

# Part 2A of Form ADV Brochure



Koehler Financial Services, Inc.  
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Stevensville, MI 49127

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Dated: April 25, 2012

This Brochure provides information about the qualifications and business practices of Koehler Financial Services, Inc. If you have any questions about the contents of this Brochure, please contact us at 269-429-0650 and/or [erica@koehlerfinancial.com](mailto:erica@koehlerfinancial.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Koehler Financial Services, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Material Changes Since Last Annual Brochure Update

The information provided below relates only to material changes that have occurred since our last annual update of our brochure which was January 3, 2012.

### **1. Part 2A, Item 5 - Fees & Compensation. Amended section to read.**

(a) Where the account(s) uses mutual funds or variable annuities the Client understands that, based on the fair market value of the Account(s) at the end of each day, the management fee can be deducted directly from the net asset value of the Account(s) and this will be true of all shares. The fee shall equal a daily charge of approximately .00273973% (a quarterly charge of .25%). This fee is a trail commission and is used to offset the hereto for mentioned management fee. Unit investment trust charges can be deducted in months 4, 5 & 6 of the 15 month trust cycle. Should the net asset value of the account(s) fall below the amount the support the minimum charge, the Client agrees to establish a cash account that allows Koehler Financial Services, Inc. to deduct from that account any amounts owed to Koehler Financial Services, Inc.

(b) The management fee for account(s) using individual securities is expressed as a quarterly charge of .375% based on the net asset value of each account on the last day of the calendar quarter.

On rare occasion Koehler Financial Services, Inc. may negotiate its fee. For example, we may hold a security at a reduced price on which the customer does not want us to trade or provide advice on, in which case we would not charge a fee with respect to that security.

Collection of Advisory fees: The Management fees are billed initially on a pro-rata basis from the start date until the end of the calendar quarter. The Client is aware that in most cases the directly deducted asset based fee will be adequate to meet the Client's management fee, for which the Client will be billed quarterly in arrears. These fees may be billed by Koehler Financial Services, Inc. directly to the custodian and withdrawn from the account(s). Until paid, the fees and expenses of Koehler Financial Services, Inc. shall constitute a lien upon the assets of the client's account(s). If the client objects to the amount being invoiced, the client may notify Koehler Financial Services, Inc. by telephone (269) 429-0650, fax at (269) 429-8011 or in person at 5764 James Drive, Stevensville, MI 49127.

The custodian's statement in each calendar quarter may separately reflect any management fees paid. Management fees directly paid by the client may not be reflected on the custodian's statement. For client's whose management fees have been completely satisfied by the offset of trail commission, the Client shall not receive a quarterly invoice from Koehler Financial Services, Inc. The client may terminate the written billing authorization at any time.

The authorization to withdraw the fees and/or commissions shall be limited to the above schedule(s) only. Koehler Financial Services, Inc. will notify the client by first class mail

at least seven (7) days prior to the debiting of fees from the client's cash account. The direct deduction which is a trail commission and is used to offset client's management fees shall not require advanced notice. For client's whose management fees have been completely satisfied by the offset of trail commission, said Client shall not receive a quarterly invoice from Koehler Financial Services, Inc. The Custodian will send to the Client a quarterly statement showing all Account(s) activity. A copy of the invoice will be sent to the client at the same time it is sent to the custodian and the invoice will include the formula and figures used for the fee calculation.

*The fees and expenses clients may pay in connection with the Adviser's advisory services.* All Koehler Financial Services, Inc. fees are completely disclosed. Koehler Financial Services, Inc. does not hold customer funds. The custodians may have fees associated with mutual funds, variable annuities, variable life and unit investment trust products. The client is made aware of all fees and expenses in the prospectus and in the Investor Profile and Suitability Form, which the client signs and receives a copy of at the time the client-advisor relationship is established and during any future product purchases.

Clients will incur brokerage and other transaction costs. Client who trade stocks and bonds at TD Ameritrade, will incur trading fees and commissions through TD Ameritrade. Koehler Financial Services, Inc. does not collect any of these fees.

Koehler Financial Services, Inc. does not accept fees in advance from clients.

Neither Koehler Financial Services, Inc. nor its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. All of Randy P. Koehler's and Erica L. Momany's commissions are assigned to Koehler Financial Services, Inc. and/or Koehler Financial, LLC. Randy P. Koehler and Erica L. Momany receive a salary from Koehler Financial Services, Inc. Their activities with Koehler Financial Services, Inc. and its affiliate, Koehler Financial, LLC. contribute funds towards their salary.

Clients have the option to purchase investment products that Koehler Financial Services, Inc. recommends through other brokers or agents that are not affiliated with Koehler Financial Services, Inc.

Koehler Financial Services, Inc. receives revenue from advisory clients from commissions and other compensation for the sale of investment products through its affiliate, Koehler Financial, LLC. Koehler Financial Services, Inc. recommends to its clients, including asset-based distribution fees from the sale of mutual funds, variable annuities and unit investment trusts.

Koehler Financial Services, Inc., through its brokerage company, Koehler Financial, LLC., a Financial Industry Regulatory Authority member, receives commissions or markups as follows: Koehler Financial Services, Inc. will invest the client's funds

primarily in no load mutual funds or mutual funds waiving any applicable sales load, or offset any quarter annual management fees with commissions received from mutual fund, variable annuity or unit investment trust providers. Koehler Financial, LLC. may receive additional commissions for first year start up fees for which a portion shall not be offset against management fees. These additional commissions may create a conflict of interest.

**2. Part 2A, Item 12 Brokerage Practices.** Amended paragraph to read. Being that Jackson National Life Insurance Company is a provider of products to our affiliated company, Koehler Financial, LLC., there may be a conflict of interest.

**3. Part 2A, Item 4 Advisory Business. Updated total assets under management.**

**4. Part 2B, Item 4A for both Randy P. Koehler and Erica L. Momany added sentences to last paragraph.** Randy P. Koehler does not receive distribution or services (“trail”) fees from the sale of mutual funds. All of Randy P. Koehler’s commissions are assigned to Koehler Financial Services, Inc. and/or Koehler Financial, LLC. Randy P. Koehler receives a salary from Koehler Financial Services, Inc. His activities with Koehler Financial Services, Inc. and its affiliate, Koehler Financial, LLC. contribute funds towards his salary.

