



W.J. Schade

FINANCIAL SERVICES

9690 Old Olympic Hwy
Sequim, WA 98382
(360) 681-8514
www.wjsfs.com

Disclosure Brochure

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1. Advisory Services and Fees

A. Advisory Services and Fees

W.J. Schade Financial Services, LLC provides the following types of services. Investment supervisory services represent approximately 50% of the adviser's business. Investment consultations, not provided as part of investment supervisory service, represent approximately 50% of the adviser's business.

B. Adviser refers to its offered services as financial planning service.

C. Adviser provides investment advisory services for the following fee arrangements; a percentage of assets under management and/or hourly charges.

D. Please See the Additional Disclosure Pages, item 1-D for complete description of services provided and fee schedule.

2. Types of Clients

A. Adviser generally provides investment advice to individuals as well as trusts, estates, or charitable organizations.

3. Types of Investments

W.J. Schade Financial Services, LLC offers investment advice on the following:

A. Equity Securities

- a. Exchange-listed securities
- b. Securities traded over-the-counter
- c. foreign Securities

B. Corporate debt securities(other than commercial paper)

C. Certificates of Deposit

D. Municipal Securities

E. United States Government Securities

F. Options contracts on securities



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

- A. W.J. Schade Financial Services, LLC uses the following techniques to analyze potential investments.
- a. Charting
 - b. Fundamental Analysis
 - c. Technical Analysis
- B. W.J. Schade Financial Services, LLC primarily uses the following sources of information.
- a. Financial newspapers and magazines
 - b. Research materials prepared by others
 - c. Annual reports, prospectuses, filings with the Securities and Exchange Commissions
 - d. Company Press Releases
- C. W.J. Schade Financial Services, LLC uses the following investment strategies to implement any investment advice given to clients.
- a. Long-Term Purchases (securities held at least one year)
 - b. Short-term Purchases (securities sold within a year)
 - c. Margin Transactions
 - d. Option Writing, including covered call options, uncovered options, or spreading strategies

5. Education and Business Standards

- A. W.J. Schade Financial Services, LLC has no formal standard regarding the education or experience level of those providing investment advice. Please see item 6 for a full account of advisor representative education and experience.

6. Education and Business Background

A. William J. Schade D.O.B.- 6-25-1977

Bachelor's Degree in English Literature
Washington State University, 2000

Master's Degree in Business Administration
Washington State University, 2002

Certificate in Financial Planning
Kaplan College, 2005

This is William's first finance related business since completing his education. Previous work experience consists of non-business related work.



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7. Other Business Activities: W.J. Schade Financial Services, LLC, nor William J. Schade, financial advisor representative, is engaged in any other business activity. W.J. Schade Financial Services, LLC does not sell products or services other than investment advice to clients.

8. Other Financial Industry Activities or Affiliations.

- A. W.J. Schade Financial Services, LLC is not registered, or applying to become registered, as a securities broker-dealer.
- B. W.J. Schade Financial Services, LLC is not registered, or applying to become registered, as a futures commission merchant, commodity pool operator, or commodity trading adviser.
- C. W.J. Schade Financial Services, LLC has no arrangements material to its advisory business with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser, or futures commission merchant, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer or any entity that creates or packages limited partnerships.
- D. W.J. Schade Financial Services, LLC, or any related person, is not a general partner in any partnership in which clients are solicited to invest.

9. Participation or Interest in Client Transactions

W.J. Schade Financial Services, LLC, often makes the same transactions for its own account as it recommends for clients. In all cases, the advisor makes the same transaction, and does not buy or sell in a manner contrary to the transactions recommended to and completed for clients. All advisor transactions are made after client transactions are completed to avoid front running. In all cases, client recommendations/transactions are made with no regard to the advisor's position in any security, and are based solely on the benefit to the client. Any related person to the advisor must sign an employee transaction disclaimer stating that they will abide by these policies, or have their investments handled entirely by a third party investment advisor.

