

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

Applicant: Carlson Capital Management, Inc.	SEC File Number: 801- 37202	Date: 02/26/2010
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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: Carlson Capital Management, Inc.	IRS Empl. Ident. No.: 41-1689533
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Item of Form (identify)	Answer								
Part II, Item 1 (A) (D)	<p>Services Provided: The company provides in varying degrees of complexity the following services:</p> <ul style="list-style-type: none"> <input type="checkbox"/> Investment planning and review including asset allocation <input type="checkbox"/> Cash flow/retirement planning <input type="checkbox"/> Risk management <input type="checkbox"/> Tax planning and preparation <input type="checkbox"/> Advanced estate planning <input type="checkbox"/> Insurance planning <input type="checkbox"/> Educational planning <input type="checkbox"/> Philanthropic planning. <p>Any and all of the above areas may be presented to the client in a comprehensive Financial Plan. Financial Plans will be developed to expose needs and provide possible client solutions. As mutually agreed upon, fees for written Financial Plans can range from \$1,500 to \$7,500 depending on the complexity of each case. 50% of the planning fee may be due, in advance, with the balance required upon completion of services.</p> <p>Clients may also be charged an Integrated Wealth Management Fee that ranges from \$2,000 to \$5,000 annually, billable quarterly.</p> <p>The firm provides tax preparation and planning services. Such services may or may not be included in the client's Wealth Management Fee. Fee for tax services, if billed separately, will vary based on the complexity of every client but generally range from \$250.00 to \$1,500 per return.</p> <p>Investment Management. The Company structures its clients' investment experience based on a passive approach to investing. This includes an affirmation of the principles undergirded by the modern portfolio theory, the efficient frontier, regular rebalancing, diversification and low cost/low turnover asset class investments. Company representatives meet with each client to establish the client's short-term and long-range investment goals and objectives. Various investment vehicles are discussed, including the risk involved and potential return associated with each type of investment. Based on these discussions, a strategy is formulated to accomplish the client's objectives.</p> <p>Our investment philosophy is based on a long-term perspective, taking into consideration asset allocation and diversification among several asset classes. For investment management clients, the firm assists the client(s) in implementing an investment strategy, monitors results, and reports to the client on a regular basis. Client assets are held in a custodial account by an independent custodian/broker-dealer.</p> <p>New clients shall pay the firm a quarterly asset management fee, calculated on client's aggregate assets under management at the end of the preceding calendar quarter, billable one quarter in advance, according to the following schedule:</p> <table style="width: 100%; border: none;"> <thead> <tr> <th style="text-align: left;"><u>Amount</u></th> <th style="text-align: left;"><u>Annual Fee:</u></th> </tr> </thead> <tbody> <tr> <td>On the first \$2,000,000</td> <td>up to 1.00%</td> </tr> <tr> <td>Next \$2,000,000</td> <td>up to .75%</td> </tr> <tr> <td>Over \$4,000,000</td> <td>up to .50%</td> </tr> </tbody> </table> <p>Investment advisory fee covers all advisory services for a period of 12 months. Fees are billed quarterly in advance and may be negotiable in certain circumstances. The fee does not include custodial fees, transaction costs or other expenses charged by the client's</p>	<u>Amount</u>	<u>Annual Fee:</u>	On the first \$2,000,000	up to 1.00%	Next \$2,000,000	up to .75%	Over \$4,000,000	up to .50%
<u>Amount</u>	<u>Annual Fee:</u>								
On the first \$2,000,000	up to 1.00%								
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Over \$4,000,000	up to .50%								