Erica L. Momany does not receive distribution or services (“trail”) fees from the sale of mutual funds. All of Erica L. Momany’s commissions are assigned to Koehler Financial Services, Inc. and/or Koehler Financial, LLC. Erica L. Momany receives a salary from Koehler Financial Services, Inc. Her activities with Koehler Financial Services, Inc. and its affiliate, Koehler Financial, LLC. contribute funds towards her salary.

**5. Part 2B, Item 5 for Randy P. Koehler added additional 2 paragraphs to end of section.** Koehler Financial Services, Inc., Randy P. Koehler, through it’s brokerage company, Koehler Financial, LLC., a Financial Industry Regulatory Authority member, receives commissions or markups as follows: Koehler Financial Services, Inc. will invest the client’s funds primarily in no load mutual funds or mutual funds waiving any applicable sales load, or offset any quarter annual management fees with commissions received from mutual fund, variable annuity or unit investment trust providers. Koehler Financial, LLC. may receive additional commissions for first year start up fees for which a portion shall not be offset against management fees. These additional commissions may create a conflict of interest.

Koehler Financial Services, Inc. receives revenue from advisory clients from commissions and other compensation for the sale of investment products through its affiliate, Koehler Financial, LLC. Koehler Financial Services, Inc. recommends to its clients, including asset-based distribution fees from the sale of mutual funds, variable annuities and unit investment trusts.

**5. Part 2B, Item 5 for Erica L. Momany added additional 2 paragraphs to end of section.** Koehler Financial Services, Inc., Erica L. Momany, through its brokerage company, Koehler Financial, LLC., a Financial Industry Regulatory Authority member, receives commissions or markups as follows: Koehler Financial Services, Inc. will invest the client's funds primarily in no load mutual funds or mutual funds waiving any applicable sales load, or offset any quarter annual management fees with commissions received from mutual fund, variable annuity or unit investment trust providers. Koehler Financial, LLC. may receive additional commissions for first year start up fees for which a portion shall not be offset against management fees. These additional commissions may create a conflict of interest.

Koehler Financial Services, Inc. receives revenue from advisory clients from commissions and other compensation for the sale of investment products through its affiliate, Koehler Financial, LLC. Koehler Financial Services, Inc. recommends to its clients, including asset-based distribution fees from the sale of mutual funds, variable annuities and unit investment trusts.

Koehler Financial Services, Inc., encourages all current and prospective clients to review this brochure in its entirety.

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## **Item 4      Advisory Business**

Koehler Financial Services, Inc. has been in business for over 25 years. Randy P. Koehler is the principal owner and investment advisor representative of Koehler Financial Services, Inc.

Koehler Financial Services, Inc. primarily recommends variable annuities, mutual funds, unit investment trusts, exchange traded funds, and occasionally individual stocks and bonds to its clients. Koehler Financial Services, Inc. does recommend “no-load” mutual funds to its clients.

### **Diversification**

Providing our clients with diversified portfolios is our primary goal. Our portfolios start with or consist of selections from over 10,000 stocks and bonds from all over the globe, with virtually no overlap. Overlap can be best described as owning the same things, or the opposite of diversifying. Our method also takes the emotion out of building your portfolio. We use the same disciplined approach each year and the investment strategies remain the same; however the results (the stocks and bonds we own) mostly through mutual funds, unit investment trusts, or variable annuities, will be different. We review your account daily and make tactical adjustments as needed. We re-allocate your account yearly according to our investment strategies.

### **How does Koehler Financial Services, Inc. utilize “Pro-Active Portfolio Management” and “Disciplined Investment Strategies”.**

Our disciplined approach:

- Removes human emotion from selecting your fund holdings.
- Utilizes formulas and strategies.
- Provides a level of consistency based on a disciplined process.
- Applies its “hands on” approach in managing your assets.
- Can immediately move into cash during a catastrophic world event.
- Applies asset preservation strategies during turbulent times.

There are three components to our approach.

1. First, we review your account daily and make tactical adjustments as needed to the Disciplined Investment Strategies portfolios to take advantage of short-term cyclical movements. These changes do not affect the basic ratio of stocks to bonds, but they are designed to lock in gains or enhance returns.
2. Then we re-allocate your assets on an annual basis according to our disciplined investment strategy, in essence re-creating your entire portfolio each year, but always in step with our disciplined investment strategy and your investment objectives.
3. Finally, we apply tools that allowed us to exit the market during turbulent times, such as those we face today and those we experienced in 2002 and 2008. We

have also added “event-driven” changes to protect your assets in the post 9/11 era. We can move your holdings into cash during catastrophic world events.

### **Disciplined Investment Strategies**

What is Disciplined Investment Strategies and more importantly why use this? We believe that price movements in securities are heavily influenced by people’s emotions. And as long as people let fear, greed, hope and ignorance cloud their judgment, they will continue to misprice securities and provide opportunities to those who rigorously use simple, time-tested strategies to buy and sell securities.

Our Disciplined Investment Strategies system reduces the element of human emotion in investing by taking a large group of stocks like those in an index (such as the S&P 500) and screening them down by applying single or multiple disciplined formulas. The logic behind a disciplined investment formula driven portfolio is simple, but very effective. The investor does not have to decide what to buy or sell, or when to do so. The all-important factor here is that emotions (fear, greed, hope and ignorance) are largely factored out of the decision making process.

Effective stock picking to create a portfolio is certainly more involved than just screening an index. Some very smart people have helped to create the formulas we use. Terms like price to cash flow, price to sales, market capitalization, earnings momentum and others are the basis for the resulting portfolios.

