

## **Firm Brochure**

(Part 2A of Form ADV)

**Investment Research & Advisory Group, Inc.**

**d/b/a IRA Group, Inc.**

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This brochure provides information about the qualifications and business practices of Investment Research & Advisory Group, Inc. If you have any questions about the contents of this brochure, please contact us at: 404.760.3730, or by email at: [dleeson@iragroup.com](mailto:dleeson@iragroup.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 Investment Research & Advisory Group, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

August 2011

## **Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 404.760.3730 or by email at: [dleeson@iragroup.com](mailto:dleeson@iragroup.com).

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# Advisory Business

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## **Firm Description**

Investment Research & Advisory Group, Inc. (“IRA Group”) was founded in 1992.

IRA Group serves clients throughout the United States in two primary businesses: Institutional Advisory and Investment Services. The firm was initially founded to provide institutional investors with independent, objective counsel, and fiduciary support for corporate retirement plans. In 1994, we began offering investment services to individuals, foundations, endowments and pension plans using our institutional advisory discipline. Certain employees of IRA Group that market and deliver our investment services are registered representatives with LPL Financial, a Registered Investment Adviser, member FINRA/SIPC. Investment services are provided through LPL Financial.

Douglas B. Leeson is the principal owner of IRA Group.

IRA Group is strictly a fee-only investment advisory firm. The firm is not affiliated with entities that sell financial products or securities and, in most instances; no forms of commissions or finder’s fees are accepted.

Institutional advisory services are provided with the client making the final decision on investment selection. IRA Group does not act as a custodian of client assets. The client always maintains asset control.

Associated persons of IRA Group in their separate capacity as investment advisor representatives’ w/LPL Financial offers investment services that are provided through LPL Financials Strategic Asset Management (SAM) program. They can place trades for clients under a limited power of attorney through the SAM program.

The investment services include a written evaluation of each client's initial situation, often in the form of a cash flow projection and net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

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## **Principal Owners**

Douglas B. Leeson is a 100% stockholder.

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**Types of Advisory Services**

On more than an occasional basis, IRA Group, Inc. furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that often include estate planning.

Institutional Advisory: IRA Group specializes in providing fiduciary services and practices to corporate retirement plans and their executives. We educate fiduciaries on their responsibilities and help establish and manage a series of procedurally prudent practices to assist in compliance with an ever changing legal, administrative and investment landscape. The firm assists in the creation of Investment Policies, evaluates investment options and monitors those investments on an ongoing basis.

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**Tailored Relationships**

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

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**Types of Agreements**

The following agreements define the typical client relationships:

**Institutional Advisory Agreement**

IRA Group's institutional advisory services are offered on a fixed fee basis by Retainer Agreement only. The minimum annual fee for a Retainer Agreement is \$10,000.

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**Termination of Agreement**

A Client may terminate any of the aforementioned agreements at any time by notifying IRA Group, Inc. in writing and paying the rate for the time spent on the institutional advisory engagement prior to notification of termination. If the client made an advance payment, IRA Group will refund any unearned portion of the advance payment.

IRA Group may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, IRA Group will refund any unearned portion of the advance payment.

# Fees and Compensation

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## Description

IRA Group's institutional advisory services are offered on a fixed fee basis by Retainer Agreement only. The minimum annual fee for a Retainer Agreement is \$10,000.

Some Retainer Agreements may be priced based on the complexity of work, especially when investment advisory services are not the most significant part of the relationship.

Fees are negotiable.

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## Fee Billing

Institutional advisory fees are billed quarterly, in arrears, meaning that we invoice you after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Fees are sometimes deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

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## Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

IRA Group, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

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## Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to IRA Group.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

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**Account Minimums**

There is no minimum account size for institutional advisory engagements. However, the minimum annual fee is \$10,000. Depending upon circumstances, IRA Group will sign an Hourly Agreement with the client.

IRA Group has the discretion to waive the minimum account fee for institutional advisory clients. Other exceptions will apply to employees of IRA Group and their relatives, or relatives of existing clients.