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Part II, Item 5	<p>custodian or broker. Each mutual fund in which the client's assets may be invested charges its own advisory fee and other expenses, which are set forth in the fund's prospectus. It is understood that similar services may be available elsewhere at a lower cost. Because our billing schedules have been modified in the past, existing clients may be billed according to a different schedule.</p> <p>Client may terminate the Asset Management Agreement (hereafter the "Agreement") by written notice given within five days after the date of the Agreement and receive full refund of all asset management fees (if any) paid to CCM.</p> <p>Thereafter, Client may terminate the Agreement with 30 days written notice. CCM agrees to refund to Client the unearned portion of the quarterly fee Client paid to CCM.</p> <p>Investment Advisor has contracted with BAM Advisor Services LLC (BAM) for sub-advisory services with respect to certain clients' fixed income accounts. BAM provides fixed income portfolio construction, trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. For its services, BAM charges Investment Advisor a fee based on a percentage of assets being monitored by BAM. The sub-advisory fees charged by BAM will be in addition to fees charged for Investment Advisor's services to its Client and shall not exceed eighteen (18) basis points (annually).</p>
Part II, Item 6	<p>Company representatives that are giving direct investment and planning advice to clients will have at a minimum a combination of the following credentials: (a) completed undergraduate degree; (b) completed graduate degree; (c) industry recognized certification; (d) five years of work experience in the field of financial advisory services.</p> <p>Investment Committee members:</p> <p>Gregory A. Carlson, CFP®, born 1959 St. Olaf College, B.A., Economics 09/1990 to present – Principal, Carlson Capital Management, Inc. 07/1997 to 12/2004 – Advisory Representative, FSC Securities Corporation 07/1986 to 12/2004 – Registered Representative, FSC Securities Corporation 08/1982 to 07/1986 – Registered Representative, IDS Financial Services</p> <p>Jeffrey R. Carlson, CFP®, born 1960 St. Olaf College, B.A., Economics 09/1990 to present – Principal, Carlson Capital Management, Inc. 07/1997 to 12/2004 – Advisory Representative, FSC Securities Corporation 07/1987 to 12/2004 – Registered Representative, FSC Securities Corporation 08/1983 to 07/1987 – Registered Representative, IDS Financial Services</p> <p>Justin D. Stets, AIF®, born 1963 St. Olaf College, B.A., Latin & Greek Harvard University, M.A., Theology 11/1998 to present – Principal, Carlson Capital Management, Inc. 01/1988 to 08/1998 – Vice President, Norwest Bank Minnesota, N.A.</p> <p>Judd Lohmann, MBA, born 1958 St. Olaf College, B.A., Economics</p>

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	<p>U of MN/Carlson School of Management, M.B.A., Finance 04/2008 to present, Senior Investment Manager, Carlson Capital Management, Inc. 11/1987 to 04/2008 - Financial Analyst/Manager, IDS/American Express Financial Advisors/Ameriprise 07/1984 to 11/1987 - Capital Planning/Investment Analyst, Honeywell</p> <p>Peter Conrad, CFA, MBA, born 1964 Moorhead State University, B.S., Finance Carlson School of Management/U of MN, M.B.A., Finance 09/2008 to present - Senior Advisor, Carlson Capital Management, Inc. 01/1995 to 08/2008 - Executive V.P. & Sr. Portfolio Manager, Kopp Investment Advisors 04/1991 to 12/1994 - Regional Account Representative, Charles Schwab & Company 08/1990 to 04/1991 - Planner, IDS Financial Services</p> <p><u>Note re designation earned by Justin Stets:</u> "The Center for Fiduciary Studies owns the marks AIF[®] and AIFA[®], which it awards to individuals who successfully complete initial and ongoing accreditation requirements."</p>
Part II, Item 7 (A) (B)	Jeffrey R. Carlson – insurance sales 10%
Part II, Item 8 (C) (7)(9) Item 9 (E) Item 10 Item 12 Item 13 (B)	<p>CCM Tax and Trust Administration, as a division of Carlson Capital Management, manages tax planning, tax preparation, trust tax planning and trust administration for various clients of Carlson Capital Management, Inc.</p> <p>Carlson Capital Management may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, Member SIPC/NYSE, to maintain custody of clients' assets and to affect trades for their accounts. Schwab Institutional provides Carlson Capital Management with access to its institutional trading and operations services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors at no charge to them so long as a total of at least \$10 million of the advisor's clients' account assets are maintained at Schwab Institutional. Schwab Institutional's services that Carlson Capital Management may utilize include brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. Schwab Institutional also makes available to Carlson Capital Management other products and services that benefit Carlson Capital Management but may not benefit its clients' accounts. Some of these other products and services assist Carlson Capital Management 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), pricing information and other market data, facilitate payment of Carlson Capital Management's fees from its clients' accounts, and assist with back-office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of Carlson Capital Management's accounts, and may include accounts not maintained at Schwab Institutional. Schwab may make available, arrange and/or pay for these types of services to Carlson Capital Management</p>

