

Disciplined Investments, LLC

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This brochure provides information about the business practices and qualifications of Disciplined Investments, LLC (DI). It has not been approved by the Securities and Exchange Commission nor by any state securities authority.

Material changes

- New Format

Table of contents

| | |
|--|---|
| Advisory Business ... | 2 |
| Fees & Compensation... | 2 |
| Performance Based Fees... | 3 |
| Types of Clients ... | 3 |
| Methods of Analysis, Investment Strategies & Risk of Loss... | 3 |
| Disciplinary Information... | 4 |
| Other Financial Industry Activities & Affiliations... | 4 |
| Code of Ethics & Personal Trading... | 4 |
| Brokerage Practices... | 4 |
| Review of Accounts... | 5 |
| Client Referrals & Other Compensation... | 6 |
| Custody... | 6 |
| Investment Discretion... | 6 |
| Voting Client Securities... | 6 |
| Financial Information... | 7 |
| Supervised Advisors (ADV Part 2B)... | 7 |

Advisory Business ...

DI provides fee-only financial planning and investment advice to individuals, trusts, businesses, estates, and charitable organizations. DI was established in 2001 and is wholly owned by HoganTaylor LLP, a tax and accounting firm.

DI is very flexible establishing client engagements. Clients may select to work with DI in one or more of the following capacities:

Consultative – clients receive verbal advice

Planning – clients receive written advice

Investment Advisory – clients receive ongoing investment management

For each *Investment Advisory* client, DI tailors its portfolios and its advice to the individual needs of the client. Clients may impose restrictions on the investments and methods which DI will use. As of 03.23.2011, DI had the following assets under management:

Discretionary \$8,800,000 Non-Discretionary \$58,300,000

Fees & Compensation...

Consultative clients are charged hourly rates ranging from \$92 - \$312 per hour which depend upon the expertise level of the professional performing the service. These rates are set by HoganTaylor LLP, are not negotiable, and are billed throughout or at the end of an engagement.

Planning clients may be charged hourly according to the same method above or a fixed fee for a particular engagement. Fixed planning fees are negotiable and generally billed at the end of an engagement.

Investment Advisory clients are billed quarterly, in arrears, based on the value of the assets on the last day of the previous quarter (see schedule below). These fees will be prorated for the initial and final management periods. DI may deduct fees from the clients' investment account(s) or clients may choose to pay from external sources. Fees are negotiable.

| Market Value of Portfolio | Annual Fee |
|----------------------------|------------|
| \$ 0 - \$ 500,000 | 1.00% |
| \$ 500,001 - \$1,000,000 | .80% |
| \$ 1,000,001 - \$3,000,000 | .70% |
| \$ 3,000,000 + | negotiable |

In addition to our management fees, clients will incur charges for assets invested in mutual funds, exchange traded funds and other investment vehicles or separate money managers. Clients will also pay transaction and other fees to the custodian. See **Brokerage Practices...** for more information.

Performance Based Fees...

DI does not accept performance based fees.

Types of Clients...

DI provides fee-only financial planning and investment advice to individuals, trusts, businesses, estates, and charitable organizations.

Methods of Analysis, Investment Strategies & Risk of Loss...

DI's investment philosophy is firmly rooted in academic research. The firm believes financial markets are generally efficient and securities are generally priced fairly. Rather than beat the market, DI attempts to match the market performance for each asset class. DI **does not** predict the direction of markets or the performance of specific securities. Instead, the firm concentrates on more manageable items such as diversification, cost reduction, tax-efficiency, and long term discipline.

DI's primary strategy is to create and manage broadly diversified portfolios using low-cost passively managed asset class funds. DI will establish asset class targets for each portfolio considering the client's unique goals, time horizon, risk tolerance, external investments, and tax situation. Then, DI manages (or recommends the client manage) the portfolio with discipline, rebalancing the portfolio back to the targets.

General market risk is the primary risk associated with this investment strategy. A second principle risk is that DI and the client do not adequately gauge the client's tolerance for risk. An additional apparent risk is that a client's unforeseen life experiences shorten the investment time horizon which the client originally estimated.

Investing in securities involves **risk of loss** which clients should be prepared to bear. Clients should not assume the future performance of any investment or strategy will be profitable or equal any specific performance.

Disciplinary Information...

None.

Other Financial Industry Activities & Affiliations...

DI is a wholly owned subsidiary of HoganTaylor LLP, a certified public accounting firm. The investment advisory representatives are employees of HoganTaylor LLP and some representatives also serve as certified public accountants with HoganTaylor LLP.

Some clients require tax preparation, business valuation, or other accounting services and DI may recommend the independent services of HoganTaylor LLP. To reduce the likelihood of any conflict of interest for the client, DI clients are not required to engage HoganTaylor LLP for any additional services. Nor are HoganTaylor LLP's clients required to work with DI. Furthermore, DI does not receive any direct remuneration for making referrals to HoganTaylor LLP. See **Client Referrals & Other Compensation...** for more information.

Code of Ethics & Personal Trading...

DI maintains a Code of Ethics establishing a standard of business conduct for all supervised representatives. It addresses the fundamental principles of openness, integrity, honesty and trust and is available to clients upon their request.

In accordance with Section 204A of the Investment Advisers Act of 1940, DI has written policies designed to prevent the misuse of material nonpublic information by DI or any person associated with DI.

DI representatives may trade the same securities as DI clients – but this is unlikely to have a negative impact on the client due to the investment methodologies and typical security types DI uses. See **Methods of Analysis, Investment Strategies & Risk of Loss...** for more information.

Brokerage Practices...