W.J. Schade Financial Services, LLC has adopted the code of ethics as stated by the International Association of Registered Financial Consultants. A copy of this code is available to clients on request as well as at the IARFC website: www.iarfc.org/content_sub.asp?n=2

10. Conditions for Managing Accounts

- A. W.J. Schade Financial Services, LLC imposes the following conditions for providing investment supervisory services. These conditions pertain to the potential client's minimum dollar value of assets as well as other factors. See Additional Disclosure Pages, item 10, for a complete description of these conditions.



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11. Review of Accounts.

A. All securities invested for all clients are reviewed on a daily basis and any unusual price fluctuations or news announcement can trigger a more extensive review as to the continued suitability of a particular security for an individual client. In addition, client accounts for which a covered call writing strategy is implemented are completely reviewed before previous options expire and new contracts are sold. This is usually done on a monthly basis, but can, in some circumstances, occur on a quarterly basis. All accounts are reviewed completely on a quarterly basis. All reviews are done to ensure that the investment objectives determined and agreed upon in the client contract continue to be upheld. William J. Schade, business owner, completes all reviews. Additional reviews may be made at client's request.

B. Hard-copy reports, including all securities currently held in their account, the total value of their account, as well as a brief overview of major events of the most recent quarter are issued at least on a quarterly basis to all clients. Those clients with Internet access may access daily and monthly statements directly from the intermediary broker as soon as they become available. Clients may make arrangements to receive reports on a more frequent basis, and may to request a current report or meeting at any time.

12. Investment or Brokerage Discretion

A. W.J. Schade Financial Services, LLC has the authority to determine, without obtaining specific client consent, the securities to be bought and sold, the amount of securities to be bought or sold, and the commission rate to be paid.

B. W.J. Schade Financial Services, LLC recommends the use of, and facilitates the opening of accounts with, Interactive Brokers, LLC. On occasion, W.J. Schade Financial Services, LLC may recommend other brokerage firms depending on client needs and circumstances.

C. Please see Disclosure Item 12 for complete description of the use of, and limitations to, the adviser's use of discretion.

13. Additional Compensation

A. W.J. Schade Financial Services, LLC has no arrangement, oral or in writing, where it 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.

B. W.J. Schade Financial Services, LLC does not directly or indirectly compensate any person for client referrals.



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Additional Disclosure Pages

1-D Description of Investment Services and Fee Schedule

W.J. Schade Financial Services, LLC, provides investment advice on an hourly basis regarding general financial planning topics. These services are billed at \$150 per hour, and payment is due when services are rendered. This fee is non-negotiable.

W.J. Schade Financial Services, LLC manages client accounts on a discretionary basis. Upon opening an account with the Advisor, the client and Advisor shall work together to create a formal investment policy statement that will be signed by both parties. This statement, at a minimum, shall include the types of investment that may be made in the account and the approximate allocations of these investments. In addition, this statement shall include guidelines as to the use of margin, short sales, option contracts, performance reviews, fee structure, as well as any other parameters deemed necessary.

Advisor invests primarily based upon fundamental analysis using one of two strategies. First, a portfolio of exchange traded funds/mutual funds and/or individual stocks are purchased to meet an agreed upon investment objective. This type of portfolio is monitored daily and updated quarterly, or when deemed prudent due to market conditions. The second strategy involves the use of covered call, which is the strategy of purchasing a security and then selling a call option on the same security, which obligates the client to sell the security at a specified price should the contract purchaser execute the contract. This strategy generates current income and shields the investor from price fluctuations to a small degree but does limit the upside potential that may be realized. This strategy is conducted over a diversified portfolio of stocks, usually between ten and twenty in number. In some situations, put options(which grant the buyer the right to sell a security at a specified price) are purchased in order to shield investments from excessive loss in value. In all cases, put and call options, which can be extremely risky, are used as part of a hedging strategy, not as speculative tools. Advisor may use these instruments for speculation in client accounts only for qualified investors who demonstrate complete understanding of, and ability to deal with, the extreme volatility and potential loss that is inherent when investing in such a manner.

