

Item 1 – Cover Page

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This Brochure provides information about the qualifications and business practices of Andrews Advisory Associates, LLC. If you have any questions about the contents of this Brochure, please contact us by phone at 808-521-4015 or by email at AAA@AndrewsLLC.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.

Andrews Advisory Associates, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about Andrews Advisory Associates, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure, dated February 1, 2011, is a new document prepared according to the SEC's new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure. In the past, we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting Les Andrews, CFP® at 808-521-4015 or AAA@AndrewsLLC.com. Our Brochure is also available on our web site, www.AndrewsLLC.com, also free of charge. Additional information about Andrews Advisory Associates, LLC is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Andrews Advisory Associates, LLC who are registered, or are required to be registered, as investment adviser representatives of Andrews Advisory Associates, LLC.

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Item 4 – Advisory Business

- A. **Andrews Advisory Associates, LLC (“AAA” or “the Advisor”)** offers financial planning, non-discretionary investment advisory, discretionary investment management and retirement plan services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities. Our customized *Keep It Simple Strategy*® centers on diversification through asset allocation, dollar-cost averaging and periodic rebalancing. Our investment philosophy does not involve market timing or speculative financial instruments. We do not recommend margin accounts, selling short, options, futures, derivatives, leveraged or inverse exchange-traded funds (ETFs) or exchange-traded notes (ETNs), penny stocks, arbitrage, or illiquid instruments.
- B. The principal owner and investment adviser representative for the firm is Les Andrews, CFP®. Please see the supplemental brochure Form ADV Part 2B for complete details of Mr. Andrews’ education and credentials.
- C. AAA provides investment advice based on a detailed analysis of your investment goals and objectives (e.g. safety of principal with variable income, current income with variable principal, balanced income & growth, diversified growth or maximum capital appreciation) based on information we gather about your tolerance for volatility, investment time horizon and personal financial situation. Once these objectives are established via a comprehensive face-to-face meeting (or series of meetings) designed to gather all relevant facts regarding your circumstances, an Investment Policy Statement and Agreement will be developed by AAA for your review and approval.
- D. AAA will provide advice and make investment recommendations based on your stated goals, tolerance for volatility & investment time horizon on a non-discretionary or discretionary basis as provided in the Financial Planning / Investment Advisory / Investment Management Agreement (“**the Agreement**”). If advisory services are provided on a non-discretionary basis, clients have absolute discretion whether or not to accept any advice or investment recommendations from AAA. If investment management services are provided on a discretionary basis, among other things, clients authorize AAA with the discretion to manage and direct the investment of client assets without prior consultation, including purchase and sale of account assets and all at such time, prices and terms as AAA deems appropriate. The advisory or investment management agreement specifically sets forth the terms governing the services provided by AAA; you should carefully review your advisory or investment management agreement prior to signing.
- E. Client assets managed by AAA on a discretionary basis total approximately \$20,000,000; client assets managed by AAA on a non-discretionary basis total approximately \$90,000,000 (as of December 31, 2010).

Item 5 – Fees and Compensation

- A. The one-time fee for **Financial Planning Services** is charged either (1) on an hourly basis at the rate stated in the client’s Agreement to provide such services or (2) as a comprehensive financial plan with a flat fee determined in advance by the Advisor and the client.
- B. The annual advisory fee for **Non-Discretionary Investment Advisory Services, Discretionary Investment Management Services** and/or **Retirement Plan Services** will be charged quarterly as a percentage of assets under management based upon the market value of the assets in the account on the last trading day of each previous calendar quarter, (excluding cash and sweep money market balances). The advisory fee will be charged by one of two methods: (1) in arrears based on the portfolio value at

the end of the previous billing period (usually the previous quarter end) or (2) in arrears adjusted to reflect all flows (Deposits and Withdrawals) for each day of the previous billing period (usually the previous quarter). The billing method will be specified in your Agreement.