### **Past Performance**

There is no crystal ball to predict the future. Past performance is no guarantee of future results. However, what better tool do we have available to us? We all look to past performance to help us gauge where we think we should invest our money. The problem with looking at the past performance of mutual funds and variable annuities as compared to our Disciplined Investment Strategies systems is consistency. Not only have most mutual funds and variable annuities failed to outperform the S&P 500 but, all too often, their stock selection process is erratic. Without an articulated strategy or process, which is consistently adhered to, the performance of mutual funds and variable annuities can’t be attributed to anything specific. If a manager has failed to follow consistently the same disciplined repeatable formula year in and year out, it becomes impossible to determine what drove the manager’s successes or failures. From this we can clearly understand why the mutual fund and variable annuity industry is constantly telling us past performance is no guarantee of future results. How could it be, if the selection process varies from year to year? This is where a disciplined, repeatable process is needed. The Disciplined Investment Strategies system does not bend to fads, panics, political changes, terrorist attacks, technology bubbles, housing bubbles, etc. We have a better idea of fitting our strategies to the market because we know how a specific strategy performs during a certain time in history. If one strategy did very well during the late 1990’s and did badly in the early 2000’s we would have some idea of what this strategy might do in similar situations.

## The Total Package

Using the formulas alone is not enough to produce the best possible performance. So we have created five “model portfolios,” constituting the **Disciplined Investment Strategies** system. Based on disclosures clients make in our Investor Profile Worksheet we determine the client’s objectives and level of risk the client is willing to take. We then recommend that the client place assets into a Disciplined Investment Strategy portfolio, which best fits the client’s profile. Once the portfolio is established, we then apply **Pro-Active Portfolio Management**.

Koehler Financial Services, Inc. does not specialize in a specific type of advisory service, or offer advice only with respect to limited types of securities. We tailor our advisory services to the individual needs of clients based upon their risk tolerance, and we do not participate in any wrap fee program by providing portfolio management services.

Koehler Financial Services, Inc. does manage client assets.

Total amount of assets under management is: **\$38,206,856.12**

Amount that is under Discretionary management is: **\$38,206,856.12**

Amount that is not under discretionary management is: **\$0.00**

Date of calculation of most recent assets under management amount is: **04-25-2012**

Koehler Financial Services, Inc. used the ADV Part 1 method to calculate our assets under management.

## Item 5 Fees and Compensation

There are two Management fee structures: (a) for account(s) using mutual funds, variable annuities or unit investment trusts and (b) for account(s) using individual securities.

(a) Where the account(s) uses mutual funds or variable annuities the Client understands that, based on the fair market value of the Account(s) at the end of each day, the management fee can be deducted directly from the net asset value of the Account(s) and this will be true of all shares. The fee shall equal a daily charge of approximately .00273973% (a quarterly charge of .25%). This fee is a trail commission and is used to offset the hereto for mentioned management fee. Unit investment trust charges can be deducted in months 4, 5 & 6 of the 15 month trust cycle. Should the net asset value of the account(s) fall below the amount the support the minimum charge, the Client agrees to establish a cash account that allows Koehler Financial Services, Inc. to deduct from that account any amounts owed to Koehler Financial Services, Inc.

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Collection of Advisory fees: The Management fees are billed initially on a pro-rata basis from the start date until the end of the calendar quarter. The Client is aware that in most cases the directly deducted asset based fee will be adequate to meet the Client's management fee, for which the Client will be billed quarterly in arrears. These fees may be billed by Koehler Financial Services, Inc. directly to the custodian and withdrawn from the account(s). Until paid, the fees and expenses of Koehler Financial Services, Inc. shall constitute a lien upon the assets of the client's account(s). If the client objects to the amount being invoiced, the client may notify Koehler Financial Services, Inc. by telephone (269) 429-0650, fax at (269) 429-8011 or in person at 5764 James Drive, Stevensville, MI 49127.

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The authorization to withdraw the fees and/or commissions shall be limited to the above schedule(s) only. Koehler Financial Services, Inc. will notify the client by first class mail at least seven (7) days prior to the debiting of fees from the client's cash account. The direct deduction which is a trail commission and is used to offset client's management fees shall not require advanced notice. For client's whose management fees have been completely satisfied by the offset of trail commission, said Client shall not receive a quarterly invoice from Koehler Financial Services, Inc. The Custodian will send to the Client a quarterly statement showing all Account(s) activity. A copy of the invoice will be sent to the client at the same time it is sent to the custodian and the invoice will include the formula and figures used for the fee calculation.

The fees and expenses clients may pay in connection with the Adviser's advisory services. All Koehler Financial Services, Inc. fees are completely disclosed. Koehler Financial Services, Inc. does not hold customer funds. The custodians may have fees associated with mutual funds, variable annuities, variable life and unit investment trust products. The client is made aware of all fees and expenses in the prospectus and in the Investor Profile and Suitability Form, which the client signs and receives a copy of at the time the client-advisor relationship is established and during any future product purchases.

Clients will incur brokerage and other transaction costs. Client who trade stocks and bonds at TD Ameritrade, will incur trading fees and commissions through TD Ameritrade. Koehler Financial Services, Inc. does not collect any of these fees.

Koehler Financial Services, Inc. does not accept fees in advance from clients.

Neither Koehler Financial Services, Inc. nor its supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. All of Randy P. Koehler's and Erica L. Momany's commissions are assigned to Koehler Financial Services, Inc. and/or Koehler Financial, LLC. Randy P. Koehler and Erica L. Momany receive a salary from Koehler Financial Services, Inc. Their activities with Koehler Financial Services, Inc. and its affiliate, Koehler Financial, LLC. contribute funds towards their salary.

Clients have the option to purchase investment products that Koehler Financial Services, Inc. recommends through other brokers or agents that are not affiliated with Koehler Financial Services, Inc.

Koehler Financial Services, Inc. receives revenue from advisory clients from commissions and other compensation for the sale of investment products through its affiliate, Koehler Financial, LLC. Koehler Financial Services, Inc. recommends to its clients, including asset-based distribution fees from the sale of mutual funds, variable annuities and unit investment trusts.

