

**DAVIS-ROSS INVESTMENT ADVISERS, L.L.C.**  
**ALAN B. ROSS, J.D.**

**2519 East 21st Street  
Tulsa, Oklahoma 74114-1746**

+1 (918) 749-0521

+1 (918) 749-0541 FAX

[Alan@AlanRoss.com](mailto:Alan@AlanRoss.com)

Alan B. Ross Direct Line + (918) 200-9710

Letter Date

«Client»

«Address1»

«CityStZip»

Dear «Salutation»:

The Federal Investment Advisers Act of 1940, rules of the United States Securities and Exchange Commission (the "SEC"), and state securities departments mandate regulation of those persons or organizations that, for compensation, provide advice as to the value of securities or the advisability of purchase or sale of securities. A portion of the service I provide consists of investment advice, and I registered in 1975 with the United States Securities and Exchange Commission (SEC), and the State of Oklahoma as an Investment Adviser. In 2002 I co-founded a new investment advisor firm, Davis Ross McGee and McCauley Investment Advisers, L.L.C., and merged my practice into that firm. In 2004 that firm changed its name to Davis Ross Hockman Investment Advisers, L.L.C. after the retirement of Mr. McCauley and the purchase of Ms. McGee's interest by me and Todd Hockman. In 2008, I purchased Todd Hockman's interest in the company and the firm name was changed to Davis-Ross Investment Advisers, L.L.C. During the time period from 1972 to 1975, I was compensated by commissions. From 1975 until December of 2003, I was compensated by a combination of fees and commissions. From 1972 until December of 2003, I held a number of securities licenses, e.g. NASD (National Association of Securities Dealers) Registered Principal, NASD Registered Options Principal, and state securities licenses. When we elected to proceed as a fee only firm registered with the United States Securities and Exchange Commission, those licenses and registrations were no longer required so they were voluntarily terminated. Subsequently, the NASD was replaced by FINRA (Financial Industry Regulatory Authority). For purposes of this letter, NASD and FINRA are interchangeable.

In December of 2003, I changed my securities and financial planning practice to fee only, that is, we changed to a no-commission compensation basis. As it turned out, regulatory considerations made it very difficult to have a fee only practice and a commission practice co-located within a single investment advisor firm. At the time, Ms. McGee was unwilling to relinquish her securities commission business and made the decision to withdraw from our company. That is when Mr. Hockman and I purchased her interest and changed the name of the company to Davis Ross Hockman Investment Advisers, L.L.C. Mark Davis and Todd Hockman concentrated their time on management of our commingled investment vehicle and management of certain portfolios with specific objectives, while my concentration is on financial planning and more general portfolio management. This relationship has resulted in synergies that we believe

«Client»

benefit our clients. In 2008, I purchased Todd Hockman's interest in the firm so that he could pursue other opportunities. At that time, the company changed its name to Davis-Ross Investment Advisers, L.L.C. At this time the company is owned by me and Mark A. Davis. Mark is located in our Columbus office and manages our commingled investment vehicle and other special accounts.

The move to no-commissions was part of our plan to have our clients treated more like institutional clients rather than as retail investors. Since securities licenses relate to commission business, it was then possible to voluntarily terminate all those securities licenses. We continue to be regulated by the United States Securities and Exchange Commission as an investment adviser.

In addition to regulation by the SEC, I am also indirectly subject to a number of other regulatory requirements, such as rules of the stock exchanges, the National Association of Securities Dealers (NASD – now FINRA) so far as that body regulates securities and the Broker-Dealers that hold client assets and through which we place trades; the Federal Reserve Board; state insurance and securities commissions; the Bar Association; and, as it seems, a virtually unlimited number of other governmental entities. I also subscribe to the codes of ethics of various professional organizations and, as an attorney, to the Code of Professional Responsibility of the Bar Association of Oklahoma.

A rule of the SEC requires that as a Registered Investment Adviser, I deliver, or offer to deliver, on an annual basis, to each "investment advisory client," a written disclosure statement containing information concerning my background and business practices (the "Brochure" Rule). This permits the required disclosures to be made by either providing a copy of Part II of our registration form filed with the SEC, or by another written document containing at least the information in the SEC form. A copy of the SEC Form ADV Part II is attached. The offer for the ADV-Part II form is also made each quarter, or annually as the case may be, to all clients in a notice contained in their billing statements.

