

**OMB APPROVAL**

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**FORM ADV**

**Uniform Application for Investment Adviser Registration**

**Part II - Page 1**

|  |                          |           |         |            |                              |
|--|--------------------------|-----------|---------|------------|------------------------------|
| Name of Investment Adviser: Jeff Sprowles and Associates LLC |                          |           |         |            |                              |
| Address:   | (Number and Street)      | (City)    | (State) | (Zip Code) | Area Code: Telephone Number: |
|  | 945 Langhorne Yardley Rd | Langhorne | PA      | 19047      | 215 310 9693                 |

**This part of FORM ADV gives information about the investment adviser and its business for the use of clients. The information has not been approved or verified by any government authority.**

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**(Schedule A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)**

**Potential persons who are to respond to the collection of information contained in this form are not required to respond unless the form displays a currently valid OMB control number.**

|   |                          |                   |
|---|--------------------------|-------------------|
| Applicant: Jeff Sprowles and Associates LLC | SEC File Number:<br>801- | Date:<br>01/07/09 |
|---|--------------------------|-------------------|

**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |                                     |  |    |   |
|-------------------------------------|--|----|---|
| <input checked="" type="checkbox"/> | (1) Provides investment supervisory services .....   | 70 | % |
| <input checked="" type="checkbox"/> | (2) Manages investment advisory accounts not involving investment supervisory services.....  | 20 | % |
| <input type="checkbox"/>            | (3) Furnishes investment advice through consultations not included in either service described above...  |    | % |
| <input type="checkbox"/>            | (4) Issues periodicals about securities by subscription .....  |    | % |
| <input type="checkbox"/>            | (5) Issues special reports about securities not included in any service described above.....   |    | % |
| <input type="checkbox"/>            | (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities..... |    | % |
| <input checked="" type="checkbox"/> | (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities...   | 10 | % |
| <input type="checkbox"/>            | (8) Provides a timing service .....  |    | % |
| <input type="checkbox"/>            | (9) Furnishes advice about securities in any manner not described above.....   |    | % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- B. Does applicant call any of the services it checked above financial planning or some similar term? . . . . . Yes  No

C. Applicant offers investment advisory services for: (check all that apply)

- |                                     |  |                          |                       |
|-------------------------------------|--|--------------------------|-----------------------|
| <input checked="" type="checkbox"/> | (1) A percentage of assets under management      | <input type="checkbox"/> | (4) Subscription fees |
| <input checked="" type="checkbox"/> | (2) Hourly charges                               | <input type="checkbox"/> | (5) Commissions       |
| <input checked="" type="checkbox"/> | (3) Fixed fees (not including subscription fees) | <input type="checkbox"/> | (6) Other             |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of clients** - Applicant generally provides investment advice to: (check those that apply)

- |                                     |                                     |                          |  |
|-------------------------------------|-------------------------------------|--------------------------|--|
| <input checked="" type="checkbox"/> | A. Individuals                      | <input type="checkbox"/> | E. Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/>            | B. Banks or thrift institutions     | <input type="checkbox"/> | F. Corporations or business entities other than those listed above |
| <input type="checkbox"/>            | C. Investment companies             | <input type="checkbox"/> | G. Other (describe on Schedule F)                                  |
| <input type="checkbox"/>            | D. Pension and profit sharing plans |                          |  |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1)**

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> A. Equity securities                            | <input checked="" type="checkbox"/> H. United States government securities |
| <input checked="" type="checkbox"/> (1) exchange-listed securities                  | <input checked="" type="checkbox"/> I. Options contracts on:               |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter          | <input checked="" type="checkbox"/> (1) securities                         |
| <input checked="" type="checkbox"/> (3) Foreign issuers                             | <input type="checkbox"/> (2) commodities                                   |
| <input type="checkbox"/> B. Warrants  | <input type="checkbox"/> J. Futures contracts on:                          |
| <input type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles                                     |
| <input type="checkbox"/> D. Commercial paper  | <input type="checkbox"/> (2) intangibles                                   |
| <input checked="" type="checkbox"/> E. Certificates of deposit                      | <input type="checkbox"/> K. Interests in partnerships investing in:        |
| <input checked="" type="checkbox"/> F. Municipal securities                         | <input type="checkbox"/> (1) real estate                                   |
| <input type="checkbox"/> G. Investment company securities:                          | <input type="checkbox"/> (2) oil and gas interests                         |
| <input type="checkbox"/> (1) variable life insurance                                | <input type="checkbox"/> (3) other (explain on Schedule F)                 |
| <input type="checkbox"/> (2) variable annuities                                     | <input type="checkbox"/> L. Other (explain on Schedule F)                  |
| <input checked="" type="checkbox"/> (3) mutual fund shares                          |  |