Fee schedules are based on your **aggregate assets under management (AUM)**. The account values of your “immediate family” members (spouse and children) as well as the account values of retirement or business accounts for which the advisory fee is paid by the employer (as listed in your Agreement) will be aggregated for the purpose of calculating the advisory fee. Clients’ fee schedules are included in their Agreements and are subject **to change upon 30 (thirty) days’ notice**. **All fees are negotiable**. Currently, our fee schedules are as follows:

Hourly Fee Schedule for Financial Planning Services:

Qualification	Hourly Rate
Investment Adviser Representative	\$200.00
Supervised Clerical Staff	\$50.00

Plus General Excise Tax: State of Hawaii (excluding Oahu) General Excise Tax 4.167%; Oahu General Excise Tax 4.715%; Out of State 0.000%

Annual fees for Discretionary Investment Management and Non-Discretionary Investment Advisory Services:

AUM Assets Under Management		Mutual Funds ¹ ETFs & Stocks ²	529 Plans Laddered Bonds or CDs intended to be held to maturity	Cash & Sweep money market balances
		Flat rate from \$0		
Below	\$500,000	1.00%	0.50%	0.00%
Below	\$1,000,000	0.80%	0.50%	0.00%
Above	\$1,000,000	0.60%	0.50%	0.00%

Plus General Excise Tax: State of Hawaii (excluding Oahu) General Excise Tax 4.167%; Oahu General Excise Tax 4.715%; Out of State 0.000%

¹ Open End Mutual Funds

² Includes Transaction Fee Open End Mutual Funds, Closed End Mutual Funds and Exchange Traded Mutual Funds that have a Transaction Fee paid by the client

Annual fees for Discretionary Investment Management Services on Qualified Defined Contribution retirement plan with an Open Architecture Record-keeper Platform:

Plan Total Assets	Flat Rate from \$0	AUM Including cash & sweep money market
Below	\$1,000,000	0.50%
Below	\$2,000,000	0.45%
Below	\$3,000,000	0.40%
Below	\$4,000,000	0.35%
Above	\$4,000,000	0.30%

Includes Hawaii General Excise Tax paid by the Advisor. For the purpose of calculating the Advisory Fee, cash and sweep money market balances are included the valuation of assets under management.

- C. You may choose to have management fees deducted from the cash / sweep money market balance of your account(s). You may specify an account or accounts from which to deduct the fees, or have the fees deducted *pro-rata* from all accounts. Alternately, you may choose to be billed for fees. If fees are not paid in a timely manner (as determined by the Agreement) the Advisor may deduct fees from your account(s). After 12/31/2011, Department of Labor fee disclosures apply to ERISA qualified plan fees deducted from participant accounts.

- D. AAA's fees are exclusive of Custodial brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by clients. You may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange-traded funds also charge internal management fees (Fund Expense Ratio and distribution fees (12b1)), which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to AAA's fee, and AAA shall not receive any portion of these commissions, fees, and costs.
- E. AAA bills management fees in arrears, not in advance. The advisory or investment management agreement may be terminated upon written notice within five (5) business days of the agreement date. Thereafter, it may be terminated upon receipt of written notice by you or by the Advisor for any reason, and you will be charged based on the number of days in the quarter you received services. If you terminate the Agreement, AAA reserves the right to charge on an hourly basis for any advisory or administrative services rendered after termination of the Agreement. The charge will be the rate for Financial Planning services as stated in the Agreement.
- F. When selecting investments, AAA seeks to minimize any transaction costs you may incur. See Item 8 for more details.
- G. Certain investment adviser representatives of AAA are registered representatives of the broker-dealer FSC Securities Corporation (member FINRA/SIPC) and may receive commissions or other compensation from FSC for any securities transactions effected through FSC. AAA is not permitted to receive commissions for and charge an investment advisory fee for the same transaction.

Item 6 – Performance-Based Fees and Side-By-Side Management

AAA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are based on a percentage of AUM.

