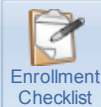




 Click to launch the portfolio manager

MarketAlly Control Panel

 Stock Charts


Enrollment Checklist



MarketAlly Overview



MarketAlly Benefits



MarketAlly Features



Investment Products



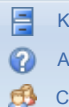
MarketAlly Pricing



Public Blogs



Market News



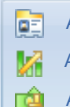
Knowledge Base



Ask Question



Community Chat



Account Settings



Account Summary



Account Billing



Logout



My Profile



My News

About the Service

Research & Support

Account Options


ADV Form Part II & Schedule F

 Select a managed symbol 

My Checklist

ADV Form Part II & Schedule F

My Personal Risk Profile

 Document was approved on 8/27/2010 3:14:54 PM

ADV Form Pt II & Schedule F


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Schedule F

MarketAlly LLC (the Advisor) offers investment advisory services to clients that utilize an automated trading system based on algorithms. The Advisor's services and compensation arrangements are described in the following pages. Fees for advisory services will be disclosed to clients prior to any services being provided. At no time will the Advisor require payment of more than \$500 in fees more than six months in advance. In addition, advisory fees charged will never be based on the capital gains or capital appreciation of any client's account. This Schedule F narrative also provides prospective clients with information regarding the Advisor and the qualifications, business practices and nature of advisory services that should be considered before becoming an advisory client of the Advisor.

Additional information about the Advisor is available at www.adviserinfo.sec.gov. This site can be searched by using the Advisor's name or by an identification number known as a CRD number. The Advisor's CRD number is 154155.

ADVISORY SERVICES

The Advisor has developed a proprietary trading system based on algorithms that help sort through large and complex data sets, identify market ups and downs and execute trades as indicated. The Advisor's licensed investment advisor representatives (representatives) will create sector portfolios (i.e., oil, gold, customer services, etc.) geared toward slow growth and/or rapid growth. The portfolio holdings will generally be ETFs, but can include both funds and equity securities. Portfolios are monitored by the representatives but will not be rebalanced or reallocated (except between the client's portfolios whereby the assets held, according to percentages assigned to each portfolio, rebalance after each trade). If representatives feel that changes are required to a portfolio's holdings, a new portfolio will be created. (For example, if representatives determine that ETF B should be substituted for ETF A as a holding in the oil portfolio, a new oil portfolio #2 will be created with ETF B as an asset. Oil portfolio #1 will continue with ETF A as an asset.) The proprietary trading system considers a variety of factors to determine the timing of buy/sell transactions in the portfolio holdings and automatically triggers a trade in the account when specified conditions are met.

Timing Services

Clients who wish to only receive entry and exit notifications only but manage their own account manually will be offered a timing service. The representatives will assist clients in completing questionnaires in the trading system to help determine risk tolerance and allocations but sole control of executions will be the responsibility of the Client. Advisor will not provide management services for the Client or have access to Client's funds or securities. The Advisor's service does not require a minimum account size nor does it guarantee any level of returns, as past performance is not indicative of future performance. Timing service pricing and packages will vary based on length of term and sector combinations.

Automated Trading Services

Clients can elect to "mirror" or "parallel" any or all of the portfolios developed by the Advisor and its representatives. If they do so, they will be required to have an account at TD Ameritrade; the Advisor's representatives will assist clients in establishing new accounts if needed. Clients are required to have at least \$4,000 in a TD Ameritrade account to utilize the Advisor's services. Clients can bundle household accounts to reach the \$4,000 minimum, although this will occur through TD Ameritrade rather than the Advisor's system so there is only one client login. TD Ameritrade will serve as the broker/dealer and qualified custodian for all client funds and securities. Neither the Advisor nor its representatives will act as custodian for any client account or have access to the client's funds or securities.

