

Form ADV Part IIA: Firm Brochure

NBZ INVESTMENT ADVISORS, LLC

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This brochure provides information about the qualifications and business practices of NBZ Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (865) 584-1184 or rick@nbzhome.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 NBZ Investment Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Material Changes

The SEC adopted “Amendments to Form ADV” in July, 2010. This Firm Brochure, dated 03/31/2011, 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

NBZ Investment Advisors, LLC (NBZ) is a SEC registered investment advisor that began business in 1995. Its owners are Jeffrey H. Novinger, Sr. and Richard I. Zivi, Jr.

NBZ offers the following advisory services:

Investment Supervisory Services Individual Portfolio Management

Our firm creates and manages investment portfolios based on the individual needs of a client. Through personal discussions we establish the client's objectives, time horizons, risk tolerance and liquidity needs. We then develop a personal investment policy and create and manage a portfolio based on that policy.

Most of the investments in our portfolios are no-load or load waived mutual funds. We also use the following instruments on occasion to invest client funds:

- Individual stocks
- Exchange traded funds (ETFs)
- Certificates of deposit
- Municipal securities
- United States governmental securities

The vast majority of our clients give us discretionary authority to select the actual investments that make up their portfolio and to make changes without prior notification. In certain cases, we will also manage a client's portfolio on a non-discretionary basis. Clients may impose reasonable restrictions on investing in certain types of securities or industry sectors.

Financial Planning

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client in achieving his or her financial goals and objectives.

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

- Personal: We review family records, budgeting, personal liability, estate information and financial goals.
- Investments: We analyze investment alternatives and their effect on the client's portfolio.
- Insurance: We review existing policies to ensure proper coverage for life, health, disability, long-term care and liability.
- Retirement: We analyze current strategies and investment plans to help the client achieve his or her retirement goals.
- Death & Disability: We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.

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

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

Consulting Services

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

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

Amount of Managed Assets

As of 12/31/2010, we were actively managing \$94,900,097 of clients' assets on a discretionary basis plus \$871,851 of clients' assets on a non-discretionary basis.

Item 5 Fees and Compensation

Investment Supervisory Services (“ISS”) Individual Portfolio Management Fees

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

| <u>Assets Under Management</u> | <u>Annual Fee</u> |
|--------------------------------|-------------------|
| First \$500,000 | 0.75% |
| \$500,001 to \$3 Million | 0.50% |
| Above \$3 Million | Negotiable |

Fees are charged on a quarterly basis, payable in advance, based on the value of assets under management as of the last business day of each quarter. Clients can choose to pay the fee directly or have the fee debited from their account.

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

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

Financial Planning Fees

NBZ’s Financial Planning fee is determined based on the nature of the services being provided and the complexity of each client’s circumstances. Our Financial Planning fees are calculated and charged on an hourly basis, ranging from \$220 to \$250 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.

Fees are due and payable upon delivery of the plan. A retainer may be requested upon completion of NBZ’s fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months.

Financial Planning Fee Offset: NBZ reserves the discretion to reduce or waive the hourly fee if a financial planning client chooses to engage us for our Portfolio Management Services.

Consulting Services Fees

NBZ's Consulting Services fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. Our Consulting Services fees are calculated and charged on an hourly basis, ranging from \$220 to \$250 per hour. An estimate for the total hours is determined at the start of the advisory relationship.

Fees are due and payable upon completion of the consulting service. A retainer may be requested upon completion of NBZ's fact-finding session with the client; however, advance payment will never exceed \$500 for work that will not be completed within six months.

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. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

Mutual Fund Fees: All fees paid to NBZ for investment advisory services are separate and distinct from the fees and expenses charged by mutual fund 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. 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.

Commissions and other fees: NBZ does not accept or charge commissions for the purchase or sale of any investment product. We also do not receive any 12b-1 fees or sales loads from mutual funds.

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

Limited Prepayment of Fees: Under no circumstances do we require or solicit payment of fees in excess of \$1,200 more than six months in advance of services rendered.

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

NBZ does not charge performance-based fees.

Item 7 Types of Clients

NBZ provides advisory services to the following types of clients:

- Individuals
- Pension and profit sharing plans
- Trusts
- Estates

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

Methods of Analysis

The majority of our investments consist of mutual funds. Our analysis focuses on an evaluation of the strategies and performance of a mutual fund and its manager. Some of the factors we examine are:

- Investing methodology – for example, does a manager use a focused approach with few investments or a broad approach with many investments?
- Risk of loss – for example, in poor market environments, how has the fund performed relative to its peers?
- Consistency of returns
- Relative performance versus funds of the same type over long periods of time.
- Experience of the manager

When we invest in assets such as individual stocks or bonds, we use fundamental analysis. This form of analysis attempts to measure the intrinsic value of a security by looking at economic and financial factors to determine if the stock or bond is fairly priced. Some of the factors we consider are:

- The overall direction of the economy
- Financial condition of the company or bond issuer
- Industry conditions
- Management of the company

Investment Strategies

The primary investment strategy we use is asset allocation. Consistent with a client's objectives and risk tolerance, we allocate their investments to major asset classes such as equities, fixed income and cash. Within the major classes, we allocate assets to sub-classes such as growth stocks, international stocks, government bonds, corporate bonds, etc. For each subclass we invest in a mutual fund or funds, and other investment vehicles as appropriate. Asset allocation provides diversification and has the potential to reduce the risk of loss.

We do not trade frequently, but hold our investments for the long term. We monitor each mutual fund for management changes, style drift, and underperformance. When a fund no longer meets our criteria, we replace it with a fund that does meet our criteria. We also change our investment allocation as economic and market forces dictate. For example, high yield bonds might be an appropriate investment for certain clients in a period of economic growth. We would not want to hold high yield bonds, however, in a recession.