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

A. Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input type="checkbox"/> Cyclical                      |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input checked="" type="checkbox"/> Timing services   |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the<br>Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases   |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)  |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |  |
|--|--|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions   |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days)                            | (7) <input type="checkbox"/> Other (explain on Schedule F)   |
| (4) <input type="checkbox"/> Short sales   |  |

|   |                          |                   |
|---|--------------------------|-------------------|
| Applicant: Jeff Sprowles and Associates LLC | SEC File Number:<br>801- | Date:<br>01/07/09 |
|---|--------------------------|-------------------|

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? .....  Yes  No

(If yes, please describe these standards on Schedule F)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- name
- year of birth
- formal education after high school
- business background for the preceding five years

**7. Other Business Activities.** (check those that apply)

- A. Applicant is actively engaged in a business other than giving investment advice.
- B. Applicant sells products or services other than investment advice to clients.
- C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
  - (1) broker-dealer
  - (2) investment company
  - (3) other investment adviser
  - (4) financial planning firm
  - (5) commodity pool operator, commodity trading adviser or futures commission merchant
  - (6) banking or thrift institution
  - (7) accounting firm
  - (8) law firm
  - (9) insurance company or agency
  - (10) pension consultant
  - (11) real estate broker or dealer
  - (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?..  Yes  No

(If yes, describe on Schedule F the partnerships and what they invest in.)

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- A. As principal, buys securities for itself from or sells securities it owns to any client.
- B. As broker or agent effects securities transactions for compensation for any client.
- C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- E. Buys or sell for itself securities it also recommended to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

**10. Conditions for Managing Accounts.** Does the applicant provide investment advisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other condition for starting or maintaining an account?

Yes  No

(If yes, describe on Schedule F)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory account, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Reviews are conducted periodically the frequency of which is consistent with the size and complexity of the portfolio but no less than quarterly. Reviews are conducted by Jeff Sprowles, principal.

B. Describe below the nature and frequency of regular reports to clients on their accounts.

Quarterly reports are sent to all clients and include performance measurement, portfolio summaries and summary analyses. Applicant meets with clients personally a minimum of annually to review client goals and progress towards those goals.

|   |                          |                   |
|---|--------------------------|-------------------|
| Applicant: Jeff Sprowles and Associates LLC | SEC File Number:<br>801- | Date:<br>01/07/09 |
|---|--------------------------|-------------------|

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |   |  |
|--|---|--|
| (1) securities to be bought or sold? .....           | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |
| (2) amount of securities to be bought or sold? ..... | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |
| (3) broker or dealer to be used? .....               | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |
| (4) commission rates paid? .....                     | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? ..... Yes  No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for product and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                              |  |
|---|------------------------------|--|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet?..... Yes  No

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

|  |                                 |                          |
|--|---------------------------------|--------------------------|
| <b>Applicant:</b><br>Jeff Sprowles and Associates<br>LLC | <b>SEC File Number:</b><br>801- | <b>Date:</b><br>01/07/09 |
|--|---------------------------------|--------------------------|

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

|   |                              |
|---|------------------------------|
| <b>1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:</b><br>Jeff Sprowles and Associates, LLC | <b>IRS Empl. Ident. No.:</b> |
|---|------------------------------|

| <b>Item of Form<br/>(identify)</b> | <b>Answer</b>   |
|------------------------------------|---|
| Page 2 #1.A.1                      | <p>Investment supervisory services are provided by clients opening brokerage accounts at Charles Schwab &amp; Co., Inc over which applicant has a limited power of attorney that permits applicant to make trades and to download all transactions and holdings periodically to performance measurement software.</p> <p>Fees are calculated using the following fee schedule for all clients signing contracts after August 1, 2008. Clients acquired before then have grandfathered fee arrangements that may be lower than this schedule.</p> <p>For first \$ 500,000 assets being managed 1.00% per year<br/>           For next \$ 500,000 assets being managed 0.75% per year<br/>           For next \$1,000,000 assets being managed 0.65% per year<br/>           For next \$1,000,000 assets being managed 0.55% per year<br/>           For next \$1,000,000 assets being managed 0.45% per year<br/>           For next \$1,000,000 assets being managed 0.35% per year<br/>           Assets over \$5,000,000 being managed 0.25% per year</p> <p>Fees are charged in advance based on the market value at the beginning of each quarter. There is a minimum fee of \$250 per quarter.</p> |
| Page 2 #1.A.2                      | <p>In the event of termination clients are repaid any unearned fees. Investment advisory contracts may be terminated without any termination fee.</p> <p>Investment advisory accounts over which direct supervision is not exercised includes some clients with accounts at Schwab who do their own trading but for whom applicant does performance measurement and makes recommendations periodically. There are several clients for whom applicant reviews holdings of portfolios not at Schwab and provides analysis and recommendations.</p>  |
| Page 2 #1.A.7                      | <p>Compensation is calculated using the above fee schedule OR for a fixed fee proposed by applicant and agreed to by client which is reviewed annually.</p> <p>Financial planning services are occasionally provided clients without investment services. This is furnished for a fixed fee agreed upon by applicant and client with a minimum of \$1,000 OR an hourly fee of \$195.</p>  |

