

Firm Brochure
(Part 2A of Form ADV)

ALEXANDER INVESTMENT SERVICES COMPANY

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This brochure provides information about the qualifications and business practices of Alexander Investment Services Company (the "Advisor"). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State of Kentucky securities regulatory authority.

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

This Update: December 31, 2011

Brochure Content Clarification, Material Changes, Updates and Availability

Content Explanation or Clarification

If there are any questions concerning the content of this brochure, please contact Andrew Hanlein, President and Registered Principal, by telephone, 502-736-1336, or by email, ahanlein@aisweb.com.

Annual Update

The *Material Changes Since Last Update* section of this Firm Brochure will be updated when material changes occur after the previous release of the Firm Brochure. Clients may request a copy of an updated Firm Brochure at any time, but a general distribution will only be performed annually.

Material Changes since 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 also specifies mandatory sections and organization.
- Material changes since last revision of March 29, 2011:
 - TD Ameritrade Additional Services Program disclosures additions and changes, re: pages 7-9.

Firm Brochure Availability

A client may request a complete copy of the Firm Brochure by contacting Sheila Heckel at the Advisor by telephone, 502-736-1339, or email, sheckel@aisweb.com.

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Advisory Business

Firm Description

The Advisor, Alexander Investment Services Company, a.k.a., Alexander Investment Services, was founded in 1965.

The Advisor provides personalized, confidential investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, medical and dental practices and small businesses. Advice is provided through consultation with the client and may include determination of financial problems and objectives, cash flow management, insurance contract review, investment management, education funding, retirement planning and estate planning.

The Advisor is in the business of providing stocks, bonds, mutual and exchange-traded funds, separately managed accounts, annuities, life insurance, limited partnerships, hedge funds and other financial products. The Advisor is compensated by or receives some economic benefit from financial providers in connection with giving advice to related clients. The Advisor does not directly or indirectly compensate anyone for client referrals or account acquisitions.

Investment advice is provided with the client making the final decision on investment types and allocations. The Advisor does not act as a custodian of client assets, and the client always maintains asset control. The Advisor places trades for clients under an *Advisory Services Agreement*.

A review and evaluation of each client's initial financial situation is discussed with the client, often in the form of an asset allocation analysis including performance and risk analysis. Periodic reviews are communicated to provide reminders of the specific courses of action that need to be performed. More frequent reviews may occur but are not necessarily communicated to the client unless immediate changes are merited.

Other professionals (financial planners, attorneys, accountants, insurance agents, etc.) may be engaged directly by the client on an as-needed basis. Conflicts of interest with the Advisor will be disclosed to the client in the unlikely event they should occur.

The initial consultation, which may occur by meeting, telephone or electronic communication, is free of charge and is considered an exploratory interview to determine the extent to which investment analysis and management may be beneficial to the client.

Principal Owners

Richard Lynn Fox is a 20% stockholder, Leo Andrew Hanlein is a 50% stockholder, Thomas Craig Wilson is a 10% stockholder and Gerald Andrew Wells is a 20% stockholder.

Types of Advisory Services

The Advisor manages investment advisory accounts involving supervisory services, furnishes investment advice through consultations and charts, graphs, formulas and other devices which clients may use to evaluate securities.

On more than an occasional basis, the Advisor furnishes advice to clients on matters not involving securities, such as services that may include estate retirement and planning.

As of March 29, 2011, the Advisor managed approximately \$750 million in assets for approximately 3,000 clients.

Tailored Relationships

The goals and objectives for each client are documented in an *Advisory Services Agreement*. Clients may impose restrictions on investing in certain securities or types of securities.

An Advisory Services Agreement may not be changed or assigned without client consent.

Types of Agreements

The following types of *agreements* define the typical client relationships pursued and established by the Advisor.

Financial Planning Agreement

This type of service is recommended to clients by referral to third party financial planning specialists for which the Advisor receives no fee or compensation.