Koehler Financial Services, Inc., through its brokerage company, Koehler Financial, LLC., a Financial Industry Regulatory Authority member, receives commissions or markups as follows: Koehler Financial Services, Inc. will invest the client's funds primarily in no load mutual funds or mutual funds waiving any applicable sales load, or offset any quarter annual management fees with commissions received from mutual fund, variable annuity or unit investment trust providers. Koehler Financial, LLC. may receive additional commissions for first year start up fees for which a portion shall not be offset against management fees. These additional commissions may create a conflict of interest.

## **Item 6 Performance Based Fees & Side-By-Side Management**

Neither Koehler Financial Services, Inc. nor any of its supervised persons accepts performance-based fees.

Neither Koehler Financial Services, Inc. nor any of its supervised persons manage accounts that are charged a performance-based fee or accounts that are charged another type of fee (e.g., hourly or flat fee).

## Item 7 Types of Clients

Koehler Financial Services, Inc. services the following types of clients:

- Individuals
- Pension and profit sharing plans
- Trusts, estates, or charitable organizations
- Corporations or business entities

In order for a client to open an advisory account, Koehler Financial Services, Inc. requires the following:

- Completed risk tolerance questionnaire
- Fully disclose assets and liabilities
- Sign management agreement
- Sign limited power of attorney for trading and information purposes
- Customer must agree to give discretionary authority over their accounts

Koehler Financial Services, Inc. does not have a minimum account balance requirement to open or to maintain an account open, however clients must satisfy the minimum account requirements of their custodian to open or maintain an account open with Koehler Financial Services, Inc.

## Item 8 Methods of Analysis, Investment Strategies, & Risk of Loss

Koehler Financial Services, Inc. may use the following methods of analysis: charting, fundamentals, technical, cyclical, and disciplined investment strategies which are described above. Koehler Financial Services, Inc. uses a Disciplined Investment Strategy. Our method also takes the emotion out of building your portfolio. We use the same disciplined approach each year and the investment strategies remain the same; however the results (the stocks and bonds owned by the client) will be different. First, we review your account daily and make adjustments as needed. Then we re-allocate your assets on an annual basis according to our investment strategies. Finally, we apply tools that allowed us to exit the market during turbulent times, such as those we faced today and those we experienced in 2002 and 2008 which preserved our clients' assets.

Investing in securities involves risk of loss that clients should be prepared to bear.

The material risks involved and a detailed description for each of our five significant investment strategies or method of analysis used by Koehler Financial Services, Inc. is as follows:

<b>Koehler Financial Portfolios</b>	<b>Stocks</b>	<b>Bonds</b>	<b>Cash or Bonds</b>	<b>Investment Objective</b>	<b>Mirrored Index</b>
Ultra Conservative	0%	0%	100%	Total Preservation of Capital	Corporate Bond – General Average Intermediate-Term Bond Average

Conservative	63%	7%	30%	Conservative approach to the stock market with capital preservation	Balanced Average Large Value Average
Moderate	72%	8%	20%	A balanced approach to the stock market with capital preservation	Balanced Average Large Value Average
Strategic Wealth	80%	0%	20%	A growth and income approach to the stock market with capital preservation	Growth & Income Average Large Value Average
Total Return	100%	0%	0%	A growth and income approach to the stock market with more weight applied to growth than income	Growth & Income Average Large Value Average

Although customer's portfolios are managed to the chosen strategy, Koehler Financial Services, Inc. may change or adjust the portfolios based on current market and economic circumstances. Koehler Financial Services, Inc.'s primary investment strategy does not involve frequent trading.

### Material Risks of Investment Strategies

**Ultra Conservative:** A 100% bond portfolio is subject to interest rate risk, as interest rate effect bond prices inversely.

**Conservative:** This portfolio is subject to fluctuations in the market resulting from economic conditions, market trends, company performance, etc., though it is not subject to the same level of risk as the Moderate, Strategic Wealth, and Total Return portfolios.

**Moderate:** This portfolio will experience a higher level of risk than the Conservative portfolio, but less risk than the Strategic Wealth and Total Return portfolios, due to the higher percentage of stock investment. The factors producing fluctuation in the Conservative portfolio will also influence this portfolio.

**Strategic Wealth:** This portfolio, which has a 20% cash or bond position, is exposed to less risk than the Total Return portfolio, which invests 100% in stocks. 80% of the value of this portfolio will be influenced by the factors affecting the previously mentioned portfolios.

**Total Return:** This 100% stock portfolio carries 100% risk, unlike the other portfolios that are balanced by cash or bonds. The increase or decrease of your investment is directly related to the performance of the companies in whose stock you have invested.

## **Item 9      Disciplinary Information**

- A. Neither Koehler Financial Services, Inc. nor its management person(s) has ever been nor are they currently part of a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which they were convicted of, or pled guilty or nolo contendere (“no contest”) to any felony; a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion. Neither Koehler Financial Services, Inc. nor its management person(s) has ever been nor are they currently in a conspiracy to commit any of these offenses. Neither Koehler Financial Services, Inc. nor its management person(s) has ever been nor are they currently the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or in a conspiracy to commit any of these offenses. Neither Koehler Financial Services, Inc. nor its management person(s) has ever been nor are they currently involved in a violation of an investment-related statute or regulation. Neither Koehler Financial Services, Inc. nor its management person(s) has ever been nor are they currently the subjects of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, them from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
- B. Neither Koehler Financial Services, Inc. nor its management person(s) has ever been nor are they currently a part of any administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which they were found to have caused an investment-related business to lose its authorization to do business. Neither Koehler Financial Services, Inc. nor its management person(s) has ever been nor are they currently found to have been involved in a violation of an investment-related statute or regulation or the subject of an order by the agency or authority denying, suspending, or revoking the authorization of Koehler Financial Services, Inc. or its management person(s) to act in an investment-related business; barring or suspending its investment-related activities. Neither Koehler Financial Services, Inc. nor its management person(s) has had their investment related activities significantly limited. A civil money penalty has never been imposed on either Koehler Financial Services, Inc. or its management person(s).
- C. Neither Koehler Financial Services, Inc. nor its management person(s) has ever been nor are they currently a part of a self-regulatory organization (SRO) proceeding in which they were found to have caused an investment-related business to lose its authorization to do business; nor were they found to have been involved in a violation of the SRO’s rules that caused them to be barred or suspended from membership or from association with other members. Neither Koehler Financial Services, Inc. nor its management person(s) has ever been

expelled from membership, nor ever had their investment-related activities significantly limited, nor has Koehler Financial Services, Inc. or its management person(s) ever been imposed a fine.

