direction of ADVANCED FINANCIAL DESIGNS are varied. These individuals include Phd's, CFA's, CPA's, CLU's, Enrolled Agents, and MBA's. Associate Planners are trained and supervised by the principals of Advanced Financial Designs. One or more principals review all plans issued.</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: Advanced Financial Designs	SEC File Number: 801- 20840	Date: 021202
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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: Advanced Financial Designs	IRS Empl. Ident. No.: 77-0013407
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Item of Form (identify)	Answer
<p>6. Education and Business Background</p>	<p>ADVANCED FINANCIAL DESIGNS does not have an investment committee. All plans and activities are reviewed by either or both:</p> <p>Name: Fern E. Alix La Rocca Birthdate: 1/15/53 Education: Enrolled Agent (1990) (Enrolled to represent taxpayers in court before the IRS) Certified Financial Planner (1988) & NAPFA-Registered Financial Advisor Life, Disability, and Variable contract Agent-CA Department of insurance (1981) Passed National Association of Securities Dealers (NASD) Series 6, 22, & 7 Exams. (1981) Attended University of New Orleans (1971-73) Business: Founder of Advanced Financial Designs since 1983 Started in the financial services business in 1980 Advisor to a Non-Profit Institution and serves on the Board of Directors of a technology firm Member- National Association of Personal Financial Advisors (NAPFA) The Financial Planning Association (FPA) National Association of Enrolled Agents (NAEA)</p> <p>Name: Michael Pavlik Birth date: 09/03/54 Education: University of Notre Dame B.B.A. 1976 University of California at Berkeley- Personal Financial Planning Certification 1998 Series 7-1999 Certified Financial Planner -09/2001 CA registered tax preparer Has 25 years of experience as a stock exchange specialist and money manager for a hedge fund Co-chairman of the San Francisco Elks Scholarship Committee</p>
<p>7.B Other Business Activities</p>	<p>Applicant is involved in fee-only financial planning services and tax preparation services. Associated persons may be involved also in such services.</p> <p>Principal is on the Board of Directors at various times for companies and non-profit institutions. Investment supervisory services account for the majority of the principal's time.</p>
<p>8.C. (1) Other Financial Industry Activities or Affiliations</p>	<p>There is no affiliation with a broker-dealer. The client is under no obligation to purchase services recommended by ADVANCED FINANCIAL DESIGNS. Clients are free to choose the broker/dealer of their choice to implement any financial recommendations. ADVANCED FINANCIAL DESIGNS currently but not exclusively uses Charles Schwab & Co., and TD Waterhouse Institutional Services to implement any financial recommendations.</p>
<p>8.C. (3)</p>	<p>ADVANCED FINANCIAL DESIGNS does research on and recommends stock portfolio management to outside investment advisors when the client desires such service. ADVANCED FINANCIAL DESIGNS may share in the management fee of such advisor or charge an additional</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: Advanced Financial Designs	SEC File Number: 801- 20840	Date: 021202
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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: Advanced Financial Designs	IRS Empl. Ident. No.: 77-0013407
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Item of Form (identify)	Answer
<p>9.E Participation or Interest in Client Transactions</p> <p>10. Conditions for Managing Accounts</p>	<p>fee for such service based on assets under management. Such fees will be disclosed in a written agreement to the client. The majority of portfolios supervised by Advanced Financial Designs contains but are not limited to no-load mutual funds.</p> <p>At times the interest of the firm and its advisory associates correspond with their clients' interests; and then they may invest in the same securities that are recommended to clients. While this may represent a potential conflict of interest, the Advisor is too small an investor to noticeably affect the market. In any case, the Advisor and its associates will be "last in " and "last out" for the trading day.</p> <p>Applicant does provide investment advisory supervisory services and manages investment advisory accounts under the (AAAP) Asset Allocation Advisory Program. The minimum fee is the greater of one percent (.01) a year of the account value deducted quarterly in advance or \$2,500. This minimum may be waived for clients who receive a partial or total financial plan.</p> <p>Fees for accounts over \$1 million are 1% for the first million and .60% for the next \$1,000,000 and .20% thereafter.</p> <p>Applicant does provide comprehensive fee-only financial planning. <i>The Applicant maintains that by providing fee-only services it is truly objective in its advice and recommendations.</i> The initial consultation is offered at no cost. The next meeting gathers the data for the preparation for the financial plan and confirms the client's goals and objectives. An engagement letter and contract is then sent reiterating the work the client desires and gives a range of the number of hours it will take to produce the Financial Plan and present it. The hourly rate is no more than \$250.00 an hour for Senior Planners and \$175.00 an hour for Associate Planners. The client signs the Engagement Letter and returns it with a deposit of one-half of the lower fee estimate.</p> <p>After the Financial Plan is presented, the balance of the fee is due. Then unlimited telephone and correspondence is available at no additional cost for a period of one year. <i>Applicant feels that this is a valuable service to keep clients working toward implementation of their Financial Plan and realizing their goals.</i></p> <p>A small annual retainer is offered at the end of the twelve-month period to review and revise, if necessary, the prior Financial Plan and continue the unlimited availability for the next twelve months. Minimum annual retainers are \$1,250 for Senior Planners and \$500 for Associate Planners.</p> <p>There are no limitations on securities bought and sold or the amount of securities bought and sold except for those agreed upon and accepted in writing between the client and the Applicant.</p> <p>In the event where a client does not select a particular broker/dealer for their transactions, the advisor will select an appropriate broker/dealer. The advisor selects the broker/dealer based on the following criteria: one of good reputation; one of good and accurate accounting; one of good execution; or one of low commission rates.</p>
<p>12.A. (1)&(2) Investment or Brokerage Discretion</p>	<p>No products, research, or other services are exchanged for the direction of client transactions to</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: Advanced Financial Designs	SEC File Number: 801- 20840	Date: 021202
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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: Advanced Financial Designs		IRS Empl. Ident. No.: 77-0013407
Item of Form (identify)	Answer	
12.B	<p>Charles Schwab & Co. or TD Waterhouse Institutional Services. ADVANCED FINANCIAL DESIGNS is not a registered representative of Charles Schwab & Co. or TD Waterhouse Institutional Services and does not receive earnings from Charles Schwab & Co. or TD Waterhouse Institutional Services.</p> <p>We do not participate in the Schwab Advisor Source Program in which Advisors pay Schwab a fee in return for referrals. <i>We do not accept fees for referrals and we do not give fees for referrals to outside sources.</i></p> <p>Clients are free to choose the broker/dealer of their choice to implement any financial recommendations. ADVANCED FINANCIAL DESIGNS currently but not exclusively uses Charles Schwab & Co., and TD Waterhouse Institutional Services to implement any financial recommendations.</p>	

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