Item 7 – Types of Clients

AAA generally offers four types of services to individuals, pension and profit sharing plans, trusts, estates, charitable (non-profit) organizations, corporations or other business entities: (1) Financial Planning, (2) Investment Advisory, (3) Investment Management and (4) a Self-Directed and/or Advisor Managed 401(k) Platform. *All stated minimums may be waived subject to negotiation.*

- A. **Financial Planning Services.** Based on comprehensive financial data gathered from the client, AAA will create a Financial Plan for the client. The description of our financial planning services is based on the Financial Planning Process as defined by the CFP® Board of Standards. There are six steps in the financial planning process:
 - 1. **Gathering Appropriate Data.** Clients will provide the Advisor with comprehensive data pertinent to the financial plan and agree to make available all required documents.
 - 2. **Defining Realistic Goals and Objectives.** Clients will specify financial objectives based on current and projected income, tax levels, investments, assets and risk tolerance.
 - 3. **Design – Determining Shortages & Recommendations.** Based on data provided by the client, the Advisor will construct a Financial Plan. Facts and circumstances of clients' individual situation may render certain aspects of the plan inapplicable.

4. **Presentation – Summarize Observations, Major Problems & Alternative Recommendations.** The Advisor will review the Plan and present an opportunity for the client to request modifications to the Plan. The completed Financial Plan will be limited to the specific areas covered within the Plan.
5. **Determining Implementation Responsibilities.** While not part of this initial Financial Planning Engagement, the Advisor recommends Plan Implementation. Implementation may involve specific investment, insurance, and real estate purchases. Implementation of the Plan may be initiated by the Advisor or by the client.
6. **Updating Responsibilities.** While not part of this initial Financial Planning Agreement, plan updating is Advisor recommended and available. It is the clients' responsibility to determine how often their financial situation should be reviewed and to secure the necessary information to proceed with a review. The Advisor is available to aid in this area.

The Plan may include any or all of the following:

1. **Personal Accumulation**
 - A statement of personal assets, liabilities and cash flow
 - Projected hypothetical personal income taxes
 - Goals funding (education expenses, weddings, retirement)
 - Recommendations to improve investment performance and reduce volatility
2. **Personal Conservation**
 - Maintaining current standard of living if disabled
 - Determine adequate survivor income
 - Exploring elimination of unnecessary estate settlement costs
 - Protection from claims and judgments
 - Insurance needs
3. **Closely-Held Business Planning**
 - Continuation and transfer of business to the next generation (family)
 - Succession – disposition (by transfer or sale to key persons, employees, outside parties)
 - Review of Buy-Sell Agreements and funding arrangements
4. **Business Fringe Benefits**
 - Maximizing business fringe benefits for owners, key personnel, employees
 - Assessment of retirement plan suitability, design and administration
 - Evaluation of retirement plan investment policy, performance, strategy
 - Analysis of salary continuation agreements
 - Examination of non-qualified deferred compensation plan and funding

The completed Plan will be limited to the specific areas covered within the Plan. Clients will be billed hourly for services performed by investment advisor representatives and support staff of AAA. The hourly fees are detailed in Item 5 and/or are stipulated in the client's Agreement. AAA recommends clients review their Plan on an annual basis or following any significant change to their personal circumstances. If your situation changes, we will work in conjunction with your legal counsel, accountants and other professionals.

- B. **Non-Discretionary Investment Advisory Services.** AAA will provide the client with personalized advice on the assets in the client's account(s) as listed and described in the client's Agreement. The Agreement will include the proceeds of assets described in the Agreement and any additions to these assets while the Agreement remains in effect. AAA will provide advisory services on a **non-discretionary** basis, meaning the Advisor has authority to supervise, manage, and direct the investment of assets in the client's Account based on the client's stated investment objectives, including the power and authority to purchase, sell, invest, exchange, convert, and trade the Account assets and to place

orders for the purchase and sale of securities **subject to prior consultation** with the client. The minimum AUM is \$250,000.

- C. **Discretionary Investment Management Services.** AAA will provide the client with personalized advice on the assets in the client's account(s) as listed and described in the client's Agreement. The Agreement will include the proceeds of assets described in the Agreement and any additions to these assets while the Agreement remains in effect. AAA will provide advisory services on a **discretionary** basis, meaning the Advisor will have the power, authority and discretion to supervise, manage, and direct the investment of the assets in the Account, including the power and authority to purchase, sell, invest, exchange, convert, and trade the Account assets and to place all orders for the purchase and sale of securities with or through brokers, dealers, or issuers selected by the Advisor, or to otherwise effect transactions with respect to the Account, **without prior consultation** with the Client. The minimum AUM is \$250,000.
- D. **Retirement Plan Services.** AAA provides a fee-based investment advisory platform for Self-Directed and/or Advisor-Managed 401k Profit-Sharing Plans and other types of ERISA qualified retirement plans. The platform includes no-transaction-fee mutual funds and exchange-traded funds that are self-directed by the participant or managed by the advisor as an "ERISA Section 3(38) Fiduciary Investment Manager," AAA provides continuing education support for participants, including seminars for participants held on a regular basis. These seminars are intended to be educational and to provide general information, and will not provide participants with individualized, tailored investment advice or asset allocation recommendations. The minimum AUM for existing (transfer) plans is generally \$250,000. The minimum expected annual contribution amount for start-up retirement plans is \$50,000.

Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss

AAA's customized *Keep It Simple Strategy*® centers on diversification through asset allocation, dollar-cost averaging and periodic rebalancing to help you achieve your financial goals. AAA combines traditional financial principles with prudent investment advice and technological tools to create a plan designed to meet your individual needs. There are different levels of volatility associated with assets that historically offer different rates of return. Since asset classes, regions, styles and capitalizations respond differently to changing economic trends and to each other, they are combined into a portfolio whose goal is to balance the weakness of one with the strength of another. AAA reminds clients that there are no "risk-free" investments. Generally, when clients assume greater risk, they also create the opportunity for reward. This principle of investing is known as the *risk/reward tradeoff*.

AAA conducts extensive peer-to-peer comparisons using a wide variety of available investments. We review our recommendations on a monthly basis to ensure investments continue to meet our criteria. We may employ dollar-cost averaging and portfolio rebalancing. Clients' taxable portfolios are managed to potentially lower their tax liability. We specialize in asset-allocation based portfolio design, and do not subcontract portfolio or investment management. Our portfolio selection methods include the following:

- A. **"Dividend Booster" Stocks.** We create the equity portion of clients' portfolios with 25 to 50 carefully screened stocks that have a global footprint and a history of increasing dividends, diversified across major economic sectors.
- B. **Exchange-Traded Funds (ETFs).** We use no-load, no-transaction-fee ETFs with no redemption fee and low expense ratios (when possible) to build the equity portion of clients' portfolios. We focus on ETFs with at least \$100 million in assets and do *not* use leveraged, inverse, or narrowly-focused funds.

- C. **Mutual Funds.** We choose from over 7,000 distinct open-ended mutual funds, using no-load, low- or no-transaction-fee (when possible) funds screened based on alpha, beta, expense ratio and turnover ratio as well as management tenure and track record.
- D. **Certificates of Deposit (CDs), Bond Funds, Cash.** The equity portion of clients' portfolios is balanced with income-oriented investments including bond funds and laddered CDs according to the client's tolerance for volatility and personal circumstances.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of AAA or the integrity of AAA management. AAA has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

- A. AAA is registered as an investment adviser with the Securities and Exchange Commission (SEC).
- B. The principal executive officers and/or its investment adviser representatives are separately licensed as registered representatives of FSC Securities Corporation ("FSC"), member FINRA/SIPC. Associated persons of AAA may also be insurance producers for one or more insurance companies, including FSC Agency, Inc.

Item 11 – Code of Ethics

- A. AAA has adopted a Code of Ethics which establishes rules of conduct for its supervised persons. The AAA Code of Ethics is based upon the principle that AAA and its supervised persons owe a fiduciary duty to its clients. Among other things, the Code provides for policies and procedures with respect to the personal securities transactions of supervised persons of AAA who have access to non-public information regarding any client's purchase or sale of securities, prohibits insider trading, and requires all supervised persons to annually certify compliance with the Code. **A copy of the Code will be provided to any client or prospective client upon request. Please direct requests to Les Andrews at 808-521-4015 or to AAA@AndrewsLLC.com.**
- B. Records will be maintained of all securities bought or sold or held by AAA and related persons. These holdings and transactions are reviewed on a regular basis by an appropriate officer of AAA. AAA requires its personnel to comply with the Insider Trading and Securities Fraud Enforcement Act of 1988. The AAA Code of Ethics requires that the personal investment activities of AAA supervised persons be subject to the following principles: (1) The interests of client accounts will be at all times placed first; (2) All personal securities transactions will be conducted in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility; and (3) Access persons must not take inappropriate advantage of their positions.
- C. AAA has adopted a firm-wide policy statement outlining policies and procedures to protect against insider trading. This statement has been distributed to all associated persons and other employees of AAA and has been signed and dated by each person. The policy statement includes provisions relating to (1) restricting access to files; (2) providing continuing education; (3) restricted monitored trading on all securities which AAA employees may have non-public information; and (4) monitoring securities trading of the firm, its employees and associates.

