

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:
McDonald Franceschi, LLCSEC File Number:
801-64742Date:
12/16/2008

(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: McDonald Franceschi, LLC	IRS Empl. Ident. No.: 93-1325714
Item of Form (identify)	Answer
1(A)(B)(C)	<p>FINANCIAL PLANNING</p> <p>McDonald Franceschi, LLC (Advisor or Firm), provides comprehensive financial planning services on a fixed-bid basis. Fees generally range from \$2,000 to \$5,000 per engagement depending on the scope, number, and complexity of issues addressed. Each planning engagement is customized to the particular goals, concerns, and situation of the client. This is done using an interactive computer projection model that can calculate and illustrate a range of financial planning scenarios. The planning process takes place over the course of at least three meetings and includes an in-depth assessment of most aspects of each client's current and projected finances in relation to their life planning goals.</p> <p>At the conclusion of the engagement, the client receives a report that consists of printouts of the graphs and worksheets of their unique financial projection model. The model will be based on the set of facts and assumptions that they and the Firm's planner agree represent a realistic scenario at that point in time. Also included is a summary letter containing the planner's assessments of various aspects of the client's current financial structure along with recommendations for improvement.</p> <p>Due to the time and labor intensive nature of this type of comprehensive planning process, a retainer fee equal to one half of the quoted bid is due at time of engagement. However, any client has up to five days after such engagement to rescind the agreement in writing (including email notification) and they will be refunded the full amount of the retainer paid. The remainder of the fee is due and payable after the analysis report (described above) is provided.</p> <p>For clients wishing ongoing updates and reviews of their financial plans, the firm will provide these on an hourly basis at then current hourly billing rates. Because of the in-depth nature of the initial consultation and the creation of the customized planning spreadsheet model, the fees for ongoing plan reviews generally run substantially less than for the initial planning engagement. The firm waives the fees for ongoing financial planning updates and reviews for those clients who engage investment advisory services.</p> <p>INVESTMENT ADVISORY SERVICES</p> <p>McDonald Franceschi, LLC, provides investment advisory services, defined as giving continuous investment portfolio management and monitoring services based on the client's objectives and risk tolerances. The fees for this service are based on the value of the assets under management as detailed in the schedule below. The custody of all funds and securities will be maintained by either Charles Schwab & Co., Inc. or another discount brokerage firm. At no time will McDonald Franceschi, LLC, or its representatives act as a custodian for any account or have direct access to the client's funds and/or securities.</p> <p>The annual management fees charged for this service will be as follows:</p> <ul style="list-style-type: none">▪ First \$ 1,000,000 of investment account value: 1% annually, billed quarterly in arrears at the rate of .25 % of portfolio value on the last business day of each calendar quarter.*▪ Next \$ 1,000,000 of investment account value: .75% annually, billed quarterly at the rate of .1875 % of portfolio value on the last business day of each calendar quarter.*▪ Portfolio values in excess of \$ 2,000,000: .5 % annually, billed quarterly at the rate of .125 % of portfolio value on the last business day of each calendar quarter.* <p><i>* Account values will be aggregated for clients holding accounts with more than one registration.</i></p>

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5, 6	<p>The Firm may, with the client's consent, also engage the services of outside portfolio management firms in a sub-advisory agreement. The firm will fully disclose the fees charged against their portfolio by all parties. The firm retains overall fiduciary responsibility for due diligence on the sub-advisory firms utilized and for monitoring portfolio performance and composition in line with the client's investment objectives.</p> <p>SPECIFIED CONSULTATIONS</p> <p>The Firm offers analysis and advice on specified financial planning topics and investment portfolio management. Such engagements are limited in scope as agreed to by client and Firm and fees are charged at the hourly rates of the planner rendering the services, ranging from \$150 to \$250/hour. These consultations include but are not limited to:</p> <ul style="list-style-type: none">▪ Personal cash and debt management.▪ Risk management and insurance coverage assessments.▪ Closely-held business succession issues.▪ Financial education for retirement plan participants.▪ Divorce settlement consultations.▪ Fiduciary consultations.▪ Financial and tax aspects of estate planning.▪ Expert witness in investment litigation proceedings. <p>EDUCATION AND BUSINESS STANDARDS</p> <p>The Firm requires of all persons retained to provide investment advisory or financial planning services a minimum of a bachelor level degree from an accredited four-year college, general experience in financial-related fields such as investments, insurance, real estate, banking, or accounting, active pursuit of or completion of accreditation as a Certified Financial Planner licensee or comparable designation, a clean record of abiding by the Code of Ethics for any industry or profession in which advisor has been active, and a clean record with regulatory agencies under whose jurisdiction their past and present professional and business activity pertains. Additional employees, other than those whose functions are strictly clerical, are required to have a college degree and/or a professional designation such as J.D., CPA, CFP, CLU, MBA or equivalent experience in the securities industry.</p> <p>EDUCATION AND BUSINESS BACKGROUND</p> <p>James R. McDonald, CPF®, CPA (August 26, 1939) is a managing member of the applicant firm. He attended Oregon State University and Portland State University, receiving a Bachelor of Science degree in Business Administration with a major in accounting in 1962. He started his career in public accounting with Moss Adams & Co. in 1962, received his Certified Public Accountant license in 1964, and worked at Coopers & Lybrand (now Price Waterhouse Coopers) as an audit manager until forming his own accounting practice, McDonald Jacobs, PC, in 1972. In 2001, he sold his interest in his accounting firm and is of counsel to the firm. Since forming the applicant firm, he has transitioned out of accounting and tax work to focus entirely on personal financial planning.</p> <p>Bernard P. Franceschi, CPF® (January 31, 1948), Investment Advisory Representative and managing member of McDonald Franceschi, LLC holds a Bachelor's degree in Accounting, cum laude, from Boston College (1969) and a Master of Divinity degree from Andover Newton Theological School (1975). Since 1984 his professional activity has been focused exclusively in the</p>	