In order that the requirements of the various agencies may be met, and more importantly, that I may be sure the relationships I maintain in order to better serve my clients are fully understood, I periodically send each client a letter similar to this one. This letter outlines the nature and scope of our continued business relationship. Since this will also serve to satisfy the SEC regarding the "Brochure" Rule, I would ask that you return the acknowledgment that is at the end of this letter. **If you determine that you cannot work within the parameters outlined in this letter, it is your responsibility to advise me as soon as possible. I cannot know you are not satisfied unless you tell me.** My intention is for both of us to fully understand our relationship.

The registration as an Investment Advisor is now held by Davis-Ross Investment Advisers, L.L.C. Prior to 2002, the registration was personal to me, i.e. I was the "Registered Person." Since our company now holds the registration, my "title" has changed to "Investment Advisor Representative." Nevertheless, since I would be the designated advisor, I am responsible for all investment advice that I provide. Davis-Ross Investment Advisers, L.L.C. has employees that are assigned to me, and I also may have my own employees. My employees, and employees of Davis-Ross Investment Advisers, L.L.C. assigned to me, work under my direction and authority with respect to all investment advice. All such employees are

«Client»

compensated by salary that is not adjusted for the types of income. We receive income from investment advisory fees, legal fees, tax preparation fees, and consulting fees. After 2002, I had retained licenses to provide insurance, and received commissions from that source, although it was very minor source of income. Since December of 2003, we do not take commissions from securities transactions, and currently do not take commissions from any other sources, including insurance commissions.

The SEC requires that I provide you with my educational and business standards, background and certain personal data. The information is enclosed.

The SEC, in the registration form for Investment Advisers, defines "investment supervisory services" as "Giving continuous advice to a client (or making investments for the client) based on the individual needs of the client. " Individual needs include, for example, the nature of other client assets and the client's personal and family obligations. Certainly, my intention is to provide advice and implementation of recommendations based upon your individual requirements. To that end, we both have some obligations. On my side, I shall analyze and monitor your financial situation, taking into consideration the nature and scope of your assets and liabilities, and your individual needs and desires, and I shall make recommendations with regard to your financial situation, including the performance of your investments, and the relationship among your financial, estate, and tax pictures. On your part, it is necessary that you provide me complete information; that you let me know when changes occur in your financial, family, business, and tax situation; and, that you advise me in particular when two things happen: 1) when you perceive that I may not be correctly reading your financial intentions, or 2) when you change any goals or objectives.

The fees for my services are individually negotiated with each client. The factors considered in setting fees include, but are not limited to:

1. Time and labor involved, the novelty and difficulty of the questions involved, and the skill requisite to perform the service properly.
2. The likelihood that the performance of the services for a particular client would preclude other employment.
3. The amount of assets/liabilities involved, the results expected, and the amount of responsibility assumed.
4. The nature and length of our professional relationship.
5. Time limitations imposed by the client or by circumstances.
6. The amount of other income that has been received, or is likely to be received due to efforts on behalf of the client.
7. The perception, on the part of the client, of the worth of the services.

The fees established for financial advisory service do not include fees that may accrue for other services that are outside the scope contemplated by the financial advisory services.

«Client»

For example, there would be additional fees charged for the preparation of legal documents or the preparation of income tax returns. In all cases, however, no additional fees will be charged without us first discussing what is required and on what basis the fee is to be charged, as well as the amount.

Since I am an attorney and an employee of mine is also an attorney, it is important for you to understand what relationships are possible. There is in the law, an attorney-client privilege, whereby no one (not the IRS, not the courts, etc.) can compel me to reveal information obtained from you or on your behalf while representing you as your attorney. These "client confidences" can be written or oral, including all of my work papers as well as any documents provided by you to me in this capacity. The privilege also covers information obtained by others working at my direction on your behalf (such as an employee of mine, or, perhaps, an accountant that I may hire to work on a legal matter on your behalf). Except for, perhaps, doctor-patient, there is no other similar privilege recognized in the law, i.e. no accountant-client, no stockbroker-client privilege, no investment adviser-client privilege, etc. The privilege, however, does not begin until I am hired as your attorney, so, in connection with activities that are not attorney-client matters, there is no attorney-client privilege.