Item 12 – Brokerage Practices

AAA does not maintain custody of client assets. Client assets are maintained in an account at an independent “qualified custodian,” generally TD AMERITRADE Institutional, Division of TD AMERITRADE, Inc., member FINRA/SIPC/NFA (“**TDA**”) or Schwab Advisor Services, Division of Charles Schwab & Co., Inc., Member SIPC (“**Schwab**”). TDA and Schwab will be referred to as “**the Custodians**.” AAA is independently owned and operated, and is not affiliated with the Custodians. The Custodians hold clients’ assets in a brokerage account and buy and sell securities when AAA instructs them to. Our clients enter into an account agreement directly with the Custodians. We do not open the account for clients, although we may assist in doing so. In order to maintain an Agreement with AAA, clients are currently required to custody their assets at TDA or Schwab.

We seek Custodians who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

1. Combination of transaction execution services and asset custody services. (The Custodian generally does not charge a separate fee for custody, but is compensated by charging commissions or other fees on trades that it executes or that settle in client’s accounts.)
2. Quality of execution – capability to execute, clear, and settle trades (buy and sell securities for your account).
3. Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
4. Breadth of available investment products (stocks, bonds, mutual funds, ETFs, etc.) The investment products available through the Custodians include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by retail clients.
5. Availability of investment research and tools that assist us in making investment decisions.
6. Access to third-party services that may be offered to us at a discounted rate.
7. Provision of web-based educational seminars, annual conferences, compliance and legal support, and other services that benefit AAA in providing service to our clients’ accounts.
8. Quality and timely execution of services along with competitiveness pricing of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices. The Custodians generally do not charge separately for custody services but are compensated by charging commissions or other fees on trades that it executes or that settle in clients’ accounts.
9. Reputation, financial strength, and stability

We recommend Custodians TDA or Schwab based on factors that provide the greatest benefit to clients. We generally ask clients if they have a preference of TDA or Schwab.

Item 13 – Review of Accounts

- A. **Financial Planning Services** will be provided on a one-time basis with no review unless the client signs an Agreement to receive further services from AAA. We recommend Financial Planning clients review their Plan on an annual basis or upon a significant change in their personal circumstances.

- B. **Non-Discretionary Investment Advisory Services and Discretionary Investment Management Services.** The Advisor will provide 1) confirmation of purchases and sales in the Custodial Account; 2) comprehensive quarterly holdings reports; 3) periodic face-to-face investment reviews, normally on an annual basis, or more often if deemed necessary; 4) annual cost basis reporting and 5) other such reports or information as clients may reasonably request. See Item 15 for further information about investment reports received from the Custodians. Clients are reminded to call for a review appointment in our quarterly statement cover letter.
- C. **Retirement Plan Services.** The Advisor will provide access to participants' accounts and will offer to provide educational meetings for the trustee(s) and Plan participants on an annual basis or more often if deemed necessary.

Item 14 – Client Referrals and Other Compensation

AAA does not compensate, either directly or indirectly, other persons for client referrals.

Item 15 – Custody

Clients should receive monthly statements and annual tax reporting from the qualified Custodians that hold and maintains clients' investment assets. AAA urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. If assets have been previously transferred to the Custodians from an outside custodian, we can provide accurate performance and cost basis reporting only if the clients have provided us accurate cost basis reporting from the previous outside custodian.

Item 16 – Investment Discretion

AAA will only provide discretionary investment management services if the client chooses this service in writing on the Agreement. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. When selecting securities and determining amounts, AAA observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to AAA in writing.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, AAA does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide clients with certain financial information or disclosures about AAA's financial condition. AAA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.