

**Item 1 - Cover Page**

*Albitz/Miloe & Associates, Inc.*

Registered Investment Adviser

23133 Hawthorne Blvd., Ste. 305, Torrance, CA 90505

(310) 373-8861

[www.albitzmiloe.com](http://www.albitzmiloe.com)

March 1, 2011

This Brochure provides information about the qualifications and business practices of Albitz/Miloe & Associates, Inc. If you have any questions about the contents of this Brochure, please contact us at (310) 373-8861 or via email at [am@albitzmiloe.com](mailto:am@albitzmiloe.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Albitz/Miloe & Associates, Inc. is a Registered Investment Adviser (RIA). Registration of an Investment Adviser does not imply any level of skill or training. The verbal and written communications of an Adviser provide you with information on which you base your decision to hire or retain an Adviser.

Additional information about Albitz/Miloe & Associates, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

On July 28, 2010, the United States Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated **March 1, 2011**, is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not provide.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our fiscal year (12/31). We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure or Summary of Material Changes as necessary based on changes or new information, at any time, without charge.

Our Brochure may be requested by contacting our office by calling (310) 373-8861 or emailing us at [am@albitzmiloe.com](mailto:am@albitzmiloe.com). Our Brochure is also available free of charge on our website [www.albitzmiloe.com](http://www.albitzmiloe.com).

Additional information about Albitz/Miloe & Associates, Inc. is also available via the SEC’s website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s website also provides information about any persons affiliated with Albitz/Miloe & Associates, Inc. who are registered, or are required to be registered, as investment adviser representatives of Albitz/Miloe & Associates, Inc.

## Item 3 -Table of Contents

<i>Item 1 – Cover Page</i> .....	<i>i</i>
<i>Item 2 – Material Changes</i> .....	<i>ii</i>
<i>Item 3 -Table of Contents</i> .....	<i>iii</i>
<i>Item 4 – Advisory Business</i> .....	<i>1</i>
<i>Item 5 – Fees and Compensation</i> .....	<i>3</i>
<i>Item 6 – Performance-Based Fees and Side-By-Side Management</i> .....	<i>6</i>
<i>Item 7 – Types of Client</i> .....	<i>6</i>
<i>Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss</i> .....	<i>6</i>
<i>Item 9 – Disciplinary Information</i> .....	<i>8</i>
<i>Item 10 – Other Financial Industry Activities and Affiliation</i> .....	<i>9</i>
<i>Item 11 – Code of Ethics</i> .....	<i>10</i>
<i>Item 12 – Brokerage Practices</i> .....	<i>12</i>
<i>Item 13 – Review of Accounts</i> .....	<i>13</i>
<i>Item 14 – Client Referrals and Other Compensation</i> .....	<i>14</i>
<i>Item 15 – Custody</i> .....	<i>14</i>
<i>Item 16 – Investment Discretion</i> .....	<i>14</i>
<i>Item 17 – Voting Client Securities</i> .....	<i>15</i>
<i>Item 18 – Financial Information</i> .....	<i>15</i>
<i>Item 19 – Requirements for State Registered Advisers</i> .....	<i>15</i>
<i>Item 20 – Supplements</i> .....	<i>15</i>
<i>Item S1a- Cover Page – Phil Albitz</i> .....	<i>16</i>
<i>Item S2a- Educational Background and Business Experience</i> .....	<i>16</i>
<i>Item S3a- Disciplinary Information</i> .....	<i>16</i>
<i>Item S4a- Other Business Activities</i> .....	<i>16</i>
<i>Item S5a- Additional Compensation</i> .....	<i>16</i>
<i>Item S6a - Supervision</i> .....	<i>17</i>
<i>Item S7a- Requirements for State-Registered Advisers</i> .....	<i>17</i>

<i>Item S1b- Cover Page - Chris Miloe</i> .....	<b>18</b>
<i>Item S2b- Educational Background and Business Experience</i> .....	<b>18</b>
<i>Item S3b- Disciplinary Information</i> .....	<b>18</b>
<i>Item S4b- Other Business Activities</i> .....	<b>18</b>
<i>Item S5b- Additional Compensation</i> .....	<b>19</b>
<i>Item S6b - Supervision</i> .....	<b>19</b>
<i>Item S7b- Requirements for State-Registered Advisers</i> .....	<b>19</b>
<i>Item S1c- Cover Page - Paul Miloe</i> .....	<b>20</b>
<i>Item S2c- Educational Background and Business Experience</i> .....	<b>20</b>
<i>Item S3c- Disciplinary Information</i> .....	<b>20</b>
<i>Item S4c- Other Business Activities</i> .....	<b>20</b>
<i>Item S5c- Additional Compensation</i> .....	<b>20</b>
<i>Item S6c - Supervision</i> .....	<b>21</b>
<i>Item S7c- Requirements for State-Registered Advisers</i> .....	<b>21</b>
<i>Item S1d- Cover Page - Clete Albitz</i> .....	<b>22</b>
<i>Item S2d- Educational Background and Business Experience</i> .....	<b>22</b>
<i>Item S3d- Disciplinary Information</i> .....	<b>22</b>
<i>Item S4d- Other Business Activities</i> .....	<b>22</b>
<i>Item S5d- Additional Compensation</i> .....	<b>23</b>
<i>Item S6d - Supervision</i> .....	<b>23</b>
<i>Item S7d- Requirements for State-Registered Advisers</i> .....	<b>23</b>
<i>Item S1e- Cover Page - Sylvia Salguero</i> .....	<b>24</b>
<i>Item S2e- Educational Background and Business Experience</i> .....	<b>24</b>
<i>Item S3e- Disciplinary Information</i> .....	<b>24</b>
<i>Item S4e- Other Business Activities</i> .....	<b>24</b>
<i>Item S5e- Additional Compensation</i> .....	<b>24</b>
<i>Item S6e - Supervision</i> .....	<b>25</b>
<i>Item S7e- Requirements for State-Registered Advisers</i> .....	<b>25</b>

## Item 4 – Advisory Business

Albitz/Miloe & Associates, Inc. is a Registered Investment Adviser located in Torrance, CA. The firm became registered with the Securities and Exchange Commission in 1988 led by the principal owners, Phil Albitz and Chris Miloe.