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**Past Due Accounts and Termination of Agreement**

IRA Group reserves the right to stop work on any account that is more than 90 days overdue. In addition, IRA Group reserves the right to terminate any institutional advisory engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in IRA Group's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 90 days.

## **Performance-Based Fees**

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**Sharing of Capital Gains**

IRA Group does not accept or assess any performance-based fees.



# Methods of Analysis, Investment Strategies and Risk of Loss

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## Methods of Analysis

Security analysis methods may typically include fundamental and technical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that IRA Group may use include Morningstar Principia mutual fund and stock information, eMoney Advisor and the World Wide Web.

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## Investment Strategies

The primary investment strategy used is strategic asset allocation utilizing a core and satellite approach. This means that we use mutual funds and exchange-traded funds as the core investments, and then add individual stocks and bonds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

Other strategies may include long-term purchases, short-term purchases, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

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## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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### **Financial Industry Activities**

IRA Group's principal business is that of a retirement plan consulting and investment advisory firm. In addition to rendering investment advisory services, associated person of IRA Group, at client's request and with prior disclosure, may act as a registered representative under an unaffiliated registered broker/dealer in buying and selling securities and they will receive commissions on the sale of insurance policies and annuities to clients. In all such cases, full disclosure will be made to the client in the event of such a transaction.

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

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## Code of Ethics

The employees of IRA Group have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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## Participation or Interest in Client Transactions

IRA Group and its employees may buy or sell securities that are also recommended to and/or held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the IRA Group *Compliance Manual*.

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## Personal Trading

The Chief Compliance Officer of IRA Group is Doug Leeson. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

# Brokerage Practices

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## Selecting Brokerage Firms

IRA Group does not have any affiliation with product sales firms. Specific custodian recommendations are made to clients based on their need for such services. IRA Group recommends custodians based on the proven integrity and financial responsibility of the firm and the best pricing for services.

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## Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

## Review of Accounts

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### Periodic Reviews

Account reviews are performed quarterly by advisors:

Douglas B. Leeson, Principal  
Daniel R. Joyce, Managing Director  
Judith A. Jolley, Managing Director  
Sere E. Austin, Managing Director

Account reviews are performed more frequently when market conditions dictate.

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### Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

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### Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis with written quarterly updates. The written updates may include a performance summary at the portfolio and individual position level and a summary of objectives and progress towards meeting those objectives.

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## Client Referrals and Other Compensation

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### Incoming Referrals

IRA Group, Inc. has been fortunate to receive many client referrals over the years. The referrals came from current clients, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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### Referrals Out

IRA Group, Inc. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## Custody

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### Account Statements

All assets are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record at least quarterly.

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### Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by IRA Group, Inc.

## Investment Discretion

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### Discretionary Authority for Trading

#### *Institutional Advisory Clients*

IRA Group does not retain discretionary investment authority on behalf of its institutional advisory clients. IRA Group provides recommendations that can be implemented directly by the client with the designated custodian.

## Voting Client Securities

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### Proxy Votes

IRA Group, Inc. does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, IRA Group will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

## Financial Information

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### Financial Condition

IRA Group, Inc. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because IRA Group does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## Business Continuity Plan

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### General

IRA Group, Inc. has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

### Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

### Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

### Loss of Key Personnel

IRA Group, Inc. has signed a Business Continuation Agreement with another financial advisory firm to support IRA Group in the event of Douglas Leeson's serious disability or death.

# Information Security Program

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## Information Security

IRA Group, Inc. maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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## Privacy Notice

IRA Group, Inc. is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.



## Brochure Supplement (Part 2B of Form ADV)

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### Education and Business Standards

IRA Group, Inc. requires that advisors in its employ have a bachelor's degree and maintain the series 7 & 66 licenses. We encourage further coursework demonstrating knowledge of evaluating investments and their performance, investment policies, the different types of retirement plans and related issues, legal and regulatory guidelines, security regulations and fiduciary responsibilities. Additionally, advisors must have work experience that demonstrates their aptitude for institutional advisory consulting and investment services.