## **Item 10 Other Financial Industry Activities & Affiliations**

Koehler Financial Services, Inc. is the parent company of Koehler Financial, LLC, a registered limited broker-dealer, offering only mutual funds, variable annuities, variable life, and unit investment trust. Randy P. Koehler and Erica L. Momany are the registered principals of Koehler Financial, LLC.

Neither Koehler Financial Services, Inc. nor its registered management person(s) is registered or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Material conflicts of interest created with clients as a result of Koehler Financial Services, Inc.'s relationship or arrangement with Koehler Financial, LLC. are described in item 12.

Randy P. Koehler is the Executive Director of the Institute of Financial Education. The Institute of Financial Education is an educational organization whose mission is to promote financial literacy. It is dedicated to providing financial education to individuals, companies and organizations. It provides these educational opportunities using experienced financial, tax and legal professionals who are highly respected in their fields. Randy P. Koehler fully discloses his relationships with the Institute of Financial Education, Koehler Financial Services, Inc. and Koehler Financial, LLC. Koehler Financial Services, Inc. occasionally provides the Institute of Financial Education with space to hold educational meetings. There is no material conflict of interest created with clients as a result of Koehler Financial Services, Inc.'s relationship or arrangement with the Institute of Financial Education.

Koehler Financial Services, Inc. operates a general agency life and property and casualty insurance business, which markets life and property and casualty insurance to clients as part of our financial planning process. Clients are not required to purchase life and property and casualty insurance as a condition of receiving advisory services from Koehler Financial Services, Inc. or visa versa. There is no material conflicts of interest created with clients as a result of Koehler Financial Services, Inc.'s relationship or arrangement with the insurance and financial planning business.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

The following is a brief description of Koehler Financial Services, Inc.'s code of ethics in accordance with SEC rule 204A-1 (the "Rule"). It requires every investment adviser registered or required to be registered under section 203 of the Investment Advisers Act of 1940 to establish, maintain and enforce a written code of ethics that, at a minimum, includes:

- A standard (or standards) of business conduct that Koehler Financial Services, Inc. requires of each supervised person, which standard must reflect Koehler Financial Services, Inc.'s fiduciary obligations and those of its supervised persons;
- Provisions requiring the supervised persons to comply with applicable federal securities laws;
- Provisions that require all "access persons" to report, and the firm to review, their personal securities transactions and holdings periodically as provided in the Rule;
- Provisions requiring supervised persons to report any violations of the code of ethics promptly to the chief compliance officer or, provided the chief compliance officer also receives reports of all violations, to other persons designated in the code of ethics; and
- Provisions requiring the firm to provide each supervised person with a copy of the code of ethics and any amendments, and requiring the supervised persons to provide the firm with a written acknowledgment of their receipt of the code and any amendments.

The Chief Compliance Officer is responsible for overseeing the code of ethics where applicable, providing any revisions and implementing its provisions. This oversight shall, at a minimum, include the following on a regular basis:

- Reviewing access persons' personal securities reports
- Assessing whether access persons are following required internal procedures
- Evaluating transactions to identify any prohibited practices
- Assessing relative performance of personal accounts vs. customer accounts.

Koehler Financial Services, Inc. will provide a copy of our code of ethics to any client or prospective client upon request.

Neither Koehler Financial Services, Inc. nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which Koehler Financial Services, Inc. or its related person has a material financial interest.

Koehler Financial Services, Inc. and its related persons invest in the same securities (or related securities) that its related persons recommend to clients. Koehler Financial Services, Inc. and its related persons follow the same account opening procedures as our clients. All trades are made at the same time eliminating any conflict of interest as described in the next paragraph.

Koehler Financial Services, Inc. and/or its related persons recommend securities to clients, or buy or sell securities for client accounts, at or about the same time that Koehler Financial Services, Inc. or its related persons buy or sell the same securities for its own account or the account of its related persons. Koehler Financial Services, Inc.'s procedure is to trade all clients' accounts at the same time, including any and all of its accounts and the accounts of its related persons. Accordingly our procedure eliminates any conflicts of interest.

## **Item 12 Brokerage Practices**

In the absence of client directed brokerage, Koehler Financial Services, Inc. will recommend that the client establish an account with TD Ameritrade, a FINRA registered broker dealer, and/or Koehler Financial, LLC. In recommending a broker, Koehler Financial Services, Inc. considers best execution for client transactions, including value of research provided, commission rate, execution capability. Koehler Financial Services, Inc. may recommend Koehler Financial, LLC based on its interest in receiving client referrals. Custody and clearing services for the account will be provided by National Investors Service Corporation, a division of TD Ameritrade or the issuing mutual fund, unit investment trusts, or variable annuity provider.

1. Research and Other Soft Dollar Benefits. Jackson National Life Insurance Company contributes funds to Koehler Financial, LLC. and/or Randy P. Koehler and/or Erica L. Momany for costs to publish our quarterly newsletter, mutual fund and variable annuity evaluation software, customer workshops and continuing education forums. This is fully disclosed in all publications and meetings. Every client benefits from these funds in the form of educational media. Being that Jackson National Life Insurance Company is a provider of products to our affiliated company, Koehler Financial, LLC., there may be a conflict of interest.

Koehler Financial Services, Inc. benefits from the use of clients' brokerage commissions to obtain research, or other products or services because it does not have to produce or pay for the research, or products or services, such as mutual fund and variable annuity evaluation software.

Koehler Financial Services, Inc. may have an incentive to select or recommend a broker-dealer for a particular client based on its interest in receiving the research or other products or services.