Albitz/Miloe & Associates, Inc., provides three basic types of services for our clients: a managed account service [Greater Value Account (GVA)], a mutual fund or variable annuity allocation service [Capital Asset Management (CAM)], and a Quarterly Report Advisory service. Fees for these services may be billed on a fixed, hourly, or percentage of assets under management formula.

**The GVA managed account service and CAM mutual fund or variable annuity allocation service** involves the establishment of investment objectives, the gradual implementation of a portfolio that attempts to meet the stated objectives, a frequent review of the securities within the portfolio, and recommendations for the purchase and sale of securities within the portfolio. Client portfolios are tailored to the individual needs of each client through investment selection and asset allocation. Clients are able to restrict investments in certain securities or types of securities.

Albitz/Miloe & Associates, Inc. also provides assistance to their managed account clients in other areas of finance. Generally, a client will request information or assistance in these other areas and Phil Albitz, Clete Albitz, Chris Miloe, Paul Miloe, and/or Sylvia Salguero will attempt to provide information, answer questions and render assistance. Unless otherwise agreed upon, there is no additional charge to provide this extra service.

Phil Albitz, Chris Miloe, Paul Miloe, Clete Albitz, and Sylvia Salguero are Registered Representatives and Investment Advisor Representatives (“IARs”) with Financial Network Investment Corporation. As sole proprietors and separate from Albitz/Miloe & Associates, Inc., Phil Albitz, Chris Miloe, Paul Miloe, Clete Albitz, and Sylvia Salguero also manage investment portfolios via Financial Network’s investment advisory Preferred Asset Management Program (PAM). When a PAM account is established, Financial Network’s Disclosure Brochure/Form ADV Part II is provided to the client.

{**Note:** PAM assets are not included in the assets under management calculations for Albitz/Miloe & Associates, Inc. because they are in a separate program through a separate company (Financial Network Investment Corp.)}.

When furnishing investment advice through consultations, it is possible that Albitz/Miloe & Associates, Inc. will suggest utilizing our services for portfolio management via the Greater Value Account. Since we receive fees for portfolio management, a conflict of interest may occur.

As of 12/31/2010, all accounts at Albitz/Miloe & Associates, Inc. were managed on a non-discretionary basis. In 2011, we will begin utilizing discretion on new and existing accounts. Albitz/Miloe & Associates, Inc. manages \$109,951,852 of non-discretionary assets as of 12/31/2010.

The **Quarterly Report Advisory** service involves data collection, establishing objectives, reviewing circumstances and portfolios (held through our firm and held outside our firm), and then making recommendations and/or suggestions to assist clients in an attempt to meet their goals or answer their questions. If requested, a written report is prepared. The report may include specific recommendations to purchase, sell, or hold securities, along with other types of recommendations that may not involve securities. Other types of recommendations could be a review of and suggestions for beneficiary designations on retirement accounts, life insurance, annuities, etc. We might be asked to make recommendations on amounts of life insurance needed, whether or not to have an umbrella liability rider on their homeowners insurance; comments on when to take social security benefits; assisting with required minimum distribution calculations and advice as to which account to take the withdrawal from; and providing general market commentary. Of course, we can't list everything, but this should give a general idea of what a Quarterly Report Advisory service might entail.

The cost of this service is negotiated and is dependent upon the amount of time required to do the analysis, the complexity of the case, and the necessity for meetings and review. The fee for this work is billed and is payable after the work is completed to the satisfaction of the client.

If the client chooses to work with Albitz/Miloe & Associates, Inc. on a quarterly review basis, Phil Albitz, Chris Miloe, Paul Miloe, Clete Albitz, and/or Sylvia Salguero will prepare a quarterly report (on occasion, this may include a spreadsheet valuing assets), make recommendations (which may include a review of the prior quarter's results), and offer to meet with the client to discuss aspects of the client's financial situation.

At times, we offer advice on individual real estate holdings: Decisions as whether to buy, refinance, sell, or hold real estate can be part of the Quarterly Report Advisory service. As such, fees are quoted on an individual case-by-case basis.

## Item 5 – Fees and Compensation

The **Quarterly Report Advisory** service: Fees for this advisory service are based on an hourly or flat fee basis. Hourly fees range from \$75-\$250/hour dependent upon the type of work required. The advisor and client agree upon the fees prior to the work being completed, and fees are billed following the completion of the agreed upon work.

Flat fees for the Quarterly Report Advisory service are negotiated. Fees range between \$125 and \$500 per quarter. The cost of this service is dependent upon the amount of time required to do the analysis, the complexity of the situation, and the necessity for meetings and review. Fees are billed following the completion of the Quarterly Report Advisory service. This advisory service can be terminated at any time by the advisor or the client upon receipt of written or verbal instructions.

**Managed Accounts:** Fees for the GVA and CAM programs are negotiated, based upon the size of the account, other fee related work performed for the client, and other accounts that the client may have with the advisor. Annual fees can range from 2 ½% for account values less than \$100,000 to 2% or less for accounts more than \$100,000. Annual fees for accounts over \$1,000,000 are typically 1% or less. The negotiated annual fee is billed quarterly at the end of each quarter based upon the total account balance as of March 31<sup>st</sup>, June 30<sup>th</sup>, September 30<sup>th</sup>, and December 31<sup>st</sup>.

Clients have the choice of either being billed directly or having the custodian holding the client's funds and securities debit their account by the amount of the fee. Most clients have fees debited from their account. However, five criteria must be met when payment is made by the custodian, (1) the client provides written authorization permitting the fees to be paid directly from the client's account held by the independent custodian; (2) Albitz/Miloe & Associates, Inc. sends to the client a report showing the amount of the fee, the value of the client's assets on which the fee was based, and the specific manner in which the fee was calculated; (3) Albitz/Miloe & Associates, Inc. hereby discloses to the client that it is the client's responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee is properly calculated; (4) Albitz/Miloe & Associates, Inc. sends a bill to the custodian indicating only the amount of the fee to be paid by the custodian; and (5) the custodian agrees to send to the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Albitz/Miloe & Associates, Inc. Albitz/Miloe & Associates, Inc. does not have custody of client funds or securities.