With respect to your expectation of privacy, you are advised that we obtain information from you and from sources to which you refer me, from others of your advisors, documents provided, discussions held, and so forth. We do not share any of this information with any third parties except as may be required by regulation or normal business practices. For example, information we obtain would be shared with Raymond James Financial Services to complete account applications and compliance requirements. In all cases, however, we endeavor to provide only the minimal amount of personal information. We maintain information about you in paper and electronic form as is necessary in the normal course of business. Of course, any information that may be covered by an attorney-client privilege is never disclosed to anyone without your specific approval.

As you can surmise, the combination of these factors can create some difficulty in interpreting rules and regulations. To help forestall misunderstandings, I have adopted the policies outlined in this letter.

My practice is to work with your other professional advisers, and, in fact, I encourage you to seek the counsel of CPA's and other attorneys. Nevertheless, I can perform legal and accounting services for you if you so desire. If you want me to perform financial advisory, financial and tax planning, and investment services for you in the capacity as your attorney, that is possible, however, we must clearly define the matters involved so you will have no misunderstanding of the attorney-client relationship.

If, at a particular time, I am not acting as your attorney, and I uncover, or you bring to my attention, a matter that may require legal services, I shall suggest that you obtain counsel from another attorney. After you have considered my suggestion regarding your obtaining of other counsel, and after we have discussed my capabilities in the area of the law under consideration, and upon your direction, I can assume the role of your attorney as respects that matter. We should mutually understand:

1. The particular matter involved.

«Client»

2. The date upon which the matter came to our attention.
3. Confirmation of my opinion that legal services are involved.
4. Confirmation of my suggestion that you may seek other counsel.
5. The amount of the fee.
6. A description of the work the fee covers.
7. Additional work fee arrangements.
8. What out-of-pocket costs can be expected.
9. Payment schedule.
10. My opinion of the merits of the matter involved.

My investment advisory clients consist of individuals, corporations, trusts, and retirement plans. As far as investments are concerned, we can deal with equity securities such as exchange listed and over the counter stocks and bonds, warrants, commercial paper, bank certificates of deposit, municipal securities, investment company securities (mutual funds, variable life insurance and annuities, United States government securities, options on stocks and commodities, commodities futures, partnership and other structures for investment in real estate, oil and gas, and leasing). The intention is to not limit the universe of possible solutions, but to let your needs and requirements dictate the vehicles, tools, and techniques utilized.

My basic philosophy of general investment is based upon identification of the stages through which economic cycles routinely progress; the determination of which forms of investment thrive at each stage in the cycle; and then the determination of major investment entry and exit points with reference to cyclical events. With respect to the methods of analysis of particular investment securities, I use both fundamental and technical analysis. Fundamental analysis is used to identify the appropriate security to use during the current cycle stage, and then technical analysis is used to attempt to determine the entry, holding, and exit timing within the current cycle stage. The structure, management, tax implication, industry position, and economic condition of an investment are considered as they relate to the individual requirements of each client. Securities are screened for underlying value and objective, and are matched to individual client requirements.

Sources of information used include financial newspapers, magazines, and other periodicals; research materials prepared by other investment advisors and by brokerage houses; materials prepared by individual firms (annual reports, SEC filings, etc.); research purchased from independent research organizations; and by personal inquiry, interview and research.

The specific strategy of investment is dependent upon the requirements and desires of each client. As a general rule, however, although I strive to not impose my personal investment philosophy, goals and objectives on any client, there will be a natural tendency toward conservative strategy with a long-term objective. Short-term trading activity is normally somewhat limited, however, when I believe the conditions warrant, some portion of investment management accounts will be traded on a short-term basis using technical analysis methods. Such activity may result in a relatively high turnover in the segment of the portfolio and attendant increased trading costs. Such short-term trading activity is designed for the most part to try to allow "good" trades to continue in place until a certain profit has been reached, while terminating trades that are not working as expected. It would not be unusual, therefore, to have only a relatively low percentage of "successful" trades (perhaps 20-30 percent). The key being

«Client»

that the attempt is for the smaller number of successful trades to profit more than the larger number of unsuccessful trades loses.