Koehler Financial, LLC. does not cause clients to pay commissions higher than those charged by other broker-dealers in return for soft dollar benefits.

2. Brokerage for client Referrals. Koehler Financial Services, Inc. does consider, in selecting or recommending broker-dealers, whether it or its related persons receives client referrals from a broker-dealer or third party.

Koehler Financial Services, Inc. may have an incentive to select or recommend Koehler Financial, LLC. based on Koehler Financial Services, Inc.'s interest in receiving Client referrals, rather than on the client's interest in receiving the most favorable execution.

3. Directed Brokerage. In the absence of a client directed brokerage, Koehler Financial Services, Inc. will recommend Koehler Financial, LLC. or TD Ameritrade. Koehler Financial, LLC. and Koehler Financial Services, Inc. have an economic relationship that may create a material conflict of interest which is disclosed in the following paragraph.

Koehler Financial, LLC. may be unable to achieve most favorable execution of clients transactions resulting in clients paying higher brokerage commissions because Koehler Financial Services, Inc. may be unable to aggregate orders to reduce transaction costs or clients may receive less favorable prices. Koehler Financial Services, Inc. has generally found no cost difference due to not aggregating orders. Koehler Financial Services, Inc. does aggregate orders when it has the opportunity to do so.

### **Item 13      Review of Accounts**

Koehler Financial Services, Inc. reviews client accounts daily and tactically makes profit taking adjustments as needed to the Disciplined Investment Strategies portfolios to take advantage of short-term cyclical movements. These changes do not affect the basic ratio of stocks to bonds, but they are designed to lock in gains or enhance returns.

Koehler Financial Services, Inc. re-allocates clients assets on an annual basis according to our disciplined investment formula, in essence re-creating the entire portfolio each year, but always in step with our disciplined investment formulas and your investment objectives. Reallocation may occur up to two times each calendar year at the discretion of Randy P. Koehler.

Randy P. Koehler conducts all account reviews. Major changes in the client's situation or needs may call for an update prior to the scheduled annual review. All areas in the portfolio that would be affected by the change are reviewed and updated.

The review consists of quarterly reporting and verifying customer balances against reports at the quarter end and year end reporting period.

### **Item 14      Client Referrals and Other Compensation**

Koehler Financial Services, Inc. does not receive any economic benefits (including sales awards and other prizes) from non-clients for providing investment advice to its clients.

Koehler Financial Services, Inc. does not directly or indirectly compensate any person who is not a Koehler Financial Services, Inc.'s supervised person for client referrals.

### **Item 15 Custody**

Koehler Financial Services, Inc. does not have physical custody of client's funds or securities. Qualified custodians have custody of client's funds and securities. The custodian sends quarterly, or more frequent, account statements. Therefore, all clients will receive account statements from the custodian and upon receipt should carefully review their statements. Koehler Financial Services, Inc. also sends account statements to the clients on a quarterly and annual basis and clients are urged to compare account statements received from the custodian and account statements provided by Koehler Financial Services, Inc.

### **Item 16 Investment Discretion**

Koehler Financial Services, Inc. accepts discretionary authority to manage securities accounts on behalf of clients. Koehler Financial Services, Inc. maintains a limited power of attorney for each discretionary account. This limited authority allows Koehler Financial Services, Inc. to determine the specific securities and the amount to be bought and sold but not to transfer any cash or securities out of the account. Selection of investments follows the general investment parameters selected for the client as well as any specific instructions from each client.

### **Item 17 Voting Client Securities**

Koehler Financial Services, Inc. does not accept and will not accept authority to vote client securities. The client is responsible for voting all proxies and consents of securities held in the Account(s). Neither Koehler Financial Services, Inc. nor Koehler Financial, LLC. has the authority to receive any shareholder or other proxy materials and they will not vote proxies or other consents with respect to any securities held in the client's account(s).

### **Item 18 Financial Information**

Koehler Financial Services, Inc. does not require or solicit prepayment in any amount from any client, and invoices are billed in arrears for all clients.

Koehler Financial Services, Inc. has never been nor is it currently subject to a bankruptcy petition.

# Part 2B of Form ADV: Brochure Supplement



Randy P. Koehler  
5764 James Drive  
Stevensville, MI 49127  
269-429-0650

Koehler Financial Services, Inc.  
5764 James Drive  
Stevensville, MI 49127  
269-429-0650

Dated: April 25, 2012

This Brochure Supplement provides information about Randy P. Koehler that supplements the Koehler Financial Services, Inc. Brochure. You should have received a copy of that Brochure. Please contact Randy P. Koehler, President at 269-429-0650 if you did not receive Koehler Financial Services, Inc.'s Brochure or if you have any questions about the contents of this supplement. Additional information about Randy P. Koehler is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Educational Background and Business Experience**

As President and founder of Koehler Financial Services, Inc. since 1985, Mr. Randy P. Koehler, age 56, brings over 26 years of experience in the investment field to Koehler Financial Services, Inc. He is a registered principal of Koehler Financial, LLC., a FINRA registered limited broker-dealer. He holds FINRA Series 6, 26, and 63 licenses. In addition, Mr. Koehler is a Certified Financial Planner (CFP), and he provides financial services as a regular part of client's initial and ongoing servicing interviews. Randy P. Koehler graduated from the College for Financial Planning in 1990. He earned his Bachelor of Science in Business Administration from the University of Denver Daniels Business College, Denver, Colorado, in 1991.

## **Item 3 Disciplinary Information**

This Brochure Supplement is available electronically.