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### DOUGLAS B. LEESON, PRINCIPAL

#### Educational Background:

- Date of birth: April 19, 1964
- Institutions: Miami University of Ohio - 1986

#### Business Experience:

- April 1992 – Present
  - Principal, Investment Research & Advisory Group, Inc.
  - Registered Principal, LPL Financial
- May 1989 – April 1992
  - Account Manager, Aetna Capital Management, Inc.
- June 1986 – May 1989
  - Employee Benefits Representative, Aetna Life Insurance Company

Other Business Activities: None

Additional Compensation: None

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**DANIEL R. JOYCE****Educational Background:**

- Date of birth: June 5, 1947
- Institutions: Franklin and Marshall College - 1969

**Business Experience:**

- January 2001 – Present
  - Managing Director, Investment Research & Advisory Group, Inc.
- March 2001 – Present
  - Registered Representative, LPL Financial
- May 1983 – January 2001
  - Regional Vice President, Chicago Trust Company

Other Business Activities: None

Additional Compensation: None

**Supervision:**

Daniel R. Joyce is supervised by Doug Leeson, Principal. He reviews Dan Joyce's work through frequent office interactions as well as remote interactions. He also reviews Dan Joyce's activities through our client relationship management system.

Douglas B. Leeson: 404.760.3737, [dleeson@iragroup.com](mailto:dleeson@iragroup.com)

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## JUDITH ANN JOLLEY

### Educational Background:

- Date of birth: December 8, 1960
- Institutions: Iowa State University - 1983

### Business Experience:

- October 2009 – Present
  - Managing Director, Investment Research & Advisory Group, Inc.
- March 2010 - Present
  - Registered Representative, LPL Financial
- 1996 - 2008
  - Vice President and Supervisory Principal, Fidelity Investments
- 1994 – 1996
  - Relationship Manager and Registered Representative, Fidelity Investments
- 1993 – 1994
  - Product Consultant and Registered Representative, John Hancock Mutual Life Insurance Company
- 1990 – 1993
  - Account Administrator and New Business Consultant, John Hancock Mutual Life Insurance Company
- 1984 - 1990
  - Pension Administrator, Berkshire Life Insurance Company

Other Business Activities: None

Additional Compensation: None

### Supervision:

Judith Ann Jolley is supervised by Douglas B. Leeson, Principal. He reviews Judy Jolley's work through frequent office interactions as well as remote interactions. He also reviews Judy Jolley's activities through our client relationship management system.

Douglas B. Leeson: 404.760.3737, [dleeson@iragroup.com](mailto:dleeson@iragroup.com)

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**SERE E. AUSTIN****Educational Background:**

- Date of birth: May 24, 1961
- Institutions: Minnesota State University - 1983

**Business Experience:**

- January 2011 – Present
  - Managing Director, Investment Research & Advisory Group, Inc.
- March 2011 - Present
  - Registered Representative, LPL Financial
- 2008 - 2010
  - Senior Consultant, Southeastern Advisory Services, Inc.
- 2000 - 2008
  - Investment Consulting Practice Leader (VIAS), Veritas Consulting Group, LLC
- 1996 - 2000
  - Vice President, Financial Services Division, United Bank
- 1993 - 1996
  - Vice President, Client Service Officer, Bank South/Nations Bank
- 1988 - 1993
  - Consultant, Marketing and Client Services, Benefit Services Corporation
- 1987 - 1988
  - Trust Funds Administrator, C&S Trust Company
- 1983 - 1987
  - Investment Performance Measurement Administrator, Norwest Bank, NA

Other Business Activities: None

Additional Compensation: None

**Supervision:**

Sere E. Austin is supervised by Douglas B. Leeson, Principal. He reviews Sere Austin's work through frequent office interactions as well as remote interactions. He also reviews Sere Austin's activities through our client relationship management system.

Douglas B. Leeson: 404.760.3737, [dleeson@iragroup.com](mailto:dleeson@iragroup.com)