Advisory Services Agreement

Most clients choose to have the Advisor manage their assets in order to obtain ongoing in-depth investment advice and life planning. All aspects of the client's financial assets are reviewed, including those of their children, potential inheritances, life and health insurance, etc. Realistic, measurable goals are discussed and objectives to reach those goals are agreed upon. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Services Agreement is provided to the client by contract at the start of the relationship. An Advisory Services Agreement includes investment selection and allocation management (including performance reporting), education planning, retirement planning, and estate planning referrals as well as the implementation of recommendations within each area.

The annual Advisory Services Agreement fee is based on a percentage of the assets managed. There is no minimum annual fee and fees may be negotiable. Current client relationships may exist where fees are higher or lower than advertised fees.

The Advisory Services Agreement is an ongoing agreement and continued adjustments may be required. The length of service to the client is at the client's or the Advisor's discretion. The client or the Advisor may terminate the Advisory Services Agreement by written notice to the other party. At termination, fees will not be adjusted on a *pro rata* basis for the quarter billed. The portfolio value at the completion of the prior billing quarter is used as the basis for the fee computation.

Cost basis analysis and reporting may be performed as an integral part of the Advisory Services Agreement.

Retainer Agreement

In some circumstances, a *Retainer Agreement* is executed in lieu of an *Advisory Services Agreement* when it is more appropriate to work on a fixed-fee basis. The minimum fee for a Retainer Agreement is \$1,000 billed at rate of \$200 per hour and is negotiable.

Investment Management Agreement

See *Retainer Agreement* above.

Tax Preparation Agreement

Tax preparation services are not included in an Advisory Services Agreement or a Retainer Agreement scope of employment. The Advisor may recommend client tax preparation services to third party specialists.

Hourly Analysis and Planning Engagements

The Advisor provides hourly analysis and planning services for clients who need advice on a limited scope. The hourly rate for limited scope engagements is \$200.

Asset Management

Advisory Services Agreement associated assets are invested primarily in no-load and low-load mutual funds or exchange-traded funds through the Advisor's discount broker and custodian, TD Ameritrade, or occasionally through individual fund companies. Additional investments may include equities (stocks), warrants, corporate debt securities (bonds), commercial paper, certificates of deposit (CD's), municipal securities (muni-bonds), investment company securities (whole and variable life insurance and variable or fixed annuities), U. S. government securities and interests in

partnerships (L.P.'s). No options or futures contracts are offered but may be employed within exchange-traded and some mutual funds.

Fund companies charge fund shareholders an investment management fee, a.k.a., an expense ratio that is disclosed in a fund's prospectus. Moreover, TD Ameritrade, as custodian and clearing agent, may charge a small transaction fee, or ticket charge, to buy or sell individual securities and some funds.

Initial public offerings (IPO's) are not available through the Advisor.

Termination of Agreement

A client may terminate any of the aforementioned agreements at any time by notifying the Advisor in writing and paying the rate for the time contracted for the Advisory Services Agreement prior to notification of termination.

The Advisor may terminate any of the aforementioned agreements at any time by notifying the client in writing.

Fees and Compensation

Description

The Advisor bases its fees on a percentage of assets under management, brokerage commissions where mutually agreed upon, hourly analysis and audit charges and retirement plan administration fees.

Some Advisory Services Agreements and Retainer Agreements may be priced based on the complexity of work especially when asset management is not the most significant part of the relationship.

The Advisor earns income from commission and service fees from retail accounts through its broker-dealer activities, from fee for service based advisory accounts through its registered investment advisor activities, from separately managed funds (third party) and hedge funds, from the sale of guaranteed products such as annuities and life insurance and from the administration of IRS qualified retirement plans.