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7, 8	<p>area of personal financial planning. From August of 1977 through May of 1984, he was employed in public accounting firms primarily in the area of taxation. In November, 1979 he received his license as a Certified Public Accountant in Oregon, which he currently maintains on an inactive status. In November of 1987 he received the Certified Financial Planner™ licensee designation. Prior to the formation of McDonald Franceschi, LLC he was an NASD Registered Representative and Registered Principal, having passed the NASD Series 6, 7, 22, 24 and 65 examinations. He was also an active Oregon licensed life and health insurance agent for over seventeen years.</p> <p>Eric R. Lochner, CPF® (September 23, 1965), Investment Advisory Representative and member of McDonald Franceschi, holds a Bachelor's degree in Electrical Engineering, summa cum laude, from Tufts University (1987), a Master's degree in Electrical Engineering, cum laude, from Stanford University (1989) and a Certificate in Financial Planning from Florida State University (2002). He received the Certified Financial Planner™ licensee designation in November, 2005. His experience includes 4 years of personal financial advising, 3 years of strategic planning and marketing, 3 years of business and engineering consulting, and 8 years of product planning and design.</p> <p>OTHER BUSINESS AND FINANCIAL ACTIVITIES OR AFFILIATIONS</p> <p>In addition to investment advice, the Advisor provides financial planning as described in item 1. Certain principals of McDonald Franceschi, LLC, are affiliated with certain principals of McDonald Jacobs, PC, a CPA Firm (R.A. Jacobs, Dennis C. Johnson, Susan J. Marks, Mark A. Clift, Jill Oswald and Karin Wandtke).</p>	
9	<p>PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS</p> <p>Investment Advisory Representatives (IAR) of the firm may also personally own securities that may be recommended to clients. However at no time will any of the firms IARs recommend to or transact on behalf of any investment advisory client the purchase or sale of any security that could materially affect the value of that security held in the IAR's personal investment portfolio. IARs of the firm are well aware of the need for and are committed to being always in compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988.</p> <p>Advisor or individuals associated with Advisor may buy and sell some of the same securities for its own account that Advisor buys and sells for Clients. In all instances, the Advisor will purchase a security for all of its existing accounts for which the investment is appropriate before purchasing any of the securities for his/her own account and, likewise, when it is determined that securities should be sold, will cause these securities to be sold from all of its advisory accounts prior to permitting the selling of the securities from his/her own accounts. In some cases Advisor may buy or sell securities for his/her own account for reasons not related to the strategies adopted by the Advisor's Clients. The Advisor will notify any new Client of these policies.</p> <p>Advisor has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines proper conduct related to all services provided to Clients. Prompt reporting of internal violations is mandatory. The Advisor's chief compliance officer regularly evaluates employee performance to ensure compliance with the code of ethics. A copy of the code of ethics is available to any client or prospective client upon request.</p>	
12(A)(B)	<p>INVESTMENT OR BROKERAGE DISCRETION</p> <p>Generally, the Advisor has the authority to determine, without obtaining specific Client consent, the securities bought or sold and the amount of securities bought or sold and commission rates paid. The</p>	

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12(A)(B)	<p>only restrictions on the above discretionary authority are those set by the Client on a case by case basis. The Advisor makes it a practice to question Clients to determine if there are any limitations to the Advisor's discretionary authority on the above matters.</p> <p>Except to the extent that the Client directs otherwise, the Advisor may use discretion in selecting or recommending the broker-dealer. The Client is not obligated to effect transactions through any broker-dealer recommended by Advisor. In recommending broker-dealers, Advisor will generally seek "best execution." In recommending a broker-dealer the Advisor will comply with its fiduciary duty to obtain best execution and with the Securities Exchange Act of 1934 and will take into account such relevant factors as price, the broker-dealer's facilities, reliability and financial responsibility, the ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size and execution of order, the research and related brokerage services provided by such broker or dealer to the Advisor, notwithstanding that the account may not be the direct or exclusive beneficiary of such services and any other factors the Advisor considers to be relevant.</p> <p>Recommending a broker dealer can create a conflict of interest. Accordingly Advisor has established the following restrictions in order to ensure its fiduciary responsibilities:</p> <ol style="list-style-type: none">1. A director, officer, associated person, or employee of Advisor shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public or reasonable inquiry. No person of Advisor shall prefer his or her own interest to that of the advisory Client.2. Advisor maintains a list of all securities holdings for itself and anyone associated with its advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer of Advisor.3. All Clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.4. Advisor emphasizes the unrestricted right of the Client to decline to implement any advice rendered, except in situations where Advisor has been granted discretionary authority over the Client's account.5. Advisor emphasizes the unrestricted right of the Client to select and choose any broker or dealer, and/or insurance company he/she wishes.6. Advisor requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to termination.	
13	<p>ADDITIONAL COMPENSATION</p> <p>The advisor provides referral fees to the principals of McDonald Jacobs, PC, named in Item 8.</p>	

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