To utilize the Advisor's services, clients "lease" the proprietary software on a monthly basis. They can either receive a copy of the software program to load onto their personal computers or can run the program from the Advisor's server. In either event, only clients will have access to their account by entering their TD Ameritrade password and only clients will have the ability to make transactions in their accounts even if those transactions are triggered by the proprietary software program being used. The Advisor and its representatives do not provide management services for client accounts and do not have trading authority over the accounts.

Initially, the representatives will assist clients in completing questionnaires in the trading system to help determine risk tolerance and allocations. Clients elect the sector portfolios they want to follow and also the percentage of account funds they want to allocate to the selected portfolios. Clients can specify the maximum amount they want allocated to the portfolios or adjust the percentages in the portfolios to reflect that allocation. (For example, a client has \$50,000 in his TD Ameritrade account and invests \$25,000 with Advisor, electing to put 70% in oil portfolio #1 and 30% in gold portfolio #1.) While clients can customize the portfolios selected for their account, they cannot customize the holdings in those portfolios. Through the software program, clients can view the holdings in each portfolio before they decide whether to follow that portfolio. Clients can also customize the market and order notices they receive through the automated system (i.e., notification of transactions as they occur or as a month-end summary). Once client accounts are established, the representatives are available to meet with clients directly or by telephone to discuss portfolio holdings, accounts or other client concerns. Clients can also re-allocate their accounts monthly although the Advisor does not recommend this.

The Advisor charges both fixed and percentage fees for its services. There is a one-time \$50 activation fee for setting up an account and providing training to the client on using the automated software program. If clients lease a portion of the Advisor's server to run the software application, there is a \$40-\$50 monthly fee. There is also a monthly fee based on the account amount that the client has allocated to follow the Advisor's portfolios:

Amount Managed	Rate	Example
less than \$10K w/o rental	flat: \$30	you host the client
less than \$10K w/ rental	flat: \$50	we host the client
\$10K to \$25K	1/4 of 1%	\$10K = \$25 monthly fee
\$25K < \$100K	1/6 of 1%	\$80K = \$132 monthly fee
greater \$100K	1/8 of 1%	\$150K = \$187.5 monthly fee

All fees are charged in advance. Percentage fees are based on the account balance as of the beginning of the month. Because services run on an anniversary basis and not a calendar basis (i.e., June 12 to July 12), advisory fees are not prorated. Clients who have bundled household accounts through TD Ameritrade will have only one anniversary date.

Clients must agree to receive, and the Advisor will send, an online bill each month on the first day of the billing cycle selected by the client (e.g., the 1st, the 15th, the 20th, etc.). Clients will be required to pay the fee each month by entering their credit card information through their online account. Credit card information will be encrypted for the clients' protection and will not be stored by Advisor. Fees are payable within 5 days of receipt of the monthly billing statement from Advisor. If fees are paid after the 5 days, clients will be able to continue accessing their account but the automated trading system will be unavailable. There is no late payment penalty charged and once fees are paid, the automated trading system will be immediately reinstated. Clients will receive a statement at least monthly from the credit card issuer that will include Advisor's charges. Clients will also be able to access an order history online to review past charges.

In addition to the advisory fees charged by the Advisor, clients may incur brokerage commissions and/or transaction fees charged by the account custodian. These commissions and fees will be billed directly to the client and the Advisor will not receive any portion of such fees. In addition, clients may incur charges imposed by third parties other than the Advisor in connection with investments made through the account including, but not limited to, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges and IRA and qualified retirement plan fees. A description of these fees and expenses are available in each investment company security's prospectus.

Advisory services continue on a month-to-month anniversary basis unless terminated. Either party may terminate the agreement for services at any time by providing notice to the other party. Clients can provide notice to the Advisor through the software application. The Advisor will provide notice to clients by specific written or electronic communication. If clients terminate services, termination will be effective immediately. If the Advisor terminates services, termination will be effective 15 days from the date of notice or at the end of the current anniversary month, whichever occurs first. Once termination is effective, access to the Advisor's system via client login is also terminated. If services are terminated within five business days of signing the client agreement, a full refund of all percentage fees will be given to client. After that, there will be no refund of percentage fees charged. The Advisor will not refund the one-time activation fee or the monthly fee for leasing a portion of the Advisor's server.

