

**Part 2A of Form ADV: *Firm Brochure***

**Heartland Capital Advisors, LC**

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This brochure provides information about the qualifications and business practices of Heartland Capital Advisors, LC. If you have any questions about the contents of this brochure, please contact us at 816.478.1818 or [ken@hcadvisorslc.com](mailto:ken@hcadvisorslc.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Heartland Capital Advisors, LC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 116127.

## **Item 2    Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 03/25/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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## **Item 4    Advisory Business**

Heartland Capital Advisors, LC is a SEC-registered investment adviser with its principal place of business located in Missouri. Heartland Capital Advisors, LC began conducting business in 1998. Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Gregory Allen Dorsch
- Kenneth David Stockard
- Kenneth Allen Woodruff

Heartland Capital Advisors, LC offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Mutual fund shares

- United States governmental securities

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

## **FINANCIAL PLANNING**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. We carefully review documents supplied by the client, including a questionnaire completed by the client, and prepare a written report. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

- Exchange-listed securities
- Corporate debt securities (other than commercial paper)
- Certificates of deposit
- Municipal securities
- Mutual fund shares
- United States governmental securities

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### **CONSULTING SERVICES**

Clients can also receive investment advice on a more focused basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

## Item 5 Fees and Compensation

### INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT FEES

The annualized fee for Investment Supervisory Services are charged as a percentage of assets under management, according to the following schedule:

<u><b>Assets Under Management</b></u>	<u><b>Annual Fee</b></u>
<b>Up to \$500,000</b>	<b>1.25%</b>
<b>\$500,000 to \$1,500,000</b>	<b>1.00%</b>
<b>\$1,500,000 to \$5,000,000</b>	<b>0.75%</b>
<b>\$5,000,000 to \$10,000,000</b>	<b>0.40%</b>
<b>\$10,000,000+</b>	<b>Customized</b>

Our fees are billed in arrears at the end of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's assets at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement.

A minimum of **\$50,000** of assets under management is required for this service. This account size may be negotiable under certain circumstances. Heartland Capital Advisors, LC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

**Limited Negotiability of Advisory Fees:** Although Heartland Capital Advisors, LC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

## FINANCIAL PLANNING FEES

Heartland Capital Advisors, LC's Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on an hourly basis of \$90 per hour.

Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship.

Financial Planning services may include any of the following components, according to the following fee schedule:

Planning Phase: Retirement Income Plan with Recommendations . . . . . \$500.00

Comprehensive Financial Plan with Recommendations . . . . . \$1000.00

Business Succession and Continuation Plan with Recommendations . . . . \$2500.00

Other Planning Modules with Recommendations . . . . . \$350.00

Note: All work outside the scope of the above mentioned fee schedule shall be at the hourly rate agreed to by the Planner and Client in advance of any work being performed. Based on a Client's needs, HCA may quote additional hourly fees for discovery and implementation processes.

**Financial Planning Fee Offset:** Heartland Capital Advisors, LC reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Portfolio Management Services.

The client is billed quarterly in arrears based on actual hours accrued.

### CONSULTING SERVICES FEES

Heartland Capital Advisors, LC's Consulting Services fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Consulting Services fees are calculated and charged on an hourly basis at \$90 per hour. An estimate for the total hours is determined at the start of the advisory relationship.

The client is billed quarterly in arrears based on actual hours accrued.

### GENERAL INFORMATION

**Termination of the Advisory Relationship:** A client agreement may be canceled at any time, by either party, for any reason upon receipt of **30** days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

**Mutual Fund Fees:** All fees paid to Heartland Capital Advisors, LC for investment advisory



services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs 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 a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Wrap Fee Programs and Separately Managed Account Fees:*** Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to Heartland Capital Advisors, LC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

***ERISA Accounts:*** Heartland Capital Advisors, LC is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. . As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Heartland Capital Advisors, LC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset Heartland Capital Advisors, LC's advisory fees.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$500 more than six months in advance of services rendered.

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

Heartland Capital Advisors, LC does not charge performance-based fees.

## **Item 7 Types of Clients**

Heartland Capital Advisors, LC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans(other than plan participants)
- Trusts and Estates

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

***Asset Allocation.*** Rather than focusing primarily on securities selection, we attempt to identify an appropriate ratio of securities, fixed income, and cash suitable to the client's investment goals and risk tolerance.