We may take positions to hedge our portfolios. Techniques employed include the purchase of put options on certain stocks or indexes; the sale of covered call options on certain stocks; and increase in the amount of cash maintained in a client's various portfolios. Furthermore, it is contemplated that portions of the portfolios, and even substantial portions, may be held in currencies other than United States Dollars, and in securities and banks not domiciled in the United States.

Discretionary management of a particular portfolio is limited to the investment philosophy outlined above. Clients who have investment objectives and requirements for different management style for a portion of their assets are accommodated by the utilization of the services of other professionally managed investments, e.g. other investment managers, mutual funds, and partnerships. I monitor the performance of these other investments as part of the Financial Planning Investment Advisory Service but can take no responsibility for the actions of other advisors.

Davis-Ross Investment Advisers, L.L.C. currently offers a pooled investment vehicle to accredited investors and institutions and, further, we intend to offer others in the future. Some of my investment advisory clients may invest in these vehicles. Some investment advisory clients may invest in other vehicles sponsored by other investment advisors. The fee I charge for investment advisory services is in addition to any fees that may be charged by other investment vehicles in which you might invest. Such other investment vehicles include mutual funds, exchange traded funds, hedge funds, Real Estate Investment Trusts (REIT), annuities, and the like.

As my financial planning practice has developed, I have seen the need to provide additional services to my clients above the traditional generic financial plan. As these additions have been made, the paperwork and regulatory pressures have increased geometrically, and, unfortunately, the various relationships have become somewhat complex. It is probable that it will be necessary to add additional services in the future. It is also unlikely that the complexity will lessen or disappear, although the elimination of commissions and the resultant ability to terminate certain licenses (i.e. NASD) has mitigated the regulatory issues somewhat.

It is important that you understand these various relationships, not just because the regulators require that they be disclosed to you, but rather, that you be able to take full advantage of them without becoming confused. I have expended a great deal of effort over the years to build an educational, experience, and professional base with which to provide the type of financial, investment, tax and legal work that my clients need.

I have already discussed the legal relationship. The relationships with respect to securities are somewhat complex. The regulators (the FINRA in particular) are extremely sensitive in that they want to be certain that a client knows exactly with whom and with what company they are dealing when the purchase or sale of a security is made. In our case, even though we are not required to nor do we maintain any FINRA licenses, **we always deal with the same FINRA, broker/dealer**. You do not have a choice in this area. If you do not wish to utilize this broker, then we cannot continue to work together. All securities transactions are

«Client»

through Raymond James Financial Services – Investment Advisor Division (RJFS-IAD). RJFS is a division of Raymond James Financial, a New York Stock Exchange Listed Company (Symbol: RJF). Raymond James Financial also owns a New York Stock Exchange Member Firm - Raymond James and Assoc., Inc. (RJ), as well as a number of other financial service related companies. RJ manages cash balances of accounts held at that firm whereby interest is paid on "free credit balances" in your brokerage account through a variety of methods, such as a bank deposit program. To avoid duplication of "back office" functions and, effectively, to provide for you all the additional services available through a New York Stock Exchange Member firm, securities transactions are handled by Raymond, James & Assoc., Inc., on what in the industry is termed a "fully disclosed" basis.

Through the RJFS-IAD relationship, you will pay a transaction fee for all securities transactions -- there are no commissions charged. The cost for stock transactions currently is the greater of \$14.95 or one cent per shares. Some mutual fund purchases have a transaction fee associated with the purchase and/or sale. Some mutual fund purchases have no transaction costs, usually because that particular fund has an internal fee which is passed on to the broker/dealer (i.e. 12(b)-1 fee). We do not receive any of such fees.

Of necessity, then, you will be subject to the abilities and reputation of Raymond James Financial Services, Investment Advisor Division, and Raymond James & Assoc., Inc. I have chosen to work with them because I believe them to be honest, competent, and reputable; and their transaction charges, while, perhaps, not as low as a "discount" broker, are fair in light of the services they provide me (e.g. research, due diligence, study, and monitoring) which in turn benefits you. Securities commissions in the United States are not fixed by any stock exchange or other authority and are subject to negotiation.

Notwithstanding the above with respect to the relationship with Raymond James, it is likely that we shall establish additional similar relationships, particularly with respect to foreign securities and currencies, since it has become apparent that diversification among nations and currencies may be required. Such other relationships will have similar characteristics to the Raymond James relationship.