- A. Randy P. Koehler has never been nor is he currently part of a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which he was convicted of, or pled guilty or nolo contendere ("no contest") to any felony; a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion. Randy P. Koehler has never been nor is he currently in a conspiracy to commit any of these offenses. Randy P. Koehler has never been nor is he currently the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses. Randy P. Koehler has never been nor is he currently involved in a violation of an investment-related statute or regulation. Randy P. Koehler has never been nor is he currently the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, him from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
- B. Randy P. Koehler has never been nor is he currently a part of any administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which he was found to have caused an investment-related business to lose its authorization to do business. Randy P. Koehler has never been nor is he currently found to have been involved in a violation of an investment-related statute or regulation nor was he the subject of an order by the agency or authority denying, suspending, or revoking the authorization of Randy P. Koehler to act in an investment-related business; barring, suspending or significantly limiting his investment-related activities. A civil money penalty has never been imposed on Randy P. Koehler.
- C. Randy P. Koehler has never been nor is he currently a part of a self-regulatory organization proceeding in which he was found to have caused an investment-related business to lose its authorization to do business; nor was he found to have been involved in a violation of the self-regulatory organization rules that

caused him to be barred or suspended from membership or from association with other members. Randy P. Koehler has never been expelled from membership, nor ever had his investment-related activities significantly limited, nor has Randy P. Koehler ever been imposed a fine.

- D. Randy P. Koehler has never been nor is he currently part of any other proceeding in which his professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct.

#### **Item 4 Other Business Activities**

- A. Randy P. Koehler is actively engaged in an investment-related business, as he is a registered principal of Koehler Financial, LLC. As a limited broker-dealer, Koehler Financial, LLC. may only offer mutual funds, variable annuities, variable life, and unit investment trusts.

Randy P. Koehler does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

There may be material conflicts of interest created with clients as a result of Randy P. Koehler's relationship or arrangement with Koehler Financial, LLC. which are disclosed in Item 12 of ADV Part 2A.

Randy P. Koehler does not recommend or select other investment advisers for his clients. Therefore, there is no material conflict of interest regarding compensation received.

Randy P. Koehler is the Executive Director of the Institute of Financial Education. The Institute of Financial Education is an educational organization whose mission is to promote financial literacy. It is dedicated to providing financial education to individuals, companies and organizations. It provides these educational opportunities using experienced financial, tax and legal professionals who are highly respected in their fields. Randy P. Koehler fully discloses his relationships with the Institute of Financial Education, Koehler Financial Services, Inc. and Koehler Financial, LLC. Koehler Financial Services, Inc. occasionally provides the Institute of Financial Education with space to hold educational meetings. There is no material conflict of interest created with clients as a result of Koehler Financial Services, Inc.'s relationship or arrangement with The Institute of Financial Education.

Randy P. Koehler does not receive commission, bonuses or other compensation from the sale of securities or other investment products, including as an associated person of Koehler Financial Services, LLC. or registered investment adviser representative of Koehler Financial Services, Inc. Randy P. Koehler does not receive distribution or services ("trail") fees from the sale of mutual funds. All of Randy P. Koehler's commissions are assigned to Koehler Financial Services, Inc. and/or Koehler Financial, LLC. Randy P. Koehler receives a salary from

Koehler Financial Services, Inc. His activities with Koehler Financial Services, Inc. and its affiliate, Koehler Financial, LLC. contribute funds towards his salary.

- B. Randy P. Koehler is not actively engaged in any business or occupation for compensation not discussed in response to Item 4(a).

There is no other business activity or activities that provide a substantial source of Randy P. Koehler's income or involves a substantial amount of his time.

## **Item 5 Additional Compensation**

Randy P. Koehler does not receive any economic benefits (including sales awards or other prizes, bonus that is based, at least in part, on the number or amount of sales, client referrals or new accounts. This does not include regular salary or regular bonuses) from non-clients for providing investment advice to his clients.

Koehler Financial Services, Inc., Randy P. Koehler, through its brokerage company, Koehler Financial, LLC., a Financial Industry Regulatory Authority member, receives commissions or markups as follows: Koehler Financial Services, Inc. will invest the client's funds primarily in no load mutual funds or mutual funds waiving any applicable sales load, or offset any quarter annual management fees with commissions received from mutual fund, variable annuity or unit investment trust providers. Koehler Financial, LLC. may receive additional commissions for first year start up fees for which a portion shall not be offset against management fees. These additional commissions may create a conflict of interest.

Koehler Financial Services, Inc. receives revenue from advisory clients from commissions and other compensation for the sale of investment products through its affiliate, Koehler Financial, LLC. Koehler Financial Services, Inc. recommends to its clients, including asset-based distribution fees from the sale of mutual funds, variable annuities and unit investment trusts.

## **Item 6 Supervision**

Randy P. Koehler is both the investment adviser representative and the supervised person of Koehler Financial Services, Inc. Therefore he follows all laws, regulations and best practices.

The person in charge of supervising Randy P. Koehler's advisory activities on behalf of Koehler Financial Services, Inc. is Randy P. Koehler, President. His phone number is 269-429-0650.

## **Item 7 Requirements for State-registered Advisers**

- A. Randy P. Koehler has never been involved in any of the following:
1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500 involving any of the following:
    - (a) an investment or an investment-related business or activity;

- (b) fraud, false statement(s), or other wrongful taking of property;
  - (c) bribery, forgery, counterfeiting, or extortion; or
  - (d) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
- (a) an investment or in an investment-related business or activity
  - (b) fraud, false statement(s), or omissions
  - (c) theft, embezzlement, or other wrongful taking of property
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.

B. Randy P. Koehler has never been the subject of a bankruptcy petition.

# Part 2B of Form ADV: Brochure Supplement



Erica L. Momany  
5764 James Drive  
Stevensville, MI 49127  
269-429-0650

Koehler Financial Services, Inc.  
5764 James Drive  
Stevensville, MI 49127  
269-429-0650

Dated: April 25, 2012

This Brochure Supplement provides information about Erica L. Momany that supplements the Koehler Financial Services, Inc. Brochure. You should have received a copy of that Brochure. Please contact Randy P. Koehler, President at 269-429-0650 if you did not receive Koehler Financial Services, Inc.'s Brochure or if you have any questions about the contents of this supplement. Additional information about Erica L. Momany is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Educational Background and Business Experience**

As Secretary of Koehler Financial Services, Inc., Mrs. Erica L. Momany, age 34, brings over 16 years of experience in the investment field to Koehler Financial Services, Inc. She is a registered securities principal of Koehler Financial, LLC, a FINRA limited registered broker dealer. Erica is also an associated person of Koehler Financial Services, Inc., a SEC investment adviser. Mrs. Momany holds FINRA Series 6, 26, 63, and 65 licenses. Erica graduated from Siena Heights University with a Bachelor of Business Administration on May 7, 2000. Erica provides financial planning services as a regular part of client's initial and ongoing servicing interviews.