A risk of asset allocation is that the client may not participate in sharp increases in a

particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate for the client's goals.

***Mutual Fund and/or ETF Analysis.*** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client's portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and/or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if that security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

***Risks for all forms of analysis.*** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## ***INVESTMENT STRATEGIES***

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

***Long-term purchases.*** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **Item 9 Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

## **Item 10 Other Financial Industry Activities and Affiliations**

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

### **Outside Business Activities**

Each Investment Adviser representative of Heartland Capital Advisors, LC may also operate the following business in addition to his responsibilities with Heartland Capital Advisor, LC:

**Insurance:** As an independent insurance agent representing various companies, the Investment Advisor representative may offer for sale insurance and annuity products offered by the companies represented and receive commissions as a result of sales of those products.

**Conflict of Interest:** A conflict of interest may exist when the Investment Adviser representative of Heartland Capital Advisors, LC recommends that a client purchase a

security, and insurance product or an annuity product which result in compensation being paid to the Investment Adviser representative as an independent insurance agent.

## **Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### **Statement of General Policy**

This Code of Ethics (“code”) has been adopted by Heartland Capital Advisors, LC and is designed to comply with rule 204A-1 under the Investment Advisers Act of 1940(Adviser Act”).

This Code establishes rules of conduct for all employees of Heartland Capital Advisors, LC and is designed to, among other things; govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that Heartland Capital Advisors, LC and it’s employees owe a fiduciary duty to Heartland Capital Advisors, LC’s clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by Heartland Capital Advisors, LC continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading and other forms of prohibited or unethical business conduct. The excellent name and reputation of our firm continues to be a direct reflection of the conduct of each employee.

Pursuant to Section 206 of the Advisers Act, both Heartland Capital Advisors, LC and its employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that Heartland Capital Advisors, LC has an affirmative duty of utmost good faith to act solely in the best interest of its clients.

Heartland Capital Advisors, LC and its employees are subject to the following specific fiduciary obligations when dealing with clients:

- The duty to have a reasonable, independent basis for the investment advice provided;
- The duty to obtain best execution for a client’s transactions where the Firm is in a position to direct brokerage transactions for the client;
- The duty to ensure that investment advice is suitable to meeting the client’s individual objectives, needs and circumstances; and
- A duty to be loyal to clients.

In meeting its fiduciary responsibilities to its clients, Heartland Capital Advisors, LC expects every employee to demonstrate the highest standards of ethical conduct for continued employment with Heartland Capital Advisors, LC. Strict compliance with the provisions of the Code shall be considered a basic condition of employment with Heartland Capital Advisors, LC. Heartland Capital Advisors, LC's reputation for fair and honest dealing with its clients has taken considerable time to build. This standing could be seriously damaged as the result of even a single securities transaction being considered questionable in light of the fiduciary duty owed to our clients. Employees are urged to seek the advice of Gregory Dorsch, the Chief Compliance Officer, for any questions about the Code or the application of the Code to their individual circumstances. Employees should also understand that a material breach of the provisions of the Code may constitute grounds for disciplinary actions, including termination of employment with Heartland Capital Advisors, LC.

The provisions of the Code are not all-inclusive. Rather, they are intended as a guide for employees of Heartland Capital Advisors, LC in their conduct. In those situations where an employee may be uncertain as to the intent or purpose of the Code, he/she is advised to consult with Gregory Dorsch. Gregory Dorsch may grant exceptions to certain provisions contained in the Code only in those situations when it is clear beyond dispute that the interests of our clients will not be adversely affected or compromised. All questions arising in connections with personal securities trading should be resolved in favor of the client even at the expense of the interests of employees.

Gregory Dorsch will periodically report to managers/members of Heartland Capital Advisors, LC to document compliance with this Code.

## **Item 12 Brokerage Practices**

Heartland Capital Advisors, LC requires that clients provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged to our clients for these transactions.

Clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Heartland Capital Advisors, LC will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Heartland Capital Advisors, LC will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Heartland Capital Advisors, LC's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Heartland Capital Advisors, LC, or our firm's order allocation policy.
- 2) The trader(s) in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Heartland Capital Advisors, LC to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket or statement of allocation must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) Heartland Capital Advisors, LC's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on Heartland Capital

Advisors, LC's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

Heartland Capital Advisors, LC has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like Heartland Capital Advisors, LC in conducting business and in serving the best interests of our clients but that may also benefit us.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables Heartland Capital Advisors, LC to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

As a result of receiving such services for no additional cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of Heartland Capital Advisors, LC's clients and satisfies our client obligations, including our duty to seek best execution. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while Heartland Capital Advisors, LC will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions. Although the investment research products and services that may be obtained by us will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Heartland Capital Advisors, LC and Fidelity are not affiliated.