You must know that I also do financial planning and implementation for a group that is most important to me--my wife, four children and their spouses, and, currently, ten grandchildren.. The SEC requires that I disclose to you that I do maintain personal accounts with investments that, from time to time, may be the same or similar to investments that are being recommended to clients. These personal accounts are for investment only and are maintained using the same investment guidelines as are used for clients, except that, at times, some securities or investments held personally may be considered to be of higher risk than would normally be recommended to investment advisory clients. Nevertheless, my personal investments will always be on the same side of the market as are my clients, i.e. I am buying the same stocks as our clients, and, similarly, will sell when our clients are selling. Due to operational and practical considerations, I cannot guarantee that you will always receive the absolutely best price on a trade. Normal practice is for me to enter transactions for a group of clients, and maybe my own account, at about the same time for the same stock. Due to market conditions, different clients and my personal account, may receive different prices. The differences, however, are minor. The point is that we make our trades in a manner that we judge to be fair to us all.

«Client»

You may grant discretionary authority to me where I, without specific consultation with you, determine which securities are to be bought or sold, the total amount of securities to be bought or sold, and through which broker or dealer securities are to be bought or sold. An arrangement of this type will only be established with your advance permission, which would include the completion of the appropriate contract, with written discretionary authority and fee schedule.

As an investment adviser, I do not take possession or custody of any of your securities at any time. Securities are always registered in your name, are held in "Street" name at the broker in an account in your name, or are held in trust. As your investment adviser and through the relationship with RJFS-IAD, I can assist you in placing securities or funds into your brokerage account, and can arrange for securities or funds to be transferred back to you, but only upon your direction. Notwithstanding the relationship with RJFS-IAD, Davis-Ross Hockman Investment Advisers, L.L.C. is solely responsible for the investment advice that we provide as a Registered Investment Advisor.

Review of your accounts, and in-person or written reports are provided on a schedule that I determine based upon factors such as the types of assets/liabilities, the complexity of the transactions, regulatory necessity, and your personal requirements. While it seems a little silly for me to be writing the following two statements, the regulatory agencies and the broker/dealers have become so paranoid that we are required to state the obvious: "Information provided is believed to be reliable but cannot be guaranteed as to its complete accuracy," and "Past performance is no guarantee of future results."

There are two final points before closing:

The first is my policy with respect to billings. You can expect that I will be paid for my work in some or all of the following seven ways:

1. A fee based up the value of your assets that I manage.
2. Fees for specific projects, on a fixed retainer or by hours.
3. Fees for Legal work, accounting, and tax return preparation.
4. Fees for Financial Planning Investment Advisory Service.
5. Fees for discretionary management of a particular portfolio.
6. Fees for service as trustee or custodian.
7. Commission from insurance sales

Fees for specific projects, legal work, accounting, and tax return preparation, can be based on either a fixed retainer or by hours expended. Any hourly fees contemplated will be discuss with you in advance where we will agree on the hourly charge. The hourly charge is adjusted for various factors such as whether a staff person or I do the work, the time constraints, and difficulty of the work. Fees for this work are billed on an *ad hoc* basis.

My fee for Financial Planning Investment Advisory Service is generally included in fees charged for discretionary management of specific portfolios. I commit to provide investment advisory services for one-year periods, and shall not withdraw without your permission during



«Client»

that time, except, of course for non-payment. You, of course, may terminate our relationship at any time

A fee is charged for discretionary management of specific portfolios and is billed the first day of March, June, September and December based upon the value of the account at the beginning of the previous three-month period. The current base rate is two percent annually, however, variations among clients do occur depending upon a number of factors, which include whether the particular client participates in Financial Planning Investment Advisory services. Discretionary management of portfolios requires a separate agreement between us that will outline the scope of the management, the investment intentions and objectives. Discretionary management for clients who do not participate in the Financial Planning Investment Advisory Service will be based solely upon the specific portfolio under management, and will not consider any other personal or financial considerations. Discretionary management for Financial Planning Investment Advisory clients will consider all relevant personal and financial considerations and will coordinate with all other aspects of the client's financial planning.