Advisory Fees by Account Type

- **Flat Fee Account** Managed through TD Ameritrade as custodian and clearing agent. This type of account is used primarily to allow clients to hold specific asset classes and economic sectors within their portfolios. These accounts may also be used to transfer assets to the Advisor for the purpose of asset reallocation at discount broker rates or to maintain assets "under one roof" for convenience and investment flexibility. Finally, this type of account may be used to avoid retail mutual fund commissions when it is determined through client consultation that potential higher expense ratios and other fees may be offset through the elimination of such commissions.

Fee Schedule A quarterly 0.075% fee (\$75 per \$100,000 under management) is applied to an advisory account's net asset value under management. No minimum fee or account balance value is considered. This fee is not negotiable.

- **Scaled Fee Account** Managed through TD Ameritrade as custodian and clearing agent. This type of account is utilized for clients that may require more frequent account review, continual reallocation of assets, more concentration in terms of personal contact or other services as well as a broader variety of investment products and sophistication in accomplishing investment goals. The account's adviser recommends a graduated fee scale subject to client consultation and approval. The fee may be biased on the types and number of assets managed as well as the customized demands of the client.

Fee Schedule The negotiated fee for this type of account is established through the mutual consent of the client and the adviser as detailed within the Advisory Services Agreement. Such quarterly fees typically range from 0.075% to 0.25% (\$75 to \$250 per \$100,000 under management).

- **Client Self-Directed Account** Managed through TD Ameritrade as custodian and clearing agent. Available only to retirement plan, brokerage and advisory account clients who also wish to manage a portion of their assets without the direction or oversight of a registered representative with the Advisor.

Fee Schedule A \$125 flat fee is debited annually from such a client account for administrative and reporting services. This fee is not negotiable.

Fee Billing

Advisory account fees are calculated for a full quarter, in advance, based on the prior quarter's ending net asset value with no adjustment or reimbursement for market losses, in-service or premature distributions, transfers, withdrawals or account terminations. Account openings or additions (purchases, transfers or rollovers) are treated as being made on the first day of a new calendar quarter. Advisory fees are applied to account totals regardless of their equity or fixed income positions (including money market and cash balances). This approach provides for a neutral advisory attitude concerning account fees during market volatility or asset reallocations.

Advisory Services Agreement fees are deducted directly from a client's account by liquidating assets or by maintaining a liquid balance within a money market or cash fund. In most cases, advisory fees are tax deductible.

In order to facilitate timely fee deductions and minimize potential charges due to asset liquidations, The Advisor may maintain a minimum cash balance within an advisory account. Advisory fees are billed quarterly, *in advance*, meaning that the Advisor debits an account only as a new quarterly billing period begins; there is no retroactive or pro-rata billing. The client must consent in advance to direct debiting of their investment account on the TD Ameritrade account application.

Performance-Based Fees

The Advisor's fees *are not* based on a direct share of the capital gains or capital appreciation of managed securities within an advisory account.

The Advisor does not utilize a performance-based fee structure because of the potential conflict of interest. Performance-based fees may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk or cost to the client.

Other Fees

TD Ameritrade may charge transaction fees, or ticket charges, on some transactions (purchases or sales of a few mutual funds, exchange-traded funds and individual securities). These transaction fees are typically small and incidental to the purchase or sale of a security. The selection of a security is more important than the nominal fee that the custodian may charge to buy or sell a security. For example, \$9.99 per equity transaction, and occasionally, \$24 per mutual fund transaction, regardless of the amount transacted. TD Ameritrade does not share such fees with the Advisor. Several thousand mutual funds are available for trading without a transaction fee.

The Advisor, in its sole discretion, may waive its fees and/or charge a lesser advisory fee based upon certain criteria. For example, historical client relationship, type of assets such as certificates of deposit (CD's), anticipated future earning capacity, anticipated future additional asset deposits, dollar amounts of assets to be managed, account composition, negotiations with client, etc.

Expense Ratios

Retail funds, mutual, exchange-traded and closed-end, charge an annual management fee for their services as investment managers and custodians. The annual management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.50% (\$500 per \$100,000 of assets managed) for their annual services. These fees are in addition to the advisory fees paid by a client to the Advisor.