Albitz/Miloe & Associates, Inc. fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain

charges imposed by custodians, brokers, third-party investment advisers, and other third-parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds charge internal management fees, and may also charge 12b-1 fees, which are disclosed in a fund's prospectus.

As Registered Representatives of Financial Network Investment Corporation, Phil Albitz, Clete Albitz, Chris Miloe, Paul Miloe, and Sylvia Salguero may receive commissions (or transaction fees) on securities purchased or sold within the Greater Value Account. The custodian, Pershing, LLC, bills a ticket charge for buys and sells of securities and these are detailed below. When a security is bought or sold, the commission/transaction fee amount is shown on a transaction confirmation statement that is provided to the client by Pershing.

It is possible that Phil Albitz, Clete Albitz, Chris Miloe, Paul Miloe, and Sylvia Salguero could receive 12b-1 fees from a mutual fund or money market fund held within a GVA account client portfolio. It is possible that a mutual fund that pays a 12b-1 charge could be purchased by the Adviser or transferred into the GVA. As such, the costs to the client for participation in the GVA program may be more or less than the cost of purchasing similar services separately. Where commissions, transaction charges, or 12b-1 fees are received, Phil Albitz, Chris Miloe, Paul Miloe, Clete Albitz, and Sylvia Salguero are sole proprietors and treat this income separately from the fee income of Albitz/Miloe & Associates, Inc. Trailing compensation is not used when determining the fees charged by Albitz/Miloe & Associates, Inc.

For brokerage accounts maintained at Pershing, clients may incur different ticket charges on transactions and also may have different fee structures depending on the advisory account utilized. The advisory accounts include our GVA account and the PAM account offered by Financial Network. This presents a potential conflict of interest when recommending one account over the other. While GVA accounts may have higher ticket charges, Albitz/Miloe & Associates, Inc. may waive the client's fees during the first quarter (as this is a period when higher trading may occur), and our billed fees tend to be lower as they are flat vs. a tiered fee in PAM. Ticket charges and program fees for the GVA and PAM programs are detailed in the following portion of this section.

The ticket charges for the GVA and PAM programs are as follows:

SECURITY	GVA	PAM	PAM ERISA
Listed Equities	\$19 + \$0.015/sh	\$16 + \$0.015/sh	\$6
ETFs	\$22	\$19	\$6
OTC Equities	\$22	\$19	\$6
Corporate Bonds			
Listed/Exchange Traded	\$30 + \$1/bond	\$30 + \$1/bond	\$15
OTC Traded	\$35	\$35	\$15
Municipal Bonds	\$40	\$40	\$15
Treasuries	\$35	\$35	\$15
Agencies, Zeros, CMOs	\$45	\$35	\$20
Money Market/CDs	\$40	\$45	\$20
Mutual Funds			
“No Load” Funds“	\$20	\$15	\$4
“Load” Funds at NAV	n/a	\$9	\$4
Fund Exchanges	\$0	\$10	\$4

The fee structure of GVA and PAM are as follows:

GVA ACCOUNTS		PAM ACCOUNTS	
ASSET SIZE	FLAT FEE	ASSET SIZE	TIERED FEE
\$0 - \$80,000	2.50%	\$0 - \$250,000	2.25%
\$80,001 - \$100,000	2.00%	\$250,001 - \$500,000	2.00%
\$100,001 - \$250,000	1.50%	\$500,001 - \$1,000,000	1.50%
\$250,001 and Higher	Negotiated	\$1,000,001 - \$5,000,000	1.25%
		\$5,000,001 - \$10,000,000	1.00%

It is also possible that Phil Albitz, Chris Miloe, Clete Albitz, Paul Miloe, or Sylvia Salguero could receive 12b-1 fees from a mutual fund or trailing compensation from a variable annuity that is being utilized within the CAM program. Where these fees are received, Phil Albitz, Chris Miloe, Paul Miloe, Clete Albitz, or Sylvia Salguero are sole proprietors and treat this income separately from the fee income of Albitz/Miloe & Associates, Inc. Trailing compensation is not used when determining the fees charged by Albitz/Miloe & Associates, Inc. for the CAM program.

With each service provided by Albitz/Miloe & Associates, Inc. it is possible that similar services (but not the exact same services) can be found elsewhere for a lower cost. Clients have the

option to purchase investment products offered by Albitz/Miloe & Associates, Inc. through other brokers, agents, and/or advisors not affiliated with our firm.

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

Albitz/Miloe & Associates, Inc. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## **Item 7 – Types of Client**

Albitz/Miloe & Associates, Inc. provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, as well as corporations or other businesses not listed above (Ref: ADV Part I, Item 5 D). Albitz/Miloe & Associates, Inc. does not have any minimum assets requirement for opening or maintaining an account, but asset size will dictate the appropriateness of the service we may recommend. With regard to minimum dollar values of assets within the Greater Value Account, we suggest and encourage clients to start the account with a minimum balance of \$100,000. However, there are a myriad of situations where this initial requirement is waived. Albitz/Miloe & Associates, Inc. will review each situation individually and decide with the client whether or not to establish the Greater Value Account for an amount less than \$100,000.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

Capital Asset Management (CAM) is an investment program we utilize in variable annuity contracts and mutual fund portfolios. Within a variable annuity contract or single fund family investment, there are several, limited investment options from which to choose. We analyze these subaccounts or fund choices and construct what we determine to be a suitable investment portfolio based on our assessment of the amount of risk appropriate for an investor necessary to achieve a desired return. This analysis forms the basis of our asset allocation strategy for the CAM account. We review subaccount/fund performance compared to relevant benchmarks over various time periods, subaccount/fund composition, and subaccount/fund expenses to determine what we consider the most suitable allocation. We use these subaccounts/funds to construct an investment portfolio within the confines of the asset allocation strategy and review both the asset allocation strategy and subaccount/fund characteristics on a quarterly basis making adjustments when necessary.

