

## **Executive Money Managers, Inc.**

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### **Plain English Brochure As of February 1, 2011**

**Our Company.** Executive Money Managers, Inc. (EMM) is a Georgia domestic subchapter-S corporation founded in November 1989. It employs individuals to provide investment advisory services. Joel Hubbard currently makes all the investment decisions for EMM. He is appropriately licensed, qualified and authorized to provide advisory services on behalf of EMM. He is known as an Investment Adviser Representative.

Joel Hubbard, President, is your primary contact regarding any questions you may have. You can also find additional information about EMM at either:

- [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You may search this government-sponsored site using the unique identifying number, or CRD for EMM which is 128362.
- [www.executivemoneymanagers.com](http://www.executivemoneymanagers.com). This is the EMM website where you can also find Account Application and Change of Address Forms. Our website also offers secure delivery of your electronic quarterly statements and other documents.

Roughly 98% of our revenue is from providing investment supervisory services and the remainder is from furnishing investment advice through consultations. We do not charge a brokerage fee and do not derive any income from companies or individuals who supply goods or services to our client base.

Our clients include individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

**Our Services.** EMM provides discretionary portfolio management services where the investment advice provided is custom tailored to meet the needs and investment objectives of each client. Subject to any written guidelines you may provide, you allow us discretion and authority to manage your account(s). Accordingly, EMM is authorized to perform various functions, at your expense, without further approval from you. Such functions include:

- the determination of securities to be purchased/sold,
- the amount of securities to be purchased/sold,
- the broker/dealer to be used. We currently use TDAmeritrade as our primary brokerage firm and asset custodian because of their financial stability, ability to execute trades, and overall value. We do not receive any compensation from TDAmeritrade or any other brokerage firm. We review our brokerage selection annually, and

- the commission rates to be paid. The commission you pay to TDAmeritrade is approximately \$10.00 for most trades. We seek to minimize the number of trades in your account consistent with our investment philosophy described below to reduce your overall costs.

Once the portfolio is constructed, EMM provides continuous supervision and adjusts the portfolio as changes in market conditions and client circumstances may require.

**Our Fees.** We charge an hourly fee of \$225.00 for consultations and a percentage of assets under management for investment supervisory services. The hourly fee for consultation is billed after the client meeting takes place.

We bill the asset management fee based on percentage of assets at the end of each quarter after the services have been provided (in arrears) as follows:

- 1% annually, billed one forth percent ( $\frac{1}{4}\%$ ) quarterly for the first \$250,000,
- $\frac{1}{2}\%$  annually, also billed one eighth percent ( $\frac{1}{8}\%$ ) quarterly for additional amounts over \$250,000.

For example:

| Assets under Management | Annual Fees  | Billed Quarterly |
|-------------------------|--|------------------|
| 100,000                 | 1,000 (100,000 times 1%)                                     | 250              |
| 350,000                 | 3,000 (250,000 times 1% plus 100,000 times $\frac{1}{2}\%$ ) | 750              |

We allow account totals for members of the same household to be grouped for the purpose of calculating the advisory fee. This results in a lower overall fee when the grouped assets exceed \$250,000 but are divided into more than one account owned by the same household.

With your signed permission, we have the option of having our quarterly fees deducted from the investment accounts that we manage. If we do that, we always provide both the investment custodian (TDAmeritrade) and you with a copy of the detailed billing. The investment custodian also provides you a monthly statement which details all expenses paid from your account including our fees. We do not have custody of your funds or securities. We do not require any prepayment of fees.

Our services may be terminated by either you or us by written or verbal notice immediately. You would only be billed a pro rata share of that quarter's services already performed.

**Investment Method.** Our investment philosophy is fundamental and value-oriented. This means that we look for companies which are well-managed and fairly or under-priced in the marketplace at the time we purchase them for our clients' accounts. We look for companies with strong balance sheets which help provide investors with a margin of safety. If possible,

we also look for securities which offer a generous dividend yield to provide income in addition to the possibility of appreciation. We invest in equity securities because we believe they offer the best long-run opportunity for return on our clients' investments. We invest for both long and short term (both over and under a year) but do not "trade" accounts (selling within 30 days as a standard investment methodology). Rarely, we might sell out a position within 30 days, but that would be under exceptional circumstances.

We focus on the following types of investments:

- exchange-listed securities (example: stocks listed on the New York Stock Exchange),
- securities traded over-the-counter (example: stocks traded through NASDAQ), and
- foreign issuers (example: foreign stocks who have their shares registered as American Depositary Receipts in American banks).

We review each individual portfolio at least monthly and more often if circumstances require. We perform research to determine the appropriate investments for your portfolio by using a number of information sources such as:

- financial newspapers and magazines,
- annual reports, prospectuses, filings with the Securities and Exchange Commission,
- company press releases, and
- research materials prepared by others.

We also attend a number of national and international investment conferences throughout the year.

**Our Management Team.** Joel Hubbard, born 1949, makes the investment decisions for Executive Money Managers, Inc. He has a BBA in Management and an MBA in Finance from Georgia State University. He is a Certified Public Accountant registered with the Georgia Secretary of State. He is currently the President of Executive Money Managers, Inc. He also owns Midas Mulligan Properties, Inc., a commercial real estate rental business, Broad River Properties, LLC. a pine forest plantation and Joel Hubbard, CPA, PC, a public accounting practice. Joel is a founder, investor and serves on the Board of Providence Bank, a community bank located in Alpharetta, Georgia.

Margaret Hubbard, born 1953, assists him in the business. She has a BBA in International Business from the University of Georgia and an MDS in Organizations from Georgia State University. She is a Certified Public Accountant registered with the Georgia Secretary of State. She owns Beyond Measure Consulting, Inc. and works with Joel in his other businesses.

**Other Business Activities.** Joel Hubbard, President of EMM, spends approximately 35 hours a month in his capacity as a CPA for Joel Hubbard, CPA, PC. Mr. Hubbard, in his capacity of an officer or general partner of other companies, spends approximately 15 hours a month in real estate and other investments. Clients of EMM are not solicited to invest in Midas Mulligan Properties, Inc., Oaktree Properties, Inc. or Broad River Properties, LLC. EMM expects that clients to whom it offers advisory services may also be clients for Joel Hubbard, CPA, PC. Clients are instructed that the fees paid to the firm for advisory services are separate and distinct from the fees paid to Joel Hubbard, CPA,

PC. Clients to whom the firm offers advisory services are informed that they are under no obligation to use Joel Hubbard, CPA, PC. for accounting services and may use the accounting firm of their choosing.