Block Trading

Each client's allocated portfolio is unique and both Advisor and the account custodian consider each client transaction to be made separately. However, use of the Advisor's automated trading program could result in purchases or sales being made for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading. Clients should understand that while Advisor's automated system may trigger several purchase transactions at the same time, the use of limit orders should dictate that trading prices are equal. In addition, client accounts may be customized through the use of order limits or sell stops that will "override" Advisor's automated system. This could result in orders not being filled due to price movements and requiring account adjustment to wait for the next automated trigger.

The Advisor does not receive any additional compensation or remuneration as a result of the automated trading software program "blocking" trades.

Newsletters

The Advisor provides periodic (usually weekly) newsletters for each sector portfolio that include discussion of recent market action and factors impacting the portfolio. These are sent to each client holding the portfolio. The Advisor also provides general bi-monthly newsletters to all clients outlining new features in progress or being considered. All newsletters are free of charge and are general, educational and informational in nature. They do not provide any specific client advice or recommendations.

Education and Business Background

David H. Friedel, Jr., Born 1972

Education Background:

Arizona State University: BS, Interactive Computer Graphics 1995

Howard County Community College: AA, Computer Aided Design 1993

Business Background & Other Business Activity:

MarketAlly LLC: Member, 4/10 - present; Investment Advisor Representative, 7/10-present

LOGIKonline, Inc.: Owner/Chief Executive Officer, 2/03-present

Electronic Financing, Inc.: Chief Executive Officer, 5/99-3/04

Microchip Technology: Manager-Internet Development, 8/97-2/03

Mr. Friedel spends the majority of his workweek on advisory matters, with a small amount of time (outside securities trading hours) spent on his duties with LOGIKonline.

Courtney S. Friedel, Born 1980

Education Background:

Southwest Oregon Community College 1998-1999

Business Background & Other Business Activity:

MarketAlly LLC: Member, 4/10 - present; Operations Manager, 4/10-present; Chief Compliance Officer, 7/10-present

IndyMac Bank: Regional Manager, 7/04-5/09

Ms. Friedel does not provide advisory services to clients. The majority of her time is spent on her duties as the Operations Manager and Chief Compliance Officer of the Advisor.

Participation or Interest in Client Transactions

The Advisor and its representatives buy or sell securities for their own accounts investment products that are recommended to clients. They also recommend the purchase or sale of different securities for different clients at different times. Client customization of portfolios could result in those portfolios having different buy/sell times triggered than the Advisor and its representatives have in their personal accounts.

Advisor is now and will continue to be in compliance with *The Insider Trading and Securities Fraud Enforcement Act of 1988*. To prevent conflicts of interest, the Advisor developed written supervisory procedures that include personal investment and trading policies for its representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts
- Associated persons cannot buy or sell securities for their personal accounts when those decision are based on information obtained as a result of their employment, unless that information is also available to the investment public upon reasonable inquiry
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider"
- Associated persons are discouraged from frequent personal trading except as triggered by the Advisor's automated trading system
- Associated persons are generally prohibited from serving as board members of publicly-traded companies unless an exception has been granted by the Advisor's Chief Compliance Officer.

Any associated persons not observing the Advisor's policies is subject to sanctions up to and including termination.