When managing assets for our clients under our Greater Value Account (GVA) program there are many strategic decisions that have to be made. We must first understand the goals and

objectives that our clients want us to help them achieve. We need to understand their risk tolerance. When we use the word “risk,” we mean the chance that money can be lost in an investment strategy. There are different types of risk. For instance, there is market risk, business risk, quotational risk, political risk, interest rate risk, currency risk, and there are event driven risks (i.e. 9/11). Once risk is understood, it is important to understand how a client will react during a down market. For instance, if a major stock index (S&P 500) were to fall 50% as it has in the past, how would they react? Did they sell? Did they buy? By understanding how the client reacted to past events, we can gain a better understanding of how they may react in the future when these events could occur again. It takes time (minimum 6 months) for us to get a reasonable knowledge of our clients. We remind clients of this: It is our experience that most everyone says they understand risk. However when risk actually occurs, that is when we really know if they understand it.

Individual stock selection: When purchasing and selling individual stocks, we utilize both fundamental analysis (profit margins, debt, p/e ratios, balance sheets, etc.) and technical analysis (reading price/volume/moving average charts). Our initial screen is based on a proprietary ratio analysis using public information downloaded from the Value Line Investment Survey. These screens are updated every two weeks. Once a stock meets our parameters, and if it is in a sector we find attractive (based upon our experience, and the knowledge from reading, studying, listening, and personal observations), it will be singled out as a potential buy. We will then: check for insider buying or selling, institutional ownership, review recent press releases and any information that is pertinent to our decision. We will then perform a technical analysis on the security. This type of analysis is more of an art than a science. [Phil Albitz has over 30 years of experience in technical analysis and recognizes the advantages and limitations of technical analysis.] We utilize 2-year charts, 30-week moving averages, and prices on a weekly time frame. We usually seek to avoid buying stocks that are 20% above their 30-week moving average (potentially overpriced) and may become interested in stocks that are 20% below their 30-week moving average (potentially underpriced). We recognize that chart analysis is based on past history, and realize that the past will not foretell the future.

Once we complete this analysis, we make our best determination as to whether this stock will fit into a client’s portfolio. If we feel it does, we will contact the client and make the suggestion to buy it. We will then generally set an upside price at which we would be willing to sell and a downside price at which we will have to reassess the situation and either sell the stock at a loss or add to the position. We recognize that things change. If a stock price falls after it is purchased, it doesn’t mean the analysis was wrong and it doesn’t mean we made a mistake. It just means the stock price is lower than what was paid.

We do our best to make good decisions based upon good analysis. We remind our clients that there are no guarantees involved with our implementation of an investment strategy.

There are material risks involved with each investment strategy. Risks such as a change in the business climate can impact an investment portfolio. For example: A recession can impact consumer spending habits which in turn can impact the earnings of a company that relies on consumer spending (i.e. retailers). Event risk can impact a client's portfolio. Examples of event risk are the Space Shuttle Challenger exploding and impacting the stock price of Rockwell; a recall of Tylenol lowering the stock price of Johnson and Johnson; a chief financial officer leaving a company for "personal reasons" can impact the price of that company's stock. Quotational risk is the daily price movements of a stock. If a client purchases a stock today for \$25/share and tomorrow the general stock market declines by 1% for whatever reason, it is possible that the stock that was purchased yesterday may trade at a price less than \$25. Currency risks can impact international investments as can political risks. While we do our best to mitigate risk, it is impossible to eliminate all risk. An investor must understand this before committing to an investment strategy and actually investing money.

Within accounts we may use different types of investments depending on the client's suitability and objectives. These include: equity securities (listed exchange, OTC, and foreign issues; including warrants), corporate debt, certificates of deposit, municipal securities, real estate investment trusts (REITs), utilities, closed-end funds, variable life insurance, variable annuities, mutual funds, ETFs, and U.S. government securities. In select cases, we may utilize interests in partnerships involving real estate, or oil and gas. Investment in any of these securities involves risk of loss that clients should be prepared to bear along with the risks mentioned in the preceding portions of this document. We remind our clients that risk is inevitable when seeking higher returns. Those who are unwilling to accept risk have the option to seek safety with FDIC insured certificates of deposit or Treasury bills issued by the U.S. government. However, even these entail risk: purchasing power risk (i.e. the risk that comes with earning a return that doesn't stay ahead of inflation and taxes).

It must also be noted that there is a conflict of interest that arises when we offer investment management and/or financial planning services that may result in the sale of insurance products. Here, we may be paid a commission on the insurance product(s) recommended under the plan.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Albitz/Miloe & Associates, Inc. or the integrity of Albitz/Miloe & Associates, Inc.'s management.

Albitz/Miloe & Associates, Inc. has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliation**

The principal business of Albitz/Miloe & Associates, Inc. is to assist clients in the management of their money and to help with the details of personal finance. Consulting on other areas of finance (ex. business consulting, real estate acquisition, etc.) may be provided at the request of clients. Phil Albitz, Chris Miloe, Paul Miloe, Clete Albitz, and Sylvia Salguero are registered representatives with Financial Network Investment Corporation. As registered representatives they may receive commissions for buying and selling securities, commissions from life insurance and annuity sales, and/or 12b-1 fees from mutual funds.

Phil Albitz, Chris Miloe, Paul Miloe, Clete Albitz, and Sylvia Salguero are also Investment Advisory Representatives (IARs) of Financial Network Investment Corporation (a non-affiliated Registered Investment Advisor) and may recommend clients to use Financial Network's Preferred Asset Management (PAM) account or a 3<sup>rd</sup> party Adviser (Morningstar Investment Services). As Financial Network Registered Representatives and IARs, investment recommendations are limited to investment products that are offered through Financial Network. Other suitable investment products may be available through other broker/dealers or investment advisers. This presents a potential conflict of interest to the extent that representatives of Albitz/Miloe & Associates, Inc. recommend that a client open an account through which compensation is received as a Registered Representative or as an IAR of Financial Network.