## **Item 13    Review of Accounts**



## **INVESTMENT SUPERVISORY SERVICES ("ISS")**

### **INDIVIDUAL PORTFOLIO MANAGEMENT**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Gregory Allen Dorsch, Investment Adviser Representative; Kenneth David Stockard, Investment Adviser Representative and Christopher Sean Walden, Investment Adviser Representative.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their custodian, we provide quarterly reports summarizing account performance, balances and holdings.

## **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

**REPORTS:** Financial Planning clients will receive a completed financial plan. Additional reports will not typically be provided unless otherwise contracted for.

## **CONSULTING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's Investment Adviser Representative.

**REPORTS:** Consulting Services clients will not typically receive reports due to the nature of the service.

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

### **CLIENT REFERRALS**

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the

prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

### **OTHER COMPENSATION**

While we endeavor at all times to put the interest of our clients first as part of our fiduciary duty, the possibility of receiving incentive awards creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Our firm does not have actual or constructive custody of client accounts.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

As previously disclosed in Item 4 of this brochure, our firm does not provide discretionary asset management services.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$500 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Heartland Capital Advisors, LC has not been the subject of a bankruptcy petition at any time during the past ten years.

**Part 2B of Form ADV: *Brochure Supplement***

Gregory Allen Dorsch  
18608 E 25th Terr Ct S  
Independence, MO 64057

Heartland Capital Advisors, LC  
Independence, Missouri 64057

03/25/2011

This brochure supplement provides information about Gregory Allen Dorsch that supplements the Heartland Capital Advisors, LC brochure. You should have received a copy of that brochure. Please contact Kenneth A Woodruff if you did not receive Heartland Capital Advisors, LC's brochure or if you have any questions about the contents of this supplement.

Additional information about Gregory Allen Dorsch is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Gregory Allen Dorsch      **Born:** 1952

### **Education**

- University of Missouri, Columbia, MO; 1976
- University of Missouri, Kansas City, MO; BA, Political Science; 1976

### **Business Experience**

- Heartland Capital Advisors, LC; Vice-President; from February 1998 to June 1998
- Heartland Capital Advisors, LC; Director of Operations, Chief Compliance Officer; from July 2008 to Present
- MML Investors Services, Inc.; Registered Representative; from January 1994 to July 2006
- Massachusetts Mutual Life Insurance Company; Insurance Agent; from January 1994 to December 2005
- Heartland Capital Advisors, LC; Investment Adviser Representative; from February 1998 to Present

## **Item 3 Disciplinary Information**

Gregory Allen Dorsch has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. Gregory Allen Dorsch is not engaged in any other investment-related activities.
2. Gregory Allen Dorsch does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

### **B. Non Investment-Related Activities**

Gregory Allen Dorsch is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

## **Item 5 Additional Compensation**

Gregory Allen Dorsch does not receive any economic benefit from a non-advisory client for the provision of advisory services.

## **Item 6 Supervision**

**Supervisor:** Gregory A. Dosch

**Title:** Director of Operations

**Phone Number:** 816-478-1818

**Part 2B of Form ADV: *Brochure Supplement***

Kenneth David Stockard  
1512 NW Yorkshire Circle  
Lee's Summit, MO 64086

Heartland Capital Advisors, LC  
Independence, Missouri 64057

03/25/2011

This brochure supplement provides information about Kenneth David Stockard that supplements the Heartland Capital Advisors, LC brochure. You should have received a copy of that brochure. Please contact Kenneth A Woodruff if you did not receive Heartland Capital Advisors, LC's brochure or if you have any questions about the contents of this supplement.