Code of Ethics

Section 204A-1 of the *Investment Advisers Act of 1940* requires all investment advisors to establish, maintain and enforce a Code of Ethics. The Advisor has established a Code of Ethics. An investment advisor is considered a fiduciary according to the *Investment Advisers Act of 1940*. As a fiduciary, it is an investment advisor's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of its clients at all times. The Advisor has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for the Advisor's Code of Ethics, which also covers its insider trading and personal securities transactions policies and procedures. The Advisor will conduct business with the highest level of ethical standards and comply with all federal and state securities laws at all times. Upon employment or affiliation and when changes occur, all supervised persons will sign an acknowledgment that they have read, understand and agree to comply with the Advisor's Code of Ethics. The Advisor has the responsibility to make sure that the interests of all clients are placed ahead of its own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. The Advisor must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect its duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of the Advisor's Code of Ethics. However, if a client or a prospective client wishes to review the Advisor's Code of Ethics in its entirety, a copy will be provided promptly upon request.

Conditions for Managing Accounts

There is a minimum account size of \$4,000 required in order for clients to utilize the Advisor's services.

Review of Accounts

David H. Friedel, Jr. reviews each of the core portfolios at least monthly. Although he does not review each client's specific accounts, he does monitor account trades to verify the automated system made the appropriate transactions in a timely manner. Although client accounts are not specifically reviewed on a regular basis, the Advisor's representatives are available at a client's convenience to discuss their account or situation.

While the calendar is the main triggering factor for Mr. Friedel to review the Advisor's model portfolios, reviews may also be performed due to unusual market activity or economic conditions. The portfolios are reviewed for continued suitability of the holdings and to ensure they continue to work toward each portfolio's goals and objectives.

Clients will receive statements at least quarterly from TD Ameritrade. In addition, clients can view a performance/position report through the software program at any time. Advisor will send a monthly reminder to clients that these reports are available online.

Investment or Brokerage Discretion/Additional Compensation

Clients are not obligated to utilize the services of the Advisor or its representatives. However, if they do so, the Advisor will require them to establish accounts at TD Ameritrade. To help fulfill its duty of best execution, the Advisor recommends this custodian due to its reasonable brokerage fees, execution capabilities, expertise and reputation.

The Advisor is independently owned and operated and not affiliated with TD Ameritrade. TD Ameritrade provides the Advisor with access to institutional trading and custody services that are generally available to independent investment advisors on an unsolicited basis. These services include brokerage, custody, research and access to investments generally available only to institutional investors or accounts requiring a significantly higher minimum initial investment.

TD Ameritrade also makes available products and services to the Advisor that may benefit the Advisor but not its clients' accounts. These services and products can include software and other technology that facilitate trade execution and allocation of aggregated trade orders for multiple client accounts, provide research, pricing information and other market data and recordkeeping and client reporting. TD Ameritrade may also provide consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, TD Ameritrade may make available, arrange and/or pay for these types of services provided to Advisor by independent third parties. As a fiduciary, the Advisor endeavors to act in its clients' best interests. However, the Advisor's recommendations that clients maintain their accounts at TD Ameritrade may be based in part on the benefit to the Advisor of the availability of some of the foregoing services and products and not solely on the nature, cost or quality of custody and brokerage services provided by them. This may create a potential conflict of interest.

PROXY VOTING

The Advisor does not vote proxies on behalf of clients. Clients are instructed to read through the information provided with the proxy-voting documents and to make a determination based on the information provided. If required by the client, the Advisor's representatives may provide clarification or make a recommendation on a proxy issue, or they may refer the client to the account custodian for additional help. Clients have the ultimate responsibility for making all proxy-voting decisions.

CLASS ACTION LAWSUITS

Clients retain the right under applicable securities laws to initiate individually a lawsuit or join a class-action lawsuit against the issuer of a security that was held, purchased or sold by or for clients. Advisor will not initiate such a legal proceeding on behalf of clients and does not provide legal advice to clients regarding potential causes of action against such a security issuer and whether the clients should join a class-action lawsuit. Advisor recommends that clients seek legal counsel prior to making a decision regarding whether to participate in such a class-action lawsuit. Moreover, Advisor's services do not include monitoring or informing clients of any potential or actual class-action lawsuits against the issuers of the securities that were held, purchased or sold by or for clients.