## **Item 3 Disciplinary Information**

This Brochure Supplement is available electronically.

- A. Erica L. Momany has never been nor is she currently part of a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which she was convicted of, or pled guilty or nolo contendere ("no contest") to any felony; a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion. Erica L. Momany has never been nor is she currently in a conspiracy to commit any of these offenses. Erica L. Momany has never been nor is she currently the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or in a conspiracy to commit any of these offenses. Erica L. Momany has never been nor is she currently involved in a violation of an investment-related statute or regulation. Erica L. Momany has never been nor is she currently the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, her from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.
- B. Erica L. Momany has never been nor is she currently a part of any administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which she was found to have caused an investment-related business to lose its authorization to do business. Erica L. Momany has never been nor is she currently found to have been involved in a violation of an investment-related statute or regulation nor was she the subject of an order by the agency or authority denying, suspending, or revoking the authorization of Erica L. Momany to act in an investment-related business; barring, suspending or significantly limiting her investment-related activities. A civil money penalty has never been imposed on Erica L. Momany.

- C. Erica L. Momany has never been nor is she currently a part of a self-regulatory organization (SRO) proceeding in which she was found to have caused an investment-related business to lose its authorization to do business; nor was she found to have been involved in a violation of the SRO's rules that caused her to be barred or suspended from membership or from association with other members. Erica L. Momany has never been expelled from membership, nor ever had her investment-related activities significantly limited, nor has Erica L. Momany ever been imposed a fine.
- D. Erica L. Momany has never been nor is she currently part of any other proceeding in which her professional attainment, designation, or license was revoked or suspended because of a violation of rules relating to professional conduct.

#### **Item 4      Other Business Activities**

- A. Erica L. Momany is actively engaged in an investment-related business, as she is a registered principal of Koehler Financial, LLC. As a limited broker-dealer, Koehler Financial Services, LLC. may only offer mutual funds, variable annuities, variable life, and unit investment trusts.

Erica L. Momany does not have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

There may be material conflicts of interest created with clients as a result of Erica L. Momany's relationship or arrangement with Koehler Financial, LLC. which are disclosed in Item 12 of ADV Part 2A.

Erica L. Momany does not recommend or select other investment advisers for her clients. Therefore, there is no material conflict of interest regarding compensation received.

Erica L. Momany is an Independent Fashion Consultant for Vault Denim. Vault Denim is a direct sales company that sells jeans found in department stores in the comfort of your home. Vault Denim is a non investment related company. There is no material conflict of interest created with clients or Koehler Financial Services, Inc. as a result of Erica L. Momany's employment with Vault Denim.

Erica L. Momany does not receive commission, bonuses or other compensation from the sale of securities or other investment products, including as associated person of Koehler Financial Services, LLC or as registered investment adviser representative of Koehler Financial Services, Inc. Erica L. Momany does not receive distribution or services ("trail") fees from the sale of mutual funds. All of Erica L. Momany's commissions are assigned to Koehler Financial Services, Inc.

and/or Koehler Financial, LLC. Erica L. Momany receives a salary from Koehler Financial Services, Inc. Her activities with Koehler Financial Services, Inc. and its affiliate, Koehler Financial, LLC. contribute funds towards her salary.

B. Erica L. Momany is not actively engaged in any business or occupation for compensation not discussed in response to Item 4(a).

There is no other business activity or activities that provide a substantial source of Erica L. Momany's income or involves a substantial amount of her time.

## **Item 5 Additional Compensation**

Erica L. Momany does not receive any economic benefits (including sales awards or other prizes, bonus that is based, at least in part, on the number or amount of sales, client referrals or new accounts. This does not include regular salary or regular bonuses) from non-clients for providing investment advice to her clients.

Koehler Financial Services, Inc., Erica L. Momany, through its brokerage company, Koehler Financial, LLC., a Financial Industry Regulatory Authority member, receives commissions or markups as follows: Koehler Financial Services, Inc. will invest the client's funds primarily in no load mutual funds or mutual funds waiving any applicable sales load, or offset any quarter annual management fees with commissions received from mutual fund, variable annuity or unit investment trust providers. Koehler Financial, LLC. may receive additional commissions for first year start up fees for which a portion shall not be offset against management fees. These additional commissions may create a conflict of interest.

Koehler Financial Services, Inc. receives revenue from advisory clients from commissions and other compensation for the sale of investment products through its affiliate, Koehler Financial, LLC. Koehler Financial Services, Inc. recommends to its clients, including asset-based distribution fees from the sale of mutual funds, variable annuities and unit investment trusts.

## **Item 6 Supervision**

Erica L. Momany is an investment adviser representative and reviews all Randy P. Koehler's, her supervisor's work.

The person in charge of supervising Erica L. Momany's advisory activities on behalf of Koehler Financial Services, Inc. is Randy P. Koehler, President. His phone number is 269-429-0650.

## **Item 7 Requirements for State-registered Advisers**

- A. Erica L. Momany has never been involved in any of the following:
1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500 involving any of the following:
    - (a) an investment or an investment-related business or activity;
    - (b) fraud, false statement(s), or other wrongful taking of property;
    - (c) bribery, forgery, counterfeiting, or extortion; or
    - (d) dishonest, unfair, or unethical practices.
  2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
    - (a) an investment or in an investment-related business or activity
    - (b) fraud, false statement(s), or omissions
    - (c) theft, embezzlement, or other wrongful taking of property
    - (d) bribery, forgery, counterfeiting, or extortion; or
    - (e) dishonest, unfair, or unethical practices.
- B. Erica L. Momany has never been the subject of a bankruptcy petition.