A fee of \$50.00 per year may be charged for each trust in which I am named as trustee, where the trust is not yet funded or where the trust will be activated at some future time. This type of situation would include a testamentary trust in which I am named Trustee, a revocable trust where I am a "stand-by" trustee, as well as any other unfunded and/or inactive trust. Funded and/or active trusts, are subject to an annual trustee fee:

#### ANNUAL TRUSTEE FEE FOR FUNDED/ACTIVE TRUSTS

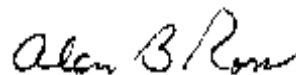
0.80% of the first \$500,000 (minimum \$400)  
0.60% of the next \$500,000,  
0.40% of the next \$1,000,000,  
0.20% of the balance.

Fees for Trustee services for active trusts are billed quarterly or annually.

The last point is the use of your name as a reference. My policy is to never tell anyone anything about your financial situation or anything else you have told me, or my staff, in confidence. This includes the fact that you are a client. Prospective clients, however, normally want to speak with an established client. When this occurs, my practice is to call and ask if such person may contact you--I do not just provide your name without permission. Please note, however, that my business is built upon referrals from good clients to others like them, and I certainly appreciate and solicit your help in this area.

If you have any questions or comments, please do not hesitate to call.

Sincerely,

A handwritten signature in cursive script that reads "Alan B. Ross".

Alan B. Ross

«Client»

**ALAN B. ROSS, J.D.**

EDUCATIONAL AND BUSINESS BACKGROUND

The Securities and Exchange Commission requires as part of registration as an Investment Adviser, that the applicant for such registration set forth the name, year of birth, formal education after high school, and the business background of each person associated with the investment adviser who determines or approves what investment advice shall generally be rendered by the investment adviser.

ALAN B. ROSS, J.D.      Born: June 4, 1945, El Paso, TX

FORMAL EDUCATION:      University of Tulsa, College of Law, evening division, 1978-1982, Juris Doctor (J.D.)  
Auburn University, Montgomery, Alabama, evening division  
1971-1972, graduate studies economics and accounting  
USAF Academy, Colorado, full time  
1963-1967, B.S. (Major: Basic Science)

PROFESSIONAL  
EDUCATION:      College for Financial Planning  
Certified Financial Planner (1975)

PROFESSIONAL  
LICENSES:      NASD Registered Representative, (1972-2003)  
NASD Registered Securities Principal (1975-2003)  
NASD Registered Options Principal (1975-2003)  
SEC and Oklahoma Registered Investment Adviser (1975-2002)  
Investment Adviser Representative (2002-Present)  
Life and Health Insurance License (1972-Present)  
Attorney at Law, admitted to practice (1982-Present)  
Oklahoma State Courts,  
Federal District Court (N.D. Okla.),  
United States Tax Court

BUSINESS  
BACKGROUND:      1975 to present: Personal Financial Planning practice, Tulsa, Oklahoma  
Financial, tax, investment, and estate planning with implementation of planning  
recommendations; legal services; portfolio management; and, income tax return  
preparation and representation;

2004-Present: Davis Ross Hockman Investment Advisers, L.L.C.  
Founding Member, Investment Advisor Firm  
2002-2004: Davis Ross McGee and McCauley Investment Advisers, L.L.C.  
Founding Member, Investment Advisor Firm  
Registered Principal NASD Broker/Dealer (RJFS-IMD) (1975-2003)  
1972-1975: Registered representative, NASD broker/dealer  
1967-1972: Instructor pilot, US Air Force  
1963-1967: Student, USAF Academy, Colorado

«Client»

**ALAN B. ROSS, J.D.**  
**2519 East 21st Street**  
**Tulsa, Oklahoma 74114-1705**

Re: Financial Advisory Service - SEC "Brochure Rule" and  
Reaffirmation of discretionary trading authorization

Your letter dated 12/1/2010, regarding financial advisory services and the disclosures required by the SEC under the "Brochure Rule" have been received.

In addition, if I have established or establish in the future any investment management accounts at Raymond James & Assoc., Inc. or elsewhere, which are managed by you on a discretionary basis, I hereby affirm my intention to allow you to continue to manage those accounts on a discretionary basis per the written Investment Management Agreement which governs that activity. Further, I understand that I may terminate your discretionary and investment management authority at any time.

DATE: \_\_\_\_\_

\_\_\_\_\_  
«Client1»

\_\_\_\_\_  
«Client2»