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

Expense ratios may contain marketing services fees, also known as 12b-1 fees that may be shared by mutual fund companies with the Advisor. Selection of such funds may be avoided unless (a) no suitable allocation substitute exists, (b) the selection avoids commissions or transaction fees or (c) the selection mandated by a client. Such annual fees should have a negligible performance effect when added to the Advisor's 0.075% quarterly advisory fee.

Past-Due Accounts and Termination of Agreement

The Advisor reserves the right to cease engagement or work on any account that is more than 45 days overdue. In addition, the Advisor reserves the right to terminate any agreement or engagement where a client has willfully concealed or has refused to provide pertinent information when necessary and appropriate, in the Advisor's judgment, to facilitate accountable, accurate and lawful financial services.

TD Ameritrade Additional Services Program Disclosures

- The Advisor participates in the TD Ameritrade Institutional Additional Services Program ("Program"). TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade"), a member of FINRA, SIPC and NFA. TD Ameritrade is an independent SEC-registered broker-dealer.
- There is no direct link between the Advisor participation in the Program and the investment advice it gives to its Clients, although the Advisor receives economic benefits through its participation in the Program that are not typically available to TD Ameritrade retail investors.
- The Advisor and TD Ameritrade are separate and unaffiliated entities.
- TD Ameritrade offers services to independently registered investment advisers. These services include custody of securities, trade execution and clearance and settlement of transactions. The Advisor may recommend TD Ameritrade to clients for custody and brokerage services.
- As disclosed above, the Advisor participated in TD Ameritrade's institution customer program and may recommend TD Ameritrade to clients for custody and brokerage services including the following products and services which are provided without cost or at a discount: receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving the Advisor's participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then reallocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information;

and access to mutual fund with no transaction fees and to certain institutional money managers.

- The above receipt of economic benefits by the Advisor or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the Advisor's choice of TD Ameritrade for custody and brokerage services.
- The Advisor receives an annual additional service from TD Ameritrade in the form of an expense sharing credit of up to \$40,000 towards AssetBook® (portfolio management and services software) from TD Ameritrade due to participation in the Program because the Advisor's advisory account client assets are custodied at TD Ameritrade. This credit offsets annual maintenance fees for our portfolio management and record keeping services. All clients may benefit from this expense sharing arrangement since it reduces the firm's overall operating expenses. The selection of TD Ameritrade as a custodian for clients is not affected by this nominal credit since TD Ameritrade was selected as a custodian before the Advisor participated in the former's expense sharing arrangement Program.
- TD Ameritrade provides the above additional services to the Advisor in its sole discretion and at its own expense, and the Advisor does not pay any fees to TD Ameritrade for the additional services Program. The Advisor and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the additional services. TD Ameritrade has the right to terminate the Additional Services Addendum with the Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the additional services from TD Ameritrade, the Advisor may have an incentive to recommend to its clients that the assets under management by the Advisor be held in custody with TD Ameritrade and to place transactions for clients with TD Ameritrade.
- The Advisor, through its participation in the Program, may also receive discounts on compliance, marketing, technology and practice management products or services provided to the Advisor by third party vendors. These benefits received by the Advisor, or its associated persons, do not depend on the amount of brokerage transactions directed to TD Ameritrade.
- By receiving additional services from TD Ameritrade, the Advisor will receive certain additional economic benefits that may or may not be offered to any other independent advisers that participate in the Program.

- The Advisor may have a conflict of interest in recommending to its clients that their assets be held in custody with TD Ameritrade and in placing transactions for client accounts with TD Ameritrade, because TD Ameritrade considers the value and profitability to TD Ameritrade of the assets held within, and trades placed for, the Advisor's client accounts when determining whether to provide or continue providing additional services to the Advisor.
- The Advisor receipt of additional services does not diminish the Advisor's duty to act in the best interests of its clients, including seeking the best execution of trades for client accounts.