In recommending clients to use the PAM or 3<sup>rd</sup> party advisory programs offered from these advisers outside Albitz/Miloe & Associates, Inc., and in consideration of the compensation received from those programs, a material conflict of interest arises between our GVA program and those offered via Financial Network. It is our duty as advisers to determine which program is most suitable for any given client, and this is done on a case by case basis. Disclosure as to services, fees, reporting and other important matters are found in the disclosure documents of the referenced non-affiliated RIAs. Clients interested in these services will be provided with these documents prior to establishing the advisory account.

Phil Albitz, Chris Miloe, and Paul Miloe are licensed with several life, disability, long-term care and other insurance companies, and all contracting is done either via Financial Network or directly with the insurance carrier. As agents, we may recommend insurance products offered by these companies. If our clients purchase these products through us, we receive the normal commissions. Thus a potential conflict of interest exists between our interests and those of our

advisory clients. The client is under no obligation to purchase products we recommend, or to purchase products either through us or through these insurance companies. Insurance is not sold via Albitz/Miloe & Associates, Inc. and commissions are not received through our RIA.

In some cases, an open-end mutual fund/money market fund that is held within a client's portfolio could pay 12b-1 service fees to Financial Network. If this occurs, Phil Albitz, Chris Miloe, Paul Miloe, Clete Albitz, and/or Sylvia Salguero as registered representatives of Financial Network could receive a percentage of these service fees. Albitz/Miloe & Associates, Inc. seeks to limit the receipt of 12b-1 fees within the GVA account when pure no-load mutual funds are utilized. However, it is possible that a GVA account could hold a mutual fund or a money market fund that pays 12b-1 fees.

## **Item 11 - Code of Ethics**

Albitz/Miloe & Associates, Inc. has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Albitz/Miloe & Associates, Inc. must acknowledge the terms of the Code of Ethics annually, or as amended.

We adhere to a Code of Ethics that is based on the principle that we at Albitz/Miloe and Associates, Inc. owe a fiduciary duty to our clients. Accordingly, we must avoid activities, interests and relationships that might interfere or appear to interfere with making decisions in the best interests of our clients. Above all else, our Code of Ethics dictates that we place the interests of our clients first. A copy of our Code of Ethics is available to clients or prospective clients upon request by contacting us at (310) 373-8861 or via email at [am@albitzmiloe.com](mailto:am@albitzmiloe.com).

Albitz/Miloe & Associates, Inc. (the Adviser) anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which the Adviser has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which the Adviser, its affiliates and/or clients, directly or indirectly, have a position of interest. The Adviser's employees and persons associated with the Adviser are required to follow the Adviser's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of the Adviser and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for the Adviser's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of the Adviser will not interfere

with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

As stated above, Phil Albitz, Chris Miloe, Paul Miloe, Clete Albitz, and Sylvia Salguero are registered representatives of Financial Network. At times the Adviser and/or its advisory affiliates may take positions in the same securities as clients. If an advisory client purchases or sells the same security on the same day as the adviser, the client will receive the same or lower price when buying, and the same or higher price when selling. The Adviser and its affiliates will generally be “last in” and “last out” for the trading day when trading occurs in close proximity to client trades. We will not violate the fiduciary responsibilities to our clients. Scalping (trading short ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not necessarily be disclosed at the time of trading.

In addition, the Adviser’s Code of Ethics requires all principals and employees to provide a quarterly report of their securities transactions to the Chief Compliance Officer. The Code of Ethics also restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics in order to reasonably prevent conflicts of interest between the Adviser and its clients.

It is the Adviser’s policy that the firm will not effect any principal or agency cross securities transactions for client accounts. The Adviser will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account, or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## Item 12 - Brokerage Practices

Other broker/dealers may be used when Albitz/Miloe & Associates, Inc. determines that it may be in the best interest of the client, or when another broker/dealer is requested by the client. However, Albitz/Miloe & Associates, Inc. generally recommends that clients establish brokerage accounts with Financial Network Investment Corporation for the Greater Value Account. Financial Network is a dually registered investment adviser and broker-dealer, utilized to maintain custody of clients' assets through its relationship with Pershing, LLC, and to effect trades for their accounts in which Financial Network provides Albitz/Miloe & Associates, Inc. with access to its trading and operational platform. Phil Albitz, Chris Miloe, Paul Miloe, Clete Albitz, and Sylvia Salguero are registered representatives of Financial Network. This affiliation may lead to a conflict of interest whereby Financial Network could be selected over another broker/dealer. If best execution is not achieved through Financial Network, referring clients to Financial Network could cost clients more money than if they were directed to another broker/dealer. As part of Albitz/Miloe & Associates, Inc.'s internal controls, we monitor client transactions to see if we are obtaining best execution on trades. Should we find that clients of Albitz/Miloe & Associates, Inc. are failing to get best execution via Financial Network, we could use this as a basis to recommend other broker/dealers.

Financial Network also provides brokerage services and access to mutual funds, other investments, and insurance products. Some of these other products and services assist Phil Albitz, Chris Miloe, Paul Miloe, Clete Albitz, and Sylvia Salguero in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations, and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of Albitz/Miloe & Associates, Inc. fees from client's accounts, and assist with back office support, record keeping and client reporting. Many of these services may be used to service all or a substantial number of Albitz/Miloe & Associates, Inc. accounts, including accounts not maintained at Financial Network.

Financial Network may also provide Albitz/Miloe & Associates, Inc. with information and consulting services intended to help Albitz/Miloe & Associates, Inc. manage and further develop its business enterprise. These services may include information technology consulting, regulatory compliance publications and presentation, mock regulatory inspections, and internal control review by an independent third party. The availability to Albitz/Miloe & Associates, Inc. of the foregoing products and services is not contingent upon Albitz/Miloe & Associates, Inc. committing to Financial Network any specific amount of business (assets in custody or trading).

