

Part 2A of Form ADV: *Firm Brochure*



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This brochure provides information about the qualifications and business practices of Prudent Investor Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (866) 446-1848 or smorrison@prudentllc.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 Prudent Investor Advisors, LLC also is available on the SEC's website at 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 121922.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 3/1/2011, 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 that 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

Prudent Investor Advisors, LLC is a SEC-registered investment adviser with its principal place of business located in CA. Prudent Investor Advisors, LLC began conducting business in 2007. As of January, 2011, Prudent Investor Advisors, LLC began using Prudent Retirement Services as a brand name to market retirement plan services to other investment professionals only and not to the general investing public.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company):

- Gary K. Allen, Principal
- Jeffrey B. Coontz, Principal
- Wendall Scott Simon, Principal

Prudent Investor Advisors, LLC offers the following advisory services to our clients:

INVESTMENT MANAGEMENT SERVICES

Prudent Investor Advisors, LLC provides investment advisory services on both a non-discretionary and discretionary basis, depending on the circumstances of a particular client account. Unaffiliated companies provide custodial and other administrative services. Financial data, risk tolerance, tax status and personal client factors are used to help determine the types of investments that are recommended to a client. Mutual fund investment recommendations are based on research reports and analysis of mutual fund performance and managers, and certain computerized and other models for asset allocation. Recommendations for, or purchases of, other securities are based on publicly available research and reports. 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
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities

- Mutual fund shares
- United States governmental securities
- Options contracts on 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.

ERISA CLIENTS

Defined Contribution Plan or Defined Benefit Plan Invested On a Pooled Basis

Determining, reviewing, and changing the allocation and diversification of the Plan's Securities Portfolio and executing asset allocation software models using variables suitable for the Plan in order to maintain the relative percentages of asset classes within the parameters set forth in the IPS on a quarterly basis, subject to an agreed upon variance of five percent (5%), plus or minus, per asset class.

Purchasing, retaining and selling securities consistent with the investment objectives and asset allocation needs set forth in the IPS.

Reporting the investment results of the Plan's Securities Portfolio at least monthly and reviewing the reports and accompanying graphics concerning the investment performance of the Plan's Securities Portfolio with the Client at least semi-annually to assist it in understanding their contents.

Conducting meetings with the Client at the Client's offices, no less frequently than annually, to discuss the performance of the Plan's Securities Portfolio against the benchmarks and parameters set forth in the IPS.

Recommending to the Client changes in the IPS that are consistent with the purposes of the Plan and that are not in conflict with the ERISA fiduciary duties of the parties under this Agreement.

The Advisor agrees, if so requested by the Client, to conduct the participant education and enrollment meetings that may be required in connection with the start-up of the Plan, or in connection with the enrollment of newly eligible participants.

Assisting the Client in its determination of all fees and expenses paid out of the Plan's Securities Portfolio, and whether such fees and expenses are reasonable.

Participant-Directed Defined Contribution Plan

Determining, reviewing, and changing the allocation and diversification of the assets of any

Investment Option that consists of a model portfolio (Model Portfolio) and executing asset allocation software models using variables suitable to the Model Portfolio in order to maintain the relative percentages of asset classes within each such Model Portfolio on a quarterly basis, subject to an agreed upon variance of five percent (5%), plus or minus, per asset class.

Purchasing, retaining and selling securities consistent with the investment objectives and asset allocation needs of any Model Portfolio.

Reporting investment results of the Investment Options at least monthly and reviewing the reports and accompanying graphics concerning the Investment Options with the Administrator at least semi-annually to assist it in understanding their contents.

Conducting meetings with the Administrator at the Administrator's offices, no less frequently than annually, to discuss the performance of all Investment Options.

Conducting participant education and enrollment meetings at locations designated by the Administrator, on such basis and at such times as are reasonably requested by the Administrator for the purpose of providing Plan participants with sufficient information and education to enable them to exercise control over the assets in their participant accounts. The Advisor agrees to conduct the participant education and enrollment meetings that may be required in connection with the start-up of the Plan, or in connection with the enrollment of newly eligible participants, if so requested by the Administrator.