Additional information about Kenneth David Stockard is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Kenneth David Stockard

**Born:** 1957

### **Education**

- William Jewell College; BS, Business Administration; 1979
- Rockhurst College; MBA, Finance; 1986

### **Business Experience**

- Heartland Capital Advisors, LC; President; from February 1998 to June 2008
- Heartland Capital Advisors, LC; Director of Research, Chief Investment Officer; from July 2008 to Present
- Heartland Capital Advisors, LC; Investment Adviser Representative; from February 1998 to Present
- MML Investors Services, Inc.; Registered Representative; from December 1995 to July 2006
- Massachusetts Life Insurance Company; Insurance Agent; from October 1995 to Present

## **Item 3 Disciplinary Information**

Kenneth David Stockard has no reportable disciplinary history.

## **Item 4 Other Business Activities**

### **A. Investment-Related Activities**

1. Kenneth David Stockard is also engaged in the following investment-related activities:

### **Outside Business Activities**

Each Investment Adviser Representative of Heartland Capital Advisors, LC may also operate the following business in addition to his responsibilities with Heartland Capital Advisor, LC:

**Insurance:** As an independent insurance agent representing various companies,



the Investment Advisor Representative may offer for sale insurance and annuity products offered by the companies represented and receive commissions as a result of sales of those products.

**Conflict of Interest:** A conflict of interest may exist when the Investment Adviser Representative of Heartlend Capital Advisors, LC recommends that a client purchase a security, and insurance product or an annuity product which results in compensation being paid to the Investment Adviser Representative as an independent insurance agent. Prior to executing any transactions, Clients are informed that these individuals will receive a commission from the transactions and their prior consent is obtained. Clients are under no obligation to execute any transaction through these individuals, and they may execute securities and insurance transactions through any person they desire.

2. Kenneth David Stockard does not receive commissions, bonuses or other compensation on the sale of securities or other investment products.

#### B. Non Investment-Related Activities

Kenneth David Stockard is not engaged in any other business or occupation that provides substantial compensation or involves a substantial amount of his time.

### **Item 5 Additional Compensation**

Kenneth David Stockard does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### **Item 6 Supervision**

**Supervisor:** Gregory A. Dorsch

**Title:** Director of Operations

**Phone Number:** 816-478-1818

**Part 2B of Form ADV: *Brochure Supplement***

Christopher Sean Walden CFP  
901 SE 12th Street  
Lee's Summit, MO 64081

Heartland Capital Advisors, LC  
Independence, Missouri 64057

03/25/2011

This brochure supplement provides information about Christopher Sean Walden CFP that supplements the Heartland Capital Advisors, LC brochure. You should have received a copy of that brochure. Please contact Kenneth A Woodruff if you did not receive Heartland Capital Advisors, LC's brochure or if you have any questions about the contents of this supplement.

Additional information about Christopher Sean Walden CFP is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Christopher Sean Walden CFP

**Born:** 1968

### **Education**

- Kansas State University ; BS, Business-Finance; 1992
- University of Missouri-Kansas City; MBA, Finance; 1999

### **Business Experience**

- Heartland Capital Advisors, LC; Investment Adviser Representative; from October 2008 to Present
- KHC Wealth Management; Investment Adviser Representative; from August 2007 to October 2008
- North American Savings Bank; Investment Adviser Representative; from May 1995 to August 2007

### **Designations**

Christopher Sean Walden CFP has earned the following designation(s) and is in good standing with the granting authority:

The Certified Financial Planner (CFP) is conferred by the the Certified Financial Planner Board of Standards in the United States, Financial Planners Standards Council in Canada and 18 other organizations affiliated with Financial Planning Standards Board (FPSB) the international owner of the CFP mark outside of the United States.

To receive authorization to use the designation, the candidate must meet education, examination, experience and ethics requirements, and pay an ongoing certification fee. The information relates specifically to CFP certification in the United States. In the UK, the CFP licence is available to financial planners through membership of the Institute of Financial Planning.

- Certified Financial Planner; Certified Financial Planner Board of Standards, Inc.; 2001

## **Item 3 Disciplinary Information**

Christopher Sean Walden CFP has no reportable disciplinary history.

#### **Item 4 Other Business Activities**

##### **A. Investment-Related Activities**

1. Christopher Sean Walden CFP is also engaged in the following investment-related activities:

#### **Outside Business Activities**

Each Investment Adviser Representative of Heartland Capital Advisors, LC may also operate the following business in addition to his responsibilities with Heartland Capital Advisor, LC:

**Insurance:** As an independent insurance agent representing various companies, the Investment Advisor representative may offer for sale insurance and annuity products offered by the companies represented and receive commissions as a result of sales of those products.