Some information and services provided to Albitz/Miloe & Associates, Inc. by Financial Network (or any other 3<sup>rd</sup> party) in connection with client securities transactions is referred to as “soft dollar benefits.” Soft dollar benefits are not limited to those clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits. Albitz/Miloe & Associates, Inc. does not engage in securities transactions for clients on the basis of soft dollar benefits, nor do we select broker dealers based on an interest in receiving soft dollar benefits, nor do we have clients pay up to utilize a particular broker dealer on the basis of soft dollar benefits. Albitz/Miloe & Associates, Inc. intends to keep the client’s interest first and seeks to provide the most favorable execution for our clients without regard to soft dollar benefits.

At present, Albitz/Miloe & Associates, Inc. does not aggregate the purchase or sale of securities for various client accounts within the Greater Value Accounts (GVAs). Client trades are inputted individually. By not aggregating trades, different clients will receive varying execution prices on trades and may be subject to higher trading costs than aggregated trades. To address this issue, we are moving to add discretion on GVA accounts. With discretion, we may then aggregate trades and submit them as block orders. This would normally be done on the sell side only and not all clients would be part of the block trade (due to tax implications, how long the security has been held, client’s perspective on the security, etc.). However, via Financial Network, the total trading costs will not be lower as the clearing firm, Pershing, assesses trading costs at the account level; not the block trade level. This may not be the case with other broker/dealers and their associated clearing firms. Albitz/Miloe & Associates, Inc. will not seek additional compensation on block trades.

### **Item 13 – Review of Accounts**

Annual or more frequent reviews are provided to any client at their request. The reviews may be provided as a written summary, a teleconference, or client meeting based on the client’s request.

GVA and CAM accounts are supervised on an ongoing basis. GVA accounts are reviewed frequently (some as often as daily) based on market conditions, positions held, and the client’s objectives. All accounts are reviewed at least quarterly. The reviewers determine: an appropriate asset allocation, which securities should be bought, sold, or held within each account; and if there is an appropriate amount of cash (Money Market funds) available for the client’s needs.

The reviewers are Phil Albitz, Clete Albitz, Chris Miloe, Paul Miloe, and Sylvia Salguero. Albitz/Miloe & Associates, Inc. is the organization formed to manage and supervise individual investment accounts.

Quarterly reports are issued to each GVA account. Each report contains written commentary, describes the previous quarter's account activity, along with a statement of the account portfolio, valuation, and fees.

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

Albitz/Miloe & Associates, Inc. currently does not have any arrangements that provide our firm with any additional economic benefit/incentive for providing investment advice or other advisory services for our clients. We receive no economic benefits from outside parties or clients for referrals.

## **Item 15 - Custody**

Clients will receive at least quarterly statements from the qualified custodian (Pershing) that holds and maintains client's investment assets. In addition to the brokerage statement, Albitz/Miloe & Associates, Inc. will provide their own statement for GVA clients. Albitz/Miloe & Associates, Inc. urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 - Investment Discretion**

Beginning in 2011, Albitz/Miloe & Associates, Inc. will generally receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Even with discretionary authority in place, it is the intention of Albitz/Miloe & Associates, Inc. to contact each client prior to effecting transactions in their accounts. Should situations warrant placing a trade and we cannot contact the client, discretionary authority will permit us to place trades which we feel are suitable and in the client's best interest.

When selecting securities and determining amounts, Albitz/Miloe & Associates, Inc. observes the investment policies, limitations and restrictions of the clients for which it advises. Investment

guidelines and restrictions for client accounts must be provided to Albitz/Miloe & Associates, Inc. in writing.

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

Albitz/Miloe and Associates, Inc. does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Albitz/Miloe & Associates, Inc. may provide advice to clients regarding the clients' voting of proxies as we recognize that many of our clients receive proxy materials and choose not to vote their proxies because they don't know which way they should vote. Some clients will call and ask us which way they should vote their proxies, while others will vote their proxies without contacting us.

However, in general, if asked, we will normally suggest voting with the board of director's recommendations. Our reasoning is that if we choose to hold shares in a particular company, we feel the board of directors has the best information regarding the situations to be voted on via proxy. If we choose not to listen to the board of directors because we do not trust, like or respect their views, then we should not be shareholders in a company under their direction.

### **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Albitz/Miloe & Associates, Inc.'s financial condition. Albitz/Miloe & Associates, Inc. has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Item 19 – Requirements for State Registered Advisers**

This section does not apply. Albitz/Miloe & Associates, Inc. is registered with the SEC.

### **Item 20 – Supplements**

The following supplement pages contain information on each adviser at Albitz/Miloe & Associates, Inc.

## **Item S1a- Cover Page – Phil Albitz**

Phil Albitz

Albitz/Miloe & Associates, Inc.

23133 Hawthorne Blvd., Ste. 305, Torrance, CA 90505

310-373-8861

March 1, 2011

**This Brochure Supplement provides information about Phil Albitz that supplements the Albitz/Miloe & Associates, Inc. Brochure. You should have received a copy of that Brochure. Please contact Phil Albitz or Paul Miloe if you did not receive Albitz/Miloe & Associates, Inc.'s Brochure or if you have any questions about the contents of this supplement. Additional information about Phil Albitz is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item S2a- Educational Background and Business Experience**

Phil Albitz was born on December 3, 1954. Phil earned a Bachelor's degree in Chemistry in 1976. He is a Certified Financial Planner® and has been registered in the securities business since 1982. In 1988, he co-founded Albitz/Miloe & Associates with Chris Miloe. Albitz/Miloe was then incorporated in 2005. Phil Albitz is the chief investment portfolio manager for Albitz/Miloe & Associates, Inc. and also serves as co-Chief Compliance Officer (CCO) for the firm.