Assisting the Administrator in its determination of all fees and expenses paid out of Plan assets, and whether such fees and expenses are reasonable.

FINANCIAL PLANNING SERVICES

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
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit

- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on 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.

To ensure that our initial determination of an appropriate portfolio remains suitable and that the account continues to be managed in a manner consistent with the client's financial circumstances, we will:

1. send quarterly written reminders to each client requesting any updated information regarding changes in the client's financial situation and investment objectives;
2. at least annually, contact each participating client to determine whether there have been any changes in the client's financial situation or investment objectives, and whether the client wishes to impose investment restrictions or modify existing restrictions;
3. be reasonably available to consult with the client; and
4. maintain client suitability information in each client's file.

All recommendations are of a generic nature.

AMOUNT OF MANAGED ASSETS

As of 2/7/2011, we were actively managing \$35,292,088 of clients' assets on a discretionary basis plus \$266,177,298 of clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

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

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from 0.60% to 0.95%.

The following fee schedule pertains to the Adviser's individual client accounts. The fee schedule used for non-individual client accounts is negotiable for each client depending on

the nature of the services rendered and size of the account.

Annualized Investment Management Fees

	Per Quarter	Per Year
Up to \$1 million	.2375%	.95%
Between \$1 – 5 million	.1500%	.60%
Over \$5 million	Negotiable	Negotiable

Fees are paid quarterly in arrears. They are payable on the first day of the calendar quarter, and are based on an account's asset value as of the last business day of the prior calendar quarter. In addition to an investment advisory/management service fee, accounts may incur transaction costs, retirement plan administration fees, deferred sales charges on mutual funds initially deposited in an account, and 12b-1 fees and other mutual fund annual expenses as described in fund prospectuses.

Limited Negotiability of Advisory Fees: Although Prudent Investor Advisors, LLC 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.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

INVESTMENT SUPERVISORY SERVICES ("ISS") MODEL PORTFOLIO MANAGEMENT FEES

ERISA CLIENTS GENERAL

The following fee schedule for ERISA accounts is a general guideline. The actual fee is negotiated based on factors that include the types of services being provided and the number of plan employees:

Annualized ERISA Fee Guideline

	Per Quarter	Per Year
Up to \$1 million	0.3125%	1.25%
Between \$1 – 10 million	0.25 %	1.00%
Between \$10 million - \$20 million	0.1875%	0.75%
Above \$20 million negotiable		

Fees are paid in arrears. They are payable on the first day of the calendar quarter or month, and are based on the account's asset value as of the last business day of the prior calendar quarter or month. In addition to an investment advisory/management service fee accounts may incur transaction costs, retirement plan administration fees, deferred sales charges on mutual funds initially deposited in the account, and 12 (b)(1) fees and other mutual fund annual expenses as described in the fund's prospectus.

Our annual fees for Model Portfolio Management Services are based upon a percentage of assets under management and generally range from 0.75% to 1.25%.

Limited Negotiability of Advisory Fees: Although Prudent Investor Advisors, LLC 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.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

FINANCIAL PLANNING FEES

Financial planning fees are negotiable but generally fees are charged at the rate of \$200 to \$300 an hour or for a fixed fee that generally ranges from \$1,000 to \$25,000. The Adviser may also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning. This is considered an integral part of the financial planning process and does not generate a separate fee. On occasion, the Adviser may enter into an agreement to offer financial consultation at a similar hourly rate as the financial planning rate.

When both investment management and financial planning services are offered, there is a conflict of interest since there is an incentive for the party offering financial planning services to recommend itself to be the investment manager. Clients of the Adviser, however, are under no obligation to act upon any recommendations of the Adviser or to effect any transactions through the Adviser if they decide to follow the Adviser's recommendations.

Either the client or the Adviser may terminate an account agreement at any time upon written notice. All fees are paid in arrears. There are no prepaid unearned fees. The Adviser will not assign client agreements to any other person without first securing the written permission of the client.