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	<p>by independent third parties. Schwab Institutional may present discounts or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party who may provide these services to Carlson Capital Management. The availability to Carlson Capital Management of the foregoing products and services is not contingent upon Carlson Capital Management committing to Schwab Institutional any specific amount of business (assets in custody or trading).</p> <p>Schwab Institutional provides investment advisors with timely and accurate information through a computer downloading process known as SchwabLink. Schwab Link allows the firm to spend less time on operational issues and focus instead on the issues that are most important to our clients. SchwabLink is provided to this firm at no cost to the clients or the firm since the aggregate assets managed by Carlson Capital Management, Inc. exceed the minimum criteria established by Charles Schwab & Company, Inc. Moreover, Carlson Capital Management, Inc. has agreed to communicate electronically with Schwab via SchwabLink whenever appropriate. All Carlson Capital Management, Inc. clients with assets held in custody at Schwab benefit from this arrangement. Carlson Capital Management estimates the annual market value cost for SchwabLink is \$500.00.</p> <p>Because of our relationship with Charles Schwab & Company, Inc, Carlson Capital Management receives a discount for some Morningstar Products which we purchase. Carlson Capital Management purchases the <i>Principia</i> software from Morningstar which includes data on stocks, mutual funds and variable annuities. Carlson Capital Management receives a 15% discount on the retail purchase of these products and estimates that the annual cost savings to the firm is \$600.00.</p> <p>Schwab owns Schwab Performance Technologies. In turn, Schwab Performance Technologies markets a portfolio management system entitled <i>PortfolioCenter</i>. Carlson Capital Management utilizes <i>PortfolioCenter</i> at no cost to our clients. The firm does not pay for the interface (of data) between Schwab and Carlson Capital Management. Carlson Capital Management estimates the annual market value cost for the Schwab <i>PortfolioCenter</i> interface is \$800.00.</p> <p>For accounts of Carlson Capital Management clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Carlson Capital Management clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealers' fees. Thus, Carlson Capital Management may have an incentive to cause trades to be executed through Schwab rather than another broker-dealer. Carlson Capital Management nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for particular client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for other clients of Carlson Capital Management. Thus, trades for accounts maintained at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers.</p> <p>It is further noted that Applicant is in and shall continue to be in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Applicant has</p>

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	<p>adopted a firm wide policy statement outlining insider trading compliance by Applicant and its associated persons and other employees. This statement has been distributed to all associated persons and other employees of Applicant and has been signed and dated by each such person. A copy of this firm wide policy is left with such person and the original is maintained in a master file. Further, Applicant has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees of Applicant, are signed, dated and filed with the insider trading compliance materials. There are provisions adopted for (1) restricting access to files, (2) providing continuing education, (3) restricting and/or monitoring trading on those securities of which Applicant's employees may have non-public information, (4) requiring all of Applicant's employees to conduct their trading through a specified broker or reporting all transactions promptly to Applicant, and (5) monitoring the securities trading of the firm and its employees and associated persons.</p> <p>Applicant or individuals associated with Applicant may buy or sell securities identical to those recommended to customer for their personal account.</p> <p>It is the expressed policy of Applicant that no person employed by Applicant may purchase or sell any security prior to transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.</p> <p>Applicant or any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.</p> <p>As these situations may represent a conflict of interest, Applicant has established the following restrictions in order to ensure its fiduciary responsibilities:</p> <ol style="list-style-type: none"> 1. A director, officer or employee of Applicant shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No associated person of Applicant shall prefer his or her own interest to that of the advisory client. 2. Applicant maintains a list of all securities holdings for itself, and anyone associated with this advisory practice. The Chief Compliance Officer reviews these holdings on a quarterly basis. 3. Applicant requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices. 4. Any individual not in observance of the above may be subject to termination. <p>Financial Industry Affiliations. Adviser is a member of Zero Alpha Group, LLC, a group of registered investment advisers across the country who advocates the Modern Portfolio Theory of investment management. Zero Alpha members are geographically diverse, and they meet quarterly to share investment information, strategic and marketing plans and research related to Modern Portfolio Theory and passive investment management techniques. Zero Alpha also may negotiate with mutual fund companies and broker-dealers to obtain lower cost investment services on behalf of the members' respective clients.</p> <p>Item 8 (C) (9). Related persons of the Applicant may also be licensed with various</p>