## **Item S3a- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## **Item S4a- Other Business Activities**

Phil Albitz is also securities licensed as a registered representative and as an investment advisory representative with the independent broker-dealer, Financial Network Investment Corporation (FNIC). Albitz/Miloe & Associates, Inc. and Financial Network Investment Corporation are separate companies. Since advisory services can be offered via FNIC, a conflict of interest may exist when selecting an advisory account for the client. This conflict is addressed by examining the client's objectives and then using the adviser's recommendation as to which program is suitable. As a registered representative of FNIC, Phil Albitz may receive commissions, bonuses, or other compensation based on the sale of securities or investment products. Included in this are service fees or trailing compensation inclusive of 12b-1 fees from certain mutual funds. Compensation tied to the sale of investment products can create a conflict of interest where the selection of the product could be based on the compensation received, rather than on the client's needs. As a registered representative and adviser, Phil Albitz addresses this issue by placing the client's needs first.

## **Item S5a- Additional Compensation**

No information is applicable to this item.

### **Item S6a - Supervision**

Phil Albitz is supervised as both an adviser of Albitz/Miloe & Associates, Inc. and as a registered representative of FNIC. The supervisory process includes reviews of trades, monitoring of incoming and outgoing emails, monitoring of incoming and outgoing correspondence, inspection of account opening documents, and periodic account reviews. Phil Albitz is supervised by Paul Miloe. Paul is the co-CCO of Albitz/Miloe & Associates, Inc. and also serves as OSJ Manager for FNIC.

### **Item S7a- Requirements for State-Registered Advisers**

No information is applicable to this item.

## **Item S1b- Cover Page – Chris Miloe**

Chris Miloe

Albitz/Miloe & Associates, Inc.

23133 Hawthorne Blvd., Ste. 305, Torrance, CA 90505

310-373-8861

March 1, 2011

**This Brochure Supplement provides information about Chris Miloe that supplements the Albitz/Miloe & Associates, Inc. Brochure. You should have received a copy of that Brochure. Please contact Phil Albitz or Paul Miloe if you did not receive Albitz/Miloe & Associates, Inc.'s Brochure or if you have any questions about the contents of this supplement. Additional information about Chris Miloe is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item S2b- Educational Background and Business Experience**

Chris Miloe was born on June 14, 1944. Chris holds a Bachelor's and MBA degree in Finance. Chris has been registered in the securities business since 1970. In 1988, he co-founded Albitz/Miloe & Associates with Phil Albitz, and has served as a Registered Representative and OSJ Manager with Financial Network Investment Corporation since the firm's inception in 1989. Albitz/Miloe was then incorporated in 2005.

## **Item S3b- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## **Item S4b- Other Business Activities**

Chris Miloe is also securities licensed as a registered representative and as an investment advisory representative with the independent broker-dealer, Financial Network Investment Corporation (FNIC). Albitz/Miloe & Associates, Inc. and Financial Network Investment Corporation are separate companies. Since advisory services can be offered via FNIC, a conflict of interest may exist when selecting an advisory account for the client. This conflict is addressed by examining the client's objectives and then using the adviser's recommendation as to which program is suitable. As a registered representative of FNIC, Chris Miloe may receive commissions, bonuses, or other compensation based on the sale of securities or investment products. Included in this are service fees or trailing compensation inclusive of 12b-1 fees from certain mutual funds. Compensation tied to the sale of investment products can create a conflict of interest where the selection of the product could be based on the compensation received, rather than on the client's needs. As a registered representative and adviser, Chris Miloe addresses this issue by placing the client's needs first.

### **Item S5b- Additional Compensation**

No information is applicable to this item.

### **Item S6b - Supervision**

Chris Miloe is supervised as both an adviser of Albitz/Miloe & Associates, Inc. and as a registered representative of FNIC. The supervisory process includes reviews of trades, monitoring of incoming and outgoing emails, monitoring of incoming and outgoing correspondence, inspection of account opening documents, and periodic account reviews. Chris Miloe is supervised at Albitz/Miloe & Associates, Inc. by Paul Miloe and Phil Albitz. Paul and Phil are the co-Chief Compliance Officers of Albitz/Miloe & Associates, Inc. As a registered representative of FNIC, Chris is further supervised by FNIC's Department of OSJ Supervision.

### **Item S7b- Requirements for State-Registered Advisers**

No information is applicable to this item.

## **Item S1c- Cover Page - Paul Miloe**

Paul Miloe

Albitz/Miloe & Associates, Inc.

23133 Hawthorne Blvd., Ste. 305, Torrance, CA 90505

310-373-8861

March 1, 2011

**This Brochure Supplement provides information about Paul Miloe that supplements the Albitz/Miloe & Associates, Inc. Brochure. You should have received a copy of that Brochure. Please contact Phil Albitz or Paul Miloe if you did not receive Albitz/Miloe & Associates, Inc.'s Brochure or if you have any questions about the contents of this supplement. Additional information about Paul Miloe is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item S2c- Educational Background and Business Experience**

Paul Miloe was born on January 1, 1972. Paul earned a Bachelor's degree in Engineering Geology and Hydrology in 1994. He has been actively working as a financial advisor since 1996. In 2003, he became licensed as an OSJ Manager with Financial Network Investment Corporation. He has been affiliated with Albitz/Miloe & Associates since 1996, but was officially hired in 2007. Paul Miloe also serves as co-Chief Compliance Officer (CCO) for the firm.

## **Item S3c- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## **Item S4c- Other Business Activities**

Paul Miloe is also securities licensed as a registered representative and as an investment advisory representative with the independent broker-dealer, Financial Network Investment Corporation (FNIC). Albitz/Miloe & Associates, Inc. and Financial Network Investment Corporation are separate companies. Since advisory services can be offered via FNIC, a conflict of interest may exist when selecting an advisory account for the client. This conflict is addressed by examining the client's objectives and then using the adviser's recommendation as to which program is suitable. As a registered representative of FNIC, Paul Miloe may receive commissions, bonuses, or other compensation based on the sale of securities or investment products. Included in this are service fees or trailing compensation inclusive of 12b-1 fees from certain mutual funds. Compensation tied to the sale of investment products can create a conflict of interest where the selection of the product could be based on the compensation received, rather than on the client's needs. As a registered representative and adviser, Paul Miloe addresses this issue by placing the client's needs first.

## **Item S5c- Additional Compensation**

No information is applicable to this item.