CUSTOMER PRIVACY POLICY

MarketAlly, LLC is committed to protecting your privacy. That is because we base our business on the trust you place in us. This policy describes our practices regarding personal and account information collected through our Web site. In this policy, "personal and account information" means your name, company name, account number, address, telephone number, and e-mail address plus any other information that personally identifies you, including your industry and purchase history, or would permit us to contact you, and "we" and "us" means MarketAlly as well as its affiliated companies.

MarketAlly is a licensee of the Better Business Bureau Program. The Better Business Bureau is an independent, non-profit organization whose mission is to build user's trust and confidence in the Internet by promoting the use of fair information practices. This privacy statement covers the Web site www.marketally.com. Because this Web site wants to demonstrate its commitment to your privacy, it has agreed to disclose its information practices and have its privacy practices reviewed for compliance by the Better Business Bureau.

If you have questions or concerns regarding this statement, you should first contact Dave Friedel at dave@marketally.com. If you do not receive acknowledgment of your inquiry or your inquiry has not been satisfactorily addressed, you should contact the Better Business Bureau at <http://www.bbb.org> who will then serve as a liaison with us to resolve your concerns.

We reserve the right to modify this privacy policy from time to time; the effective date noted above will indicate the date that this policy was last updated. You should visit our Web site periodically to review any changes.

MarketAlly may collect information from our users at several different points on our Web site. MarketAlly is the sole owner of the information collected on this site. We will not sell or rent this information to others. We will only share this information with our affiliates and dealers, and marketing partners contracted to do business on our behalf (e.g., brochure fulfillment).

MarketAlly uses two types of user information: anonymous information gathered from cookies and log files, and personal information you provide us for certain services. See below for definitions of each of these methods.

Anonymous Information - Cookies and Log Files

A cookie is a piece of data stored on the user's hard drive containing information about the user. Usage of a cookie is in no way linked to personal information, until a user provides that information (see below). If a user rejects or deletes the cookie, he/she may

still use our site. Cookies also enable us to track and aggregate clickstream behavior data. By doing this we can better target the interests of our users and enhance their experience on our site.

MarketAlly also maintains standard web logs that record data about all visitors to this Web site. These logs may contain:

- The Internet domain from which you access this site.
- Your IP address (Your computer is automatically assigned an IP address when you surf the Internet. Your IP address is either static or dynamic. A static IP address may be identifiable to you; a dynamic address is usually not identifiable to you).
- The type of browser and operating system you use.
- The date and time you visited this site.
- The pages you viewed on this site.
- The address of the Web site from which you linked.

MarketAlly uses weblog information to help us design our site, to identify popular site features and to make the site more useful for visitors. Web logs are recorded in sequential files, and we normally do not attempt to identify individuals from these logs. However, we may use web logs to identify persons attempting to break into, disrupt, or damage our Site. We may share web log information with law enforcement personnel if we believe evidence exists, or is likely to occur, of a violation of federal, state or local laws or regulations.

Tell-A-Friend

If you choose to use our referral service to tell a friend about our site, we will ask you for your friend's name and email address. We will automatically send your friend a one-time e-mail inviting him or her to visit the site. MarketAlly does not store this information and is used for the sole purpose of sending the one-time email.

Volunteering Personal Information

Users may choose to volunteer personal information (name, e-mail address, phone number, etc.) in order for us to provide them with services such as brochure and information requests, surveys, site announcements, and special offers at the time of the request or in the future. If you previously gave us your e-mail address and no longer wish to receive e-mail announcements/correspondence, you can have your name removed from our e-mail list by sending an e-mail to support@marketally.com, calling, or by sending regular mail (see contact information below).

MarketAlly does not sell or rent user information to any third parties. We share user information with our affiliates and dealers, and marketing partners contracted to do business on our behalf. When the user signs up for certain services and offers on our site, we will share names, or other contact information necessary for any associate third party to provide these services. MarketAlly will share user information in accordance with the privacy policy in effect at the time the information is collected.