For *Investment Advisory* clients, DI recommends Fidelity Investments and/or Charles Schwab to custody investment assets and to execute securities transactions. DI recommends the same or other discount

brokerage firms for *Consultative* and *Planning* clients. Although the custodians will not always be the lowest cost, the custodians provide what DI considers to be “best execution” when filling securities transactions considering commission rates, responsiveness, and capability.

When certain clients require DI to provide advice or management through brokerage firms other than discount custodians such as Fidelity and Schwab, the client may not receive “best execution” and may experience an increase in various brokerage costs.

DI does not receive fees or commissions based upon these custodial relationships. Although DI may receive incidental benefits from the custodian such as software, research, or practice development consultations, DI does not consider these to be material. DI has no sales, product, or investment obligations toward the custodians and DI clients do not pay more for custody or transactions due to these incidental benefits.

DI does not aggregate client trades. This is unlikely to have any impact on costs due to the investment methodologies and typical security types DI uses. See **Methods of Analysis, Investment Strategies & Risk of Loss...** for more information.

Review of Accounts...

Planning and *Consultative* client plans and portfolios **are not** regularly reviewed unless the client requests another engagement.

Investment Advisory client portfolios are reviewed at least monthly to ensure the investments are appropriate for the clients’ stated Investment Objective (Conservative, Moderate, Balanced, Growth, or Aggressive Growth). The account reviewers include:

Adam J. Leavitt – Chief Compliance Officer, Wealth Manager
Mathew R. Bacon – Wealth Manager

Typically, DI will establish target allocations for each *Investment Advisory* client’s portfolio. DI may periodically make minor adjustments to the target allocations for various reasons. DI will substantially alter the target allocations if the client’s Investment Objective is changed. It is the client’s responsibility to notify DI of a change in life circumstances or a change in external investments not subject to DI’s management which may impact the Investment Objective.

Investment Advisory clients receive written monthly custodial statements and DI provides a consolidated quarterly statement which incorporates all investment accounts under DI's management. DI's statement describes period activity, performance relative to benchmarks, security values, portfolio asset class targets, and a management fee calculation.

Client Referrals & Other Compensation...

DI is a wholly owned subsidiary of HoganTaylor LLP. Consequently, HoganTaylor LLP employees and partners may receive some indirect financial benefit in referring clients to use DI's services. See **Other Financial Industry Activities & Affiliations...** for more information. In addition, DI sometimes provides a thank you card and a gift certificate of \$10 or less for client referrals.

DI is a fee-only firm and does not receive any direct compensation except from the client. The advisor's pay is set by HoganTaylor LLP. While no direct compensation is paid to the advisors for referring clients to HoganTaylor LLP, it is feasible that HoganTaylor LLP subjectively takes referrals into consideration in adjusting advisor compensation.

Custody...

DI does not have custody of client investments. Clients should compare DI's quarterly statements with the independent custodian's statements which correspond to the same date.

Investment Discretion...

Investment Advisory clients may select DI to manage their portfolio with discretionary or non-discretionary authority. Clients execute custodial agreements granting DI the authority to trade in client accounts and may place restrictions on DI to limit the trading of any securities.

Voting Client Securities...

DI does not vote proxies on clients' securities. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact DI by phone, email, or mail if they have questions about any solicitation.

Financial Information...

DI and its parent company HoganTaylor LLP have financial conditions which enable DI to meet all contractual commitments to clients.

Supervised advisors (ADV Part 2B)...

Adam J. Leavitt is the Chief Compliance Officer responsible for supervising the advisory activities of DI. Clients and prospects may direct questions or concerns about DI's services to Adam by phone at 918.388.2625 or by email at aleavitt@ht-di.com. Alternatively, clients and prospects may direct questions or concerns to J. Patrick Milligan by phone at 918.745.2333 or by email at pmilligan@hogantaylor.com.

Additional information about each advisor is available on the SEC's website at www.adviserinfo.sec.gov.

Adam J. Leavitt:

Adam was born in 1977 and received a B.S. degree in finance from Oral Roberts University and an M.B.A. from Oklahoma State University. He has worked as a financial planner with Disciplined Investments, LLC and Red Rock Financial Advisory, LLC for the preceding five years.

Adam is an employee of HoganTaylor LLP. While he receives no direct compensation for client referrals to HoganTaylor LLP, it is possible that HoganTaylor LLP subjectively considers referrals in establishing his compensation.

Mathew R. Bacon:

Matt was born in 1975 and received a B.S. degree in finance from the University of Oklahoma. He has worked as a financial planner with Disciplined Investments, LLC and as an investment manager and consultant with Charles Schwab for the preceding five years.

Matt is an employee of HoganTaylor LLP. While he receives no direct compensation for client referrals to HoganTaylor LLP, it is possible that HoganTaylor LLP subjectively considers referrals in establishing his compensation.

J. Patrick Milligan:

Pat was born in 1956 and received a B.S. degree in accounting from East Central University in Ada, Oklahoma. For the preceding five years, he has worked as a public accountant and partner with HoganTaylor LLP and its predecessor firm Hogan & Slovacek, P.C.

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E. Denise Felber:

Denise was born in 1956 and received a B.S. degree in accounting from Oklahoma State University. For the preceding five years, she has worked as a public accountant, senior manager, and partner with HoganTaylor LLP and its predecessor firm Hogan & Slovacek, P.C.

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Michael R. Moore:

Michael was born in 1950 and received a B.S. degree in accounting from the University of Tulsa. For the preceding five years, he has worked as a public accountant and partner with HoganTaylor LLP and its predecessor firm Hogan & Slovacek, P.C.

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Jon Anthony Otto:

Tony was born in 1967 and received B.S. degrees in accounting and business administration from Bethel College. For the preceding five years, he has worked as a public accountant, senior manager, and partner with HoganTaylor LLP and its predecessor firm Hogan & Slovacek, P.C.

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