### **Item S6c - Supervision**

Paul Miloe is supervised as both an adviser of Albitz/Miloe & Associates, Inc. and as a registered representative of FNIC. The supervisory process includes reviews of trades, monitoring of incoming and outgoing emails, monitoring of incoming and outgoing correspondence, inspection of account opening documents, and periodic account reviews. Paul Miloe is supervised at Albitz/Miloe & Associates, Inc. by Phil Albitz. Phil is the co-CCO of Albitz/Miloe & Associates, Inc. As a registered representative of FNIC, Paul is further supervised by FNIC's Department of OSJ Supervision.

### **Item S7c- Requirements for State-Registered Advisers**

No information is applicable to this item.

## **Item S1d- Cover Page - Clete Albitz**

Clete Albitz

Albitz/Miloe & Associates, Inc.

23133 Hawthorne Blvd., Ste. 305, Torrance, CA 90505

310-373-8861

March 1, 2011

**This Brochure Supplement provides information about Clete Albitz that supplements the Albitz/Miloe & Associates, Inc. Brochure. You should have received a copy of that Brochure. Please contact Phil Albitz or Paul Miloe if you did not receive Albitz/Miloe & Associates, Inc.'s Brochure or if you have any questions about the contents of this supplement. Additional information about Clete Albitz is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item S2d- Educational Background and Business Experience**

Clete Albitz was born on October 21, 1983. Clete earned a Bachelor's degree in Economics from the University of California, San Diego in 2005. Clete joined Albitz/Miloe and Associates, Inc. in 2005, and has been licensed as Registered Representative in the securities business since 2006. In 2009, he became a Certified Financial Planner®.

## **Item S3d- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## **Item S4d- Other Business Activities**

Clete Albitz is also securities licensed as a registered representative and as an investment advisory representative with the independent broker-dealer, Financial Network Investment Corporation (FNIC). Albitz/Miloe & Associates, Inc. and Financial Network Investment Corporation are separate companies. Since advisory services can be offered via FNIC, a conflict of interest may exist when selecting an advisory account for the client. This conflict is addressed by examining the client's objectives and then using the adviser's recommendation as to which program is suitable. As a registered representative of FNIC, Clete Albitz may receive commissions, bonuses, or other compensation based on the sale of securities or investment products. Included in this are service fees or trailing compensation inclusive of 12b-1 fees from certain mutual funds. Compensation tied to the sale of investment products can create a conflict of interest where the selection of the product could be based on the compensation received, rather than on the client's needs. As a registered representative and adviser, Clete Albitz addresses this issue by placing the client's needs first.

### **Item S5d- Additional Compensation**

No information is applicable to this item.

### **Item S6d - Supervision**

Clete Albitz is supervised as both an adviser of Albitz/Miloe & Associates, Inc. and as a registered representative of FNIC. The supervisory process includes reviews of trades, monitoring of incoming and outgoing emails, monitoring of incoming and outgoing correspondence, inspection of account opening documents, and periodic account reviews. Clete Albitz is supervised at Albitz/Miloe & Associates, Inc. by Paul Miloe and Phil Albitz. Paul and Phil are the co-Chief Compliance Officers of Albitz/Miloe & Associates, Inc. As a registered representative of FNIC, Clete Albitz is supervised by Paul Miloe.

### **Item S7d- Requirements for State-Registered Advisers**

No information is applicable to this item.

## **Item S1e- Cover Page - Sylvia Salguero**

Sylvia Salguero  
Albitz/Miloe & Associates, Inc.  
23133 Hawthorne Blvd., Ste. 305, Torrance, CA 90505  
310-373-8861  
March 1, 2011

**This Brochure Supplement provides information about Sylvia Salguero that supplements the Albitz/Miloe & Associates, Inc. Brochure. You should have received a copy of that Brochure. Please contact Phil Albitz or Paul Miloe if you did not receive Albitz/Miloe & Associates, Inc.'s Brochure or if you have any questions about the contents of this supplement. Additional information about Sylvia Salguero is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item S2e- Educational Background and Business Experience**

Sylvia Salguero was born on February 27, 1946. Sylvia attended the University of Technio in Israel where she studied Civil Engineering. Sylvia joined Albitz/Miloe and Associates in 2001, and has been licensed as Registered Representative in the securities business since 2004. Albitz/Miloe & Associates was then incorporated in 2005.

## **Item S3e- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

## **Item S4e- Other Business Activities**

Sylvia Salguero is also securities licensed as a registered representative and as an investment advisory representative with the independent broker-dealer, Financial Network Investment Corporation (FNIC). Albitz/Miloe & Associates, Inc. and Financial Network Investment Corporation are separate companies. Since advisory services can be offered via FNIC, a conflict of interest may exist when selecting an advisory account for the client. This conflict is addressed by examining the client's objectives and then using the adviser's recommendation as to which program is suitable. As a registered representative of FNIC, Sylvia Salguero may receive commissions, bonuses, or other compensation based on the sale of securities or investment products. Included in this are service fees or trailing compensation inclusive of 12b-1 fees from certain mutual funds. Compensation tied to the sale of investment products can create a conflict of interest where the selection of the product could be based on the compensation received, rather than on the client's needs. As a registered representative and adviser, Sylvia Salguero addresses this issue by placing the client's needs first.

## **Item S5e- Additional Compensation**

No information is applicable to this item.

### **Item S6e - Supervision**

Sylvia Salguero is supervised as both an adviser of Albitz/Miloe & Associates, Inc. and as a registered representative of FNIC. The supervisory process includes reviews of trades, monitoring of incoming and outgoing emails, monitoring of incoming and outgoing correspondence, inspection of account opening documents, and periodic account reviews. Sylvia Salguero is supervised at Albitz/Miloe & Associates, Inc. by Paul Miloe and Phil Albitz. Paul and Phil are the co-Chief Compliance Officers of Albitz/Miloe & Associates, Inc. As a registered representative of FNIC, Sylvia Salguero is supervised by Paul Miloe.

### **Item S7e- Requirements for State-Registered Advisers**

No information is applicable to this item.