

**Schedule F of  
Form ADV**

**Continuation Sheet for Form ADV Part II**

Applicant: <b>Robert Bubnovich</b>	SEC File Number: 801-	Date: <b>6-20-02</b>
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Robert Bubnovich</b>	IRS Empl. Ident. No.: <b>313-52-8727</b>
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Item of Form (identify)	Answer
1. C. 6.	<p>The following provides details regarding questions in the accompanying Form ADV Part II, pages 1-6.</p> <p>Rio Financial Advisors (RIO) may also conduct group educational workshops on financial planning topics such as "Asset Allocation and Portfolio Risk", "Millionaires in the Making", and "Couples and Money". RIO may impose a fee for educational workshops. Generally, the employer, civic or non-profit group sponsoring the workshop pays any fees charged by RIO. If there is a charge to workshop attendees, the fee will be published on the workshop announcement or invitation.</p>
1 D. Advisory service and fees.	<p>Rio Financial Advisors, a fee-only financial planner, provides two primary financial advisory services to individuals and families from all walks of life: 1) personal financial planning; and 2) management of portfolio assets.</p> <p>Rio Financial Advisors (RIO) embraces its role as a fiduciary to its clients, requiring RIO to place the clients' interest first. As a fee-only planner, RIO doesn't share in any commissions from the implementation of its recommendations to clients. Our sole compensation comes from our clients.</p> <p><b>PERSONAL FINANCIAL PLANNING SERVICES</b></p> <p>The primary function of RIO is to provide financial planning services to individuals. Our purpose is to provide an affordable and objective resource that helps clients answer their financial questions and achieve their goals. Advice is rendered in the areas of cash flow, debt management, insurance needs/risk management, college funding, retirement, estate and tax planning, asset allocation, and investment selection.</p> <p>The advisor first conducts an initial interview and gathers data to assist the client in determining specific needs, goals, objectives and risk tolerance. The advisor then prepares analyses of the current financial situation and possible future scenarios, when appropriate. Next, the advisor presents the analysis and a written summary of the significant observations, assumptions, and recommendations for each area the advisor was engaged to provide advice. Upon completion of the presentation, the engagement is concluded. RIO recommends periodic financial checkups and the client initiates this review. RIO may re-engage client as needed at client request.</p> <p>RIO may also conduct group educational workshops on financial planning topics such as "Asset Allocation and Portfolio Risk", "Millionaires in the Making", and "Couples and Money". RIO may impose a fee for educational workshops. Generally, the employer, civic or non-profit group sponsoring the workshop pays any fees charged by RIO. If there is a charge to workshop attendees, the fee will be published on the workshop announcement or invitation.</p> <p><b>FINANCIAL PLANNING FEES:</b> At the client's discretion and based upon the nature and scope of the planning work to be performed, clients may pay for the financial planning services in one of two ways: a) hourly fees – billed at the rate of \$150 per hour for actual time involved, in 6 minute intervals. This approach is typically recommended for shorter term consulting requests or more limited financial planning and analysis; b) fixed fees – fixed at the beginning of the engagement and based on an estimate of time required to complete the work. These fees range from \$150 to \$10,000. Projects spanning more than three months</p>

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1D (cont.)	<p>will be billed quarterly. Fees are not collected for services to be provided more than six months in advance.</p> <p>RIO requires a deposit for initial engagements in the amount of \$500 or ½ of the lower end of the estimated fee range, but <u>not to exceed \$500</u>. The balance of fees is due and payable immediately upon presentation of the plan or advice to client. Services to be provided and the anticipated fee range are detailed in the written service agreement. If the client elects to terminate the service agreement prior to completion of the assignment, the client is responsible for actual work performed to the date of termination. RIO will reimburse the client for any unearned or unapplied fees paid upon receipt of written notification of termination.</p> <p>Clients may elect to receive assistance from RIO in the implementation of recommendations. RIO will charge hourly rates for assistance with implementation. RIO will bill client for actual time spent on the project.</p> <p><b>MANAGEMENT OF PORTFOLIO ASSETS</b> RIO also offers management of clients' portfolio assets. Asset management includes the following: 1) review of client's current portfolio; 2) risk tolerance assessment and selection of asset allocation and asset classes; 3) placement of buy, sell and exchange orders for the client in accordance with asset allocation models; and 4) periodic meetings or phone discussions with clients, as needed or requested by client or RIO. Appropriate parameters for asset allocation and investment selection are established between RIO and clients based upon discussions with the client concerning their goals, tolerance of risk, investment time horizon, asset class preferences, expected returns and tax status. If asset management clients request or require consultation time or services in addition to those described above, client will be charged additional hourly fees of \$150 per hour.</p> <p><b>FEE:</b> The fee for asset management is a percentage of the total assets under supervision. There is a minimum asset base of \$250,000. Annual fees for asset levels are as follows: \$250,000 - \$1,000,000 = 1%; \$1,000,001-\$3,500,000 = 0.75%; and above \$3,500,000 = 0.5%. Fees are billed quarterly in arrears and are deducted from client accounts as agreed by clients.</p> <p>All fees paid to RIO for financial planning and investment portfolio management are completely separate from fees and expenses charged by mutual fund companies to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses and possible distribution fee. A client could invest in most mutual funds directly, without the services of RIO. In that case, the client would not receive the services provided by RIO that are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial objectives. Accordingly, the client should review both the fees charged by the funds and RIO to fully understand the total amount of fees to be paid by the client in order to evaluate the services provided. Clients may incur transaction costs or administration fees from broker/dealers, trust companies or other service providers. RIO does not receive any portion of these other fees. The only compensation received by RIO are the fees directly paid by the clients.</p> <p>For clients with assets under management, the service agreement will be deemed renewable</p>