**(Complete amended pages in full, circle amended items and file with execution page (page 1).)**

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

**Applicant:**  
Jeff Sprowles and Associates  
LLC

**SEC File Number:**  
801-

**Date:**  
01/07/09

(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:<br><b>Jeff Sprowles and Associates, LLC</b> |   | IRS Empl. Ident. No.: |
|---|---|-----------------------|
| Item of Form<br>(identify)  | Answer  |                       |
| Page 4 #6   | <p>At present all investment advice is provided by the Jeff Sprowles born June 25, 1947, who took his undergraduate degree from Princeton University in 1969. He is a graduate of The National Graduate Trust School and College for Financial Planning and has taken graduate courses at Rider University and Temple University. He is a Certified Financial Planner® and is a member in good standing of NAPFA which requires 60 hours of continuing education every two years.</p> <p>Since 7/2006 Jeff Sprowles has been principal of Jeff Sprowles and Associates, LLC. From 3/2004 through 9/2006 he was Senior Vice President of the Financial Services Division of First Federal of Bucks County, Bristol, PA. Prior to 2004 he spent 31 years in commercial bank trust divisions including those of CoreStates Bank and Mellon Bank; private trust companies such as Glenmede Trust Company of New Jersey and Hershey Trust Company; and as president of Mercadien Asset Management Company.</p> |                       |
| Page 5 #9.E.  | <p>Jeff Sprowles manages his own financial assets as he does for other clients. Exceptions are made when new securities or techniques are being introduced. He may buy and sell securities not being offered as yet to clients when doing so. When purchasing ETFs or other securities for his own accounts or those of his family on the same day as transactions for client accounts those in client accounts are submitted before or simultaneously with those of Jeff Sprowles' related accounts.</p>   |                       |
| Page 5 #10  | <p>Financial planning services are provided as part of the investment supervisory and managements services. There is a minimum fee of \$250 per quarter to establish a relationship. When financial planning services are offered without investment management there is a minimum fee of \$1,000.</p>  |                       |
| Page 6 #12.A.1 and Page 6 #12.A.2   | <p>Managed accounts use discretionary authority to purchase and sell securities. Clients sign an investment policy statement to establish parameters for asset allocations. Clients receive trade confirmations of all discretionary trades directly from Charles Schwab. Most, but not all, trading activity is supplemented by an e-mail from applicant to the client explaining and reporting the actions.</p>   |                       |
| Page 6 #12 B.   | <p>Clients engaging applicant for investment management services are encouraged to open brokerage accounts at Charles Schwab &amp; Co., Inc. Schwab was selected as the broker because of the interface to performance measurement software and the level of service provided applicant and its clients since 2006 and prior to that when the principal used Schwab at First Federal of Bucks County and Mercadien Asset Management. Periodic checks of brokerage rates, execution of trades and fixed income offerings are made to make sure that clients are receiving competitive results. Applicant receives NO soft dollar or other services. Applicant pays a subsidiary of Schwab &amp; Co., a fee for performance measurement software and does not receive a discount or any other consideration because of applicant's use of Schwab &amp; Co., brokerage services.</p>   |                       |

**(Complete amended pages in full, circle amended items and file with execution page (page 1)).**

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

**Applicant:**  
Jeff Sprowles and Associates  
LLC

**SEC File Number:**  
801-

**Date:**  
01/07/09

(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:  
Jeff Sprowles and Associates, LLC

IRS Empl. Ident. No.:

| Item of Form<br>(identify) | Answer |
|----------------------------|--------|
|                            |        |

(Complete amended pages in full, circle amended items and file with execution page (page 1).)

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

|   |                          |                   |
|---|--------------------------|-------------------|
| Applicant:<br>Jeff Sprowles and Associates<br>LLC | SEC File Number:<br>801- | Date:<br>01/07/09 |
|---|--------------------------|-------------------|

(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:<br>Jeff Sprowles and Associates, LLC |        | IRS Empl. Ident. No.: |
|--|--------|-----------------------|
| Item of Form<br>(identify)   | Answer |                       |
|  |        |                       |

**(Complete amended pages in full, circle amended items and file with execution page (page 1).)**

**Schedule F of  
FORM ADV  
Continuation Sheet for Form ADV Part II**

**Applicant:**  
Jeff Sprowles and Associates  
LLC

**SEC File Number:**  
801-

**Date:**  
01/07/09

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other Schedules)

| <b>1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:</b><br>Jeff Sprowles and Associates, LLC |               | <b>IRS Empl. Ident. No.:</b> |
|---|---------------|------------------------------|
| <b>Item of Form<br/>(identify)</b>  | <b>Answer</b> |                              |
|   |               |                              |

**(Complete amended pages in full, circle amended items and file with execution page (page 1).)**