Purchasing securities on margin, or funds borrowed from the brokerage firm, is not the general practice of the Advisor. However, margin may be used to a small degree either to facilitate the purchase of 100 share lots of stock that are required for covered call writing or as to allow clients to withdraw funds at any time without forcing an ill timed stock sale. Margin is limited to 10% for most accounts, although it is uncommon to use any margin for an extended period. Any time margin is used, the brokerage firm charges an additional fee for providing the service. They charge a fee based on Federal Funds Effective Rate plus between .25% and 1.5% depending on the amount borrowed. Any use of margin exposes the investor to increased risk, and the potential to lose more than the amount invested. Fees shall be expressed in a per year basis and applied quarterly, after the end of market hours on the last day of each quarter, to the market value of the account, referred to as "Net liquidation Value" by Interactive Brokers,



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LLC. Advisor shall provide the client with a copy of the invoice as sent to the custodian. In the event that the client withdraws fund from the account during the quarter, the advisor may bill for the management of these funds, provided that this is clearly delineated on the client invoice. In such circumstances, the advisor shall charge a prorated fee based on the number of full weeks that the withdrawn sum had been managed. Unless otherwise set forth, quarter ends shall be the last day the financial markets are open in March, June, September, and December. These fees shall be deducted directly from the client account by Interactive Brokers, LLC. There is no pre-payment requirement, but an annual minimum of \$250 in aggregate fees, including both financial planning and asset management, is imposed. In the event of contract termination or nonperformance, the client shall be billed only for those days that the account was managed.

The basic fee schedule is as follows:

For accounts that include investment strategies such as covered call writing, a progressive fee schedule is used so that the first \$1 million of client funds are billed at 1.5% per year, the next \$4 million are billed at .875% per year, and any additional funds are billed at .5% per year.

Accounts that consist primarily of exchange traded funds and are re-allocated quarterly use a progressive fee schedule where the first \$1 million of client funds is billed at 1% per year, the next \$4 million is billed at a rate of .5% per year, and any additional funds are billed at .25% per year.

By special arrangement, those clients transferring accounts from other advisors or brokers may elect to continue with their previous fee schedule. This is done by special arrangement only, and the fee arrangement is agreed upon in writing. By nature, this fee is negotiable.

Accounts consisting of various investments will be billed at one aggregate rate agreed upon by both client and advisor, and are, therefore, somewhat negotiable. All fees are subject to the written agreement of both parties.



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Balance Sheet

As of December 31, 2009

ASSETS

Current Assets

Checking/Savings

First Federal Savings & Loan 125.69

Total Checking/Savings 125.69

Investment Accounts

Interactive Brokers Master
Account 249.92

Interactive Brokers Trading
Account 22159.08

Total Current Assets 22534.69

Fixed Assets

Office Equipment & Furniture 5194.67

Total Fixed Assets 5194.67

TOTAL ASSETS 27729.36

LIABILITIES & EQUITY

Equity

Owner's Capital 27729.36

Total Equity 27729.36

TOTAL LIABILITIES & EQUITY 27729.36



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W.J. Financial Services, LLC Disclosure Brochure

Brochure Acknowledgment

Name of Adviser: W.J. Schade Financial Services, LLC
Address: 9690 Old Olympic Hwy. Sequim, WA 98382
Telephone: (360) 681-8514

Account number: _____

Account Name: _____

I, the undersigned, certify that I have received a complete Form ADV Part II Brochure at least forty eight hours before entering into any contract with W.J. Schade Financial Services, LLC. I understand that if I did not receive this document at least forty eight hours in advance of contract signing that my account will be suspended for five business days, and that I may, at any time during this five day period, withdraw from the contract without penalty.

Signature: _____

Date: _____

Signature: _____

Date: _____