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3 K. L.	<p>on an annual basis unless written notification is received from client prior to the end of a contract year. If a client terminates in the middle of a service period, client is responsible to pay RIO a pro-rated fee to date of termination. RIO may also terminate an agreement at any time upon written notification to client. In such an event, fees due under the service agreement will be pro-rated to the date of termination. RIO agrees to refund all unearned prepaid fees of any client engagement immediately upon receipt or delivery of termination by either the client or RIO.</p> <p><b>TYPES OF INVESTMENT</b> The advisor may offer advice on exchange-traded funds, hedge funds, real estate, REITs and other partnership interests involving investments in mortgages. The vast majority of investment recommendations by RIO are no load mutual funds or similar investments. Advice may include any other investment vehicle that RIO deems appropriate to address the individualized needs, goals and objectives of the clients.</p>
4 A.B.C.	<p><b>INVESTMENT STRATEGIES</b> RIO believes that asset allocation is the dominant factor in determining total investment returns. Advisor believes that the appropriate allocation of assets across diverse investment categories (stocks vs. bonds, foreign vs. domestic, large cap vs. small cap, etc) is the primary determinant of portfolio returns and is critical in the long-term success of one's financial objectives.</p> <p>Advisor employs fundamental long-term buy-and-hold philosophies and approaches in his investment and implementation strategies. Recommendations provided are based upon publicly available reports, analysis, research materials, computerized asset allocation models and various subscription services. In limited circumstances, RIO may advise clients interested in trading securities.</p>
5.	<p><b>EDUCATION AND BUSINESS STANDARDS</b> RIO investment advisor representatives must be investment and financial planning professionals. To render investment advice to clients, they must meet the applicable examination requirements of the states in which RIO conducts its advisory business. Professional staff members possess a BA, BS, MBA, or MSFS degree and are either credentialed as a Chartered Financial Consultant or Certified Financial Planner, or enrolled in a curriculum designed to achieve such professional designations.</p>
6.	<p><b>EDUCATION AND BUSINESS BACKGROUND</b> Name: Robert Bubnovich Year of Birth: 1948 Professional designations: Certified Internal Auditor Education: B.S. Finance Indiana University 1970 MBA International Business – Roosevelt Univ. , Chicago 1977 Personal Financial Planner designation – UC Irvine 2001 Passed Certified Financial Planner (CFP) exam 11-01 Business background for the past five years: Operations Review Manager – Epson America Long Beach, CA 1996-2001</p> <p><b>OTHER BUSINESS ACTIVITIES</b></p>

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7.	RIO's principal business activity is financial planning. Management of assets is a subset of the overall process of financial planning and plan implementation. RIO does not sell any products.
9. E.	<p><b>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</b></p> <p>At times, employees and other related parties to Advisor may hold positions in securities that may also be recommended to clients. However, at no time will Advisor or any related party receive preferential treatment over clients. Advisor enforces the applicable rules of the Investment Advisor Act of 1940, including the prohibition of insider trading. Advisor maintains the required personal securities transaction records for all employees.</p>
10.	<p><b>CONDITIONS FOR MANAGING ACCOUNTS</b></p> <p>RIO provides both financial planning services and management of client assets. Each service may be provided independently or simultaneously per client's request. There is a minimum asset requirement of \$250,000 for asset management.</p>
12. A.B.	<p><b>INVESTMENT OR BROKERAGE DISCRETION</b></p> <p>RIO doesn't hold securities or other assets for clients with assets under management. Clients open accounts at a discount broker and name RIO as their advisor on the account, granting RIO Limited Power of Attorney that may include the ability for RIO to 1) obtain duplicate statements and confirmations, in paper and/or electronic form; 2) buy and sell securities; 3) bill the account directly for management fees; and 4) request checks from the account issued to client at his address of record or transfers between accounts, e.g. to fund annual IRAs. All client transactions are in accordance with appropriate asset allocations previously discussed and agreed between RIO and client. If client desires or insists on a transaction outside agreed asset allocation parameters, RIO will require written approval from client before executing such transaction. Due to the nature of its business and client needs, RIO doesn't negotiate commissions, obtain volume discounts, nor necessarily obtain the best price. Clients should understand that for certain transactions, for certain types of securities, lower commissions or better execution may be achieved elsewhere. At all times, RIO is striving to meet individual clients' needs, minimize total costs to clients, and maximize ease of use for clients.</p>
13. A.	<p><b>ADDITIONAL COMPENSATION</b></p> <p>All compensation paid to RIO is paid by clients. While there is no direct linkage between the investment advice given and the discount broker, RIO may receive non-cash benefits from discount brokers recommended to clients. While there is no direct linkage between the investment advice given and an affiliation with these organizations, economic benefits are received that would not be received if RIO didn't give investment advice to clients and also use the services of these organizations. These benefits include receipt of duplicate client confirmations and duplicate statements, access to trading desk serving institutional participants exclusively; access to an electronic communication network for client order entry and account information; ability to have investment management fees deducted directly from client accounts, receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally only available to institutional investors. The benefits received from these organizations may or</p>

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	<p>may not depend on the amount of transactions directed to, or the amount of assets under custody at the organization. It is RIO's policy to restrict non-cash (soft dollar) compensation to products and services that directly enhance the ability to render quality service to clients.</p> <p>Privacy Statement All non-public personal information exchanged between advisor and clients shall be treated as confidential and shall not be disclosed to their parties, except as expressly requested by client, or as required by law.</p> <p>"For California residents: subsection (j) of rule 260.238, California Code requires that all investment advisors disclose to their advisory clients that lower fees for comparable services may be available from other sources."</p>	

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