**Conflict of Interest:** A conflict of interest may exist when the Investment Adviser Representative of Heartland Capital Advisors, LC recommends that a client purchase a security, and insurance product or an annuity product which results in compensation being paid to the Investment Adviser Representative as an independent insurance agent. Prior to executing any transactions, Clients are informed that these individuals will receive a commission from the transactions and their prior consent is obtained. Clients are under no obligation to execute any transaction through these individuals, and they may execute securities and insurance transactions through any person they desire.

#### **Item 5 Additional Compensation**

Christopher Sean Walden CFP does not receive any economic benefit from a non-advisory client for the provision of advisory services.

#### **Item 6 Supervision**

**Supervisor:** Gregory A. Dorsch

**Title:** Director of Operations

**Phone Number:** 816-478-1818

**Part 2B of Form ADV: *Brochure Supplement***

Kenneth Allen Woodruff CLU, CFBS  
4006 Woodbury St  
Independence, MO 64055  
816-478-1818

Heartland Capital Advisors, LC  
Independence, Missouri 64057

03/25/2011

This brochure supplement provides information about Kenneth Allen Woodruff CLU, CFBS that supplements the Heartland Capital Advisors, LC brochure. You should have received a copy of that brochure. Please contact Kenneth A Woodruff if you did not receive Heartland Capital Advisors, LC's brochure or if you have any questions about the contents of this supplement.

Additional information about Kenneth Allen Woodruff CLU, CFBS is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

## **Item 2 Educational, Background and Business Experience**

**Full Legal Name:** Kenneth Allen Woodruff CLU      **Born:** 1945

### **Education**

- Southeast Iowa Community College; AA, Pre-Engineering; 1965
- Iowa State University; BS, Agricultural Engineering; 1968
- Iowa State University; MS, Agricultural Engineering; 1972

### **Business Experience**

- Heartland Capital Advisors, LC; Investment Adviser Representative; from February 1998 to Present
- Massachusetts Mutual Life Insurance Company; Insurance Agent; from January 1994 to December 2007
- MML Investors Services, Inc.; Registered Representative; from January 1994 to July 2006
- Woodruff Business Service; Insurance Broker; from January 2008 to Present

### **Designations**

Kenneth Allen Woodruff CLU, has earned the following designation(s) and is in good standing with the granting authority:

A Chartered Life Underwriter® has earned the premier credential in the insurance profession, representing eight or more comprehensive college-level courses covering all aspects of insurance planning, estate and retirement issues, taxation, business insurance, and risk management. For more than 80 years consumers have trusted this mark, which is conferred by The American College, a non-profit educator with the highest level of accreditation.

The average study time for the program is over 400 hours and can take years to earn. Each CLU® must also complete a minimum of 30 hours of continuing education every two years and meet extensive experience requirements, ensuring the knowledge you're counting on is both comprehensive and current.

- Chartered Life Underwriter; The American College; 1990

### **Item 3 Disciplinary Information**

Kenneth Allen Woodruff CLU, CFBS has no reportable disciplinary history.

### **Item 4 Other Business Activities**

#### **A. Investment-Related Activities**

1. Kenneth Allen Woodruff CLU, CFBS is also engaged in the following investment-related activities:

#### **Outside Business Activities**

Each Investment Adviser Representative of Heartland Capital Advisors, LC may also operate the following business in addition to his responsibilities with Heartland Capital Advisor, LC:

**Insurance:** As an independent insurance agent representing various companies, the Investment Advisor representative may offer for sale insurance and annuity products offered by the companies represented and receive commissions as a result of sales of those products.

**Conflict of Interest:** A conflict of interest may exist when the Investment Adviser Representative of Heartland Capital Advisors, LC recommends that a client purchase a security, and insurance product or an annuity product which results in compensation being paid to the Investment Adviser Representative as an independent insurance agent. Prior to executing any transactions, Clients are informed that these individuals will receive a commission from the transactions and their prior consent is obtained. Clients are under no obligation to execute any transaction through these individuals, and they may execute securities and insurance transactions through any person they desire.

### **Item 5 Additional Compensation**

Kenneth Allen Woodruff CLU, CFBS does not receive any economic benefit from a non-advisory client for the provision of advisory services.

### **Item 6 Supervision**

**Supervisor:** Gregory A. Dorsch

**Title:** Director of Operations

**Phone Number:** 816-478-1818