Risk of Loss. All investments are at risk for loss. While our strategies attempt to minimize losses, there are several specific risks a client should take into consideration:

- An economic or political event could cause the value of a stock, bond or mutual fund to decline abruptly.
- A focused mutual fund that holds very few investments could decline more than a broader based fund.
- The diversification provided by asset allocation could cause a portfolio to underperform a particular market. For example, a portfolio split equally between equity funds and bond funds may not perform as well as the major equity averages in a period of rapid economic growth.

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.

Management personnel of our firm are also stockholders in the accounting firm of Novinger, Ball & Zivi, PC, where they are individually licensed and practicing Certified Public Accountants providing accounting services for separate and typical compensation.

Novinger, Ball & Zivi, PC typically recommends NBZ to accounting clients in need of advisory services. Conversely, NBZ typically recommends Novinger, Ball & Zivi, PC to advisory clients in need of accounting services. Accounting services provided by Novinger, Ball & Zivi, PC are separate and distinct from our advisory services, and are provided for separate and typical compensation. There are no referral fee arrangements between our firms for these recommendations. No NBZ client is obligated to use Novinger, Ball & Zivi, PC for any accounting services and conversely, no accounting client is obligated to use the advisory services provided by us. Novinger, Ball & Zivi, PC's accounting services do not include the authority to sign checks or otherwise disburse funds on any of our advisory client's behalf.

From time to time related persons of NBZ may, in their individual capacities as CPA's, provide tax preparation services to certain portfolio management clients at no additional cost to the client(s). The accounting firm, however, will charge back against NBZ the billing charges for such services that would otherwise be due and payable by the client. Such fees will be deducted from NBZ's earned advisory fees and will be paid by NBZ to the accounting firm.

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.

NBZ 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.

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 rick@nbzhome.com, or by calling us at (865) 584-1184.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interest 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 recommend to a client.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.

3. 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. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
5. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations (“access person”). These holdings are reviewed on a regular basis by our firm’s Chief compliance Officer or his designee.
6. We have established procedures for the maintenance of all required books and records.
7. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
8. We require delivery and acknowledgment of the Code of Ethics by each supervised person of our firm.
9. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
10. Any individual who violates any of the above restrictions may be subject to termination.

Item 12 Brokerage Practices

NBZ recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co, Inc. (“Schwab”), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients’ assets and to effect trades for their accounts. Schwab was selected as custodian based on its industry reputation, commission schedule (which is competitive within the securities industry), tools and services made available to the client and NBZ, and customer service. Although we recommend Schwab, it is the client’s decision to custody assets with Schwab. NBZ is independently owned and operated and not affiliated with Schwab.

Schwab provides NBZ with access to institutional trading and custody services, which are not typically available to Schwab retail investors. NBZ receives economic benefits through the custody and operating relationship it has with Schwab. These benefits include the following products and services, provided to NBZ without cost or at a discount:

1. Access to an electronic communications network for client order entry and account information including account statements and confirmations
2. Research related products and tools
3. Assistance with back office functions, recordkeeping and client reporting

4. Access to a trading desk for help in execution of client orders and the aggregation of trade orders for multiple client accounts (block trading)
5. Compliance, legal and business consulting and training
6. Ability to receive payment of fees from clients' accounts
7. Access to mutual funds with no transaction fees, lower minimum purchase requirements and the waiver of sales charges

Schwab may make available, arrange and/or pay third-party vendors for some of these benefits. Many of these products and services may be used to service all or some substantial number of our client accounts. However, some of these products and services may benefit NBZ, but not directly benefit our clients' accounts.

Clients should be aware that the receipt of economic benefits by NBZ described above, creates a potential conflict of interest and may directly or indirectly influence NBZ to recommend Schwab for custody and brokerage services.

Not all advisers recommend that clients use a particular brokerage firm. Although we believe that Schwab offers a great value for our clients in the services it provides versus the fees it charges, NBZ may not be able to achieve the most favorable execution or costs for our clients through Schwab. Thus, the use of Schwab may cost clients more money.

Clients who choose another broker may not receive the benefits of our relationship with Schwab in regards to transaction fees and the availability of products. NBZ may not be able to achieve the most favorable execution or costs for those clients. The use of a broker other than Schwab may cost clients more money.

Block Trading. Most of our trades are mutual funds from which clients do not garner any benefit from trade aggregation or block trading. In certain cases, when trading municipal bonds or certain ETFs, block trading may be advantageous to our clients by allowing us to execute trades in a timelier, more equitable manner at an average share price. Our block trading policies and procedures are as follows:

1. Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
2. If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.

3. Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
4. If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
5. NBZ's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
6. No client or account will be favored over another.

Item 13 Review of Accounts

Investment Supervisory Services ("ISS") Individual Portfolio Management

Reviews: While the underlying securities within client's portfolio 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, market conditions, or the economic environment.

These accounts are reviewed by Mr. Jeffrey H. Novinger and/or Mr. Richard I. Zivi, Jr., Managing Members of NBZ.

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.

Item 14 Client Referrals and Other Compensation

It is NBZ's policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is NBZ'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 may directly debit advisory fees from client accounts.

In those cases, the client’s custodian is advised of the amount of the fee to be deducted from the client’s account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

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

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

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

Item 16 Investment Discretion

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

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

- determine the security to buy or sell; and/or
- determine the amount of 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 excess of \$1,200 per client more than six months 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. NBZ has no additional financial circumstances to report.

NBZ has not been the subject of bankruptcy petition at any time during the past ten years.