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	<p>insurance companies from which commissions may be earned.</p> <p>Item 9 (E): Participation or Interest in Client Transactions. Carlson Capital Management has adopted a Code of Ethics ("Code") that is reviewed annually by its Chief Compliance Officer to ensure the Code accurately reflects any changes in the Rules of the Securities and Exchange Commission. This Code is based on the principle that all employees of Carlson Capital Management owe clients the highest duty of trust and fair dealings, and must avoid activities, interests and relationships that might interfere with making decisions in the best interests of clients. The Code further outlines reporting guidelines that are enforced by the Chief Compliance Officer. A copy of this Code will be provided to any client or prospective client upon request.</p> <p>Item 10. CCM may impose a minimum dollar value of assets as a condition for starting or maintaining an account. This condition, however, is subject to negotiations with each individual client.</p> <p>Item 12. Discretionary authority is limited as set forth in each client's Investment Policy Statement. Applicant is Authorized to act with full discretion in deciding on client's behalf when to purchase, sell, exchange, convert, exercise or trade in stocks, bond, annuities, mutual funds and any other securities in accordance with the terms and conditions of Client's account and risk, and in the client's name or number on the books of Charles Schwab & Co., Inc., The Vanguard Group, Inc., Teachers Insurance and Annuity Association/College Retirement Equities Fund, National Independent Trust Company, US Allianz Securities, Inc., Nationwide Mutual Insurance Company and Affiliated Companies, and Lincoln Benefit Life Company. In all such purchases, sales, conversions, exercises, exchanges or trades, as well as in all other matters necessary or incidental to the furtherance or conduct of such transactions, the Applicant is authorized to act for the client and on the client's behalf in the same manner and with the same force and effect as client might or could do.</p> <p>Factors considered in recommending a broker are:</p> <ul style="list-style-type: none"> ▪ price ▪ technology interface ▪ service ▪ stability and ▪ history. <p>Item 13 (B). Carlson Capital Management has received client referrals from Patricia B. Cegann, a registered representative. According to an agreement between Ms. Cegann and Carlson Capital Management, the firm will pay to Ms. Cegann 25% of the investment advisory fees received for the management of a referred client's investment portfolio. The compensation paid to Ms. Cegann is for the solicitation services and for client referrals only. The solicitation services include making any introductions and providing information and material about the advisory services and programs of Carlson Capital Management.</p> <p>The compensation for these services is paid completely by Carlson Capital Management from the investment advisory fees earned, which are not increased or passed along to a client in any way.</p> <p>Carlson Capital Management has received client referrals from Charles Schwab & Co., Inc.</p>

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	<p>("Schwab") through Carlson Capital Management's participation in Schwab Advisor Network ("the Service"). The Service is designed to help investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Carlson Capital Management. Schwab does not supervise Carlson Capital Management and has no responsibility for the firm's management of clients' portfolios or Carlson Capital Management's other advice or services. Carlson Capital Management paid Schwab fees to receive client referrals through the Service. Carlson Capital Management's participation in the Service may raise potential conflicts of interest described below. Carlson Capital Management is no longer receiving any new referrals from the Schwab Advisor Network.</p> <p>Carlson Capital Management pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Carlson Capital Management is a percentage of the fees the client owes to Carlson Capital Management or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Carlson Capital Management pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Carlson Capital Management quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Carlson Capital Management and not by the client. Carlson Capital Management has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Carlson Capital Management charges clients with similar portfolios who were not referred through the Service.</p> <p>Carlson Capital Management generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from, Schwab. This fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Advisor generally would pay in a single year. Thus, Carlson Capital Management will have an incentive to recommend that client accounts be held in custody at Schwab.</p> <p>The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Carlson Capital Management clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Carlson Capital Management will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Carlson Capital Management fees directly from the accounts.</p>

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