Prudent Investor Advisors, LLC'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, ranging from \$200 to \$300 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.

Our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$1,000 to \$25,000, depending on the specific arrangement reached with the client.

We may request a retainer upon completion of our initial fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months. The balance is due upon completion of the plan.

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 written notice. All fees are paid in arrears upon completion. There are no prepaid unearned fees. The advisor will not assign client agreements to any other person

Mutual Fund Fees: All fees paid to Prudent Investor Advisors, LLC 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.

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 Prudent Investor Advisors, LLC'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: Prudent Investor Advisors, LLC 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, Prudent Investor Advisors, LLC 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 Prudent Investor Advisors, LLC'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 advance. All our fees are paid in arrears.

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

Prudent Investor Advisors, LLC does not charge performance-based fees.

Item 7 Types of Clients

Prudent Investor Advisors, LLC 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)
- Charitable organizations
- Corporations or other businesses not listed above
- State or municipal government entities

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. The Adviser follows a “passive” investment philosophy for the investment accounts it manages. The Adviser primarily uses index mutual funds and selects them based on a variety of factors. These factors may include but are not limited to the fund's overall expenses, performance in relation to its peers, diversification and correlation in relation to the other portfolio holdings.

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.

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 want exposure to a particular asset class over time, regardless of the current projection for this class.

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.

W. Scott Simon, a member of our firm's management, is an attorney licensed to practice law in the state of CA. However, this individual does not currently provide direct legal services to any client in that capacity and will not act in this capacity for any advisory client of Prudent Investor Advisors, LLC.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Prudent Investor Advisors, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Prudent Investor Advisors, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to smorrison@prudentllc.com, or by calling us at (866) 446-1848.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

Item 12 Brokerage Practices

For discretionary clients, Prudent Investor Advisors, LLC requires these clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions.

These 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.

Prudent Investor Advisors, LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

As a matter of policy and practice, Prudent Investor Advisors, LLC does not generally block client trades and, therefore, we implement client transactions separately for each account. Consequently, certain client trades may be executed before others, at a different price and/or commission rate. Additionally, our clients may not receive volume discounts available to advisers who block client trades.

Prudent Investor Advisors, LLC 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 Prudent Investor Advisors, LLC 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 Prudent Investor Advisors, LLC 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 part of the arrangement, Fidelity also makes available to our firm, at no additional charge to us, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by Prudent Investor Advisors, LLC (within specified parameters). These research and brokerage services are not used by our firm to manage accounts for which we have investment discretion.

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 Prudent Investor Advisors, LLC'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 Prudent Investor Advisors, LLC 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. Prudent Investor Advisors, LLC and Fidelity are not affiliated, and no broker-dealer affiliated with us is involved in the relationship between Prudent Investor Advisors, LLC and Fidelity.

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: Jeff Coontz, Principal

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

INVESTMENT SUPERVISORY SERVICES("ISS") MODEL PORTFOLIO MANAGEMENT SERVICE

REVIEWS: While the underlying securities within Model Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. 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: Jeff Coontz, Principal

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

PENSION CONSULTING SERVICES

REVIEWS: Prudent Investor Advisors, LLC will review the client's Investment Policy Statement (IPS) whenever the client advises us of a change in circumstances regarding the needs of the plan. Prudent Investor Advisors, LLC will also review the investment options of the plan according to the agreed upon time intervals established in the IPS. Such reviews will

generally occur quarterly.

These accounts are reviewed by: Gary Allen, Principal

REPORTS: Prudent Investor Advisors, LLC will provide reports to Pension Consulting Services clients based on the terms set forth in the client's Investment Policy Statement (IPS).

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.

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.

It is Prudent Investor Advisors, LLC's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

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 quarterly reports directly to our clients. 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 the 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.

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 do not offer any consulting assistance regarding proxy issues to clients.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. Prudent Investor Advisors, LLC has no additional financial circumstances to report.

Prudent Investor Advisors, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.