If a user's personal information changes, we will endeavor to provide a way to correct or update that user's personal data provided to us. This can be done by mailing support@marketally.com or by contacting MarketAlly Consumer Affairs as outlined below.

If you use the forum function on this site, you should be aware that any personally identifiable information you submit there can be read, collected or used by other users of these forums, and could be used to send you unsolicited messages. We are not responsible for the personally identifiable information you choose to submit in these forums.

User's personal information (name, e-mail address, address) is collected for the purpose of managing your account and verifying your identity with the account executive. Other than the Service Provider provision below, all information is not shared with third parties.

Service Providers

Security

MarketAlly takes all reasonable precautions to protect our users' information, both while the information is being transmitted and after it is received by us.

Furthermore, once the information has been received by us, we use security procedures and policies commensurate with industry standards to safeguard against loss, theft, unauthorized access, destruction, use, modification and disclosure. If you have any questions about the security of our Web site, you can send an e-mail to support@marketally.com.

The security of your personal information is important to us. When you enter sensitive information (such as credit card number and/or social security number) on our registration or order forms, we encrypt that information using secure socket layer technology (SSL). [To learn more about SSL, follow this linkhttp://en.wikipedia.org/wiki/Secure_Sockets_Layer.]

Links

This Web site may contain links to other sites. Please be aware that MarketAlly is not responsible for the privacy practices of such sites. We encourage our users to be aware when they leave our site and to read the privacy statements of each Web site that collects personal information. This privacy statement applies solely to information collected by this Web site.

Notification of Changes

We retain the right to change this privacy policy at any time. We will post those changes to this page so that users are always aware of what information we collect, how we use it, and under what circumstances we disclose it. We will use, share, and disclose all information in accordance with the privacy policy in effect at the time the information was collected.

Certain Disclosures

MarketAlly may disclose any data, whether personally identifiable or not, to any person performing audit, legal, operational or other similar services for MarketAlly. Whenever possible, we will require any recipient of personal information for these purposes to agree in writing to hold the information in confidence, to use the information only for the permitted purpose, and to return or destroy the

information when the services are completed.

We may also disclose any data, whether personally identifiable or not, when required to do so by subpoena, court order, or warrant. Whenever feasible, MarketAlly will notify the effected user by e-mail that such disclosure will or has occurred.

We may also disclose any data, whether personally identifiable or not, when we reasonably deem it necessary to protect the safety of (i) an individual, (ii) the public or (iii) the security and reliability of MarketAlly and/or this Web site.

MarketAlly LLC. Contact Information

MarketAlly LLC.
19142 N 75th Dr
Glendale, AZ. 85308

Or, during business hours, call 877-THANX-MA (842-6962)

NOTICE OF PRIVACY POLICIES AND PRACTICES
(Effective April 19, 2010)

This notice is for customers of MarketAlly and its division. This notice is given on behalf of both the owner and the service, if any, of your lease or contract.

We collect non-public personal information about you ("Private Information") from the following sources:

- Information we receive from you on credit applications or other forms;
- Information about your transactions with us, our affiliates, or others; and
- Information we receive from consumer reporting agencies (credit bureaus).

Except as permitted by law, we do not disclose to third parties information we obtain from you or others for evaluation of your request for credit, including information: from credit applications; from consumer credit reports; from verification of your application information; and from credit and employment references. Otherwise, we may disclose all of the Private Information about you, as a present or former customer, to:

- Companies that perform marketing services on our behalf or to other financial institutions with whom we have joint marketing agreements.
- Our affiliates, including our manufacturing, distribution, services and sales affiliates; and non-affiliated third parties as permitted by law.

Except as stated above, we do not share the Private Information with third parties. We restrict access to the Private Information to those employees who need to know that information to provide products or services to you. We maintain physical, electronic, and procedural safeguards that comply with federal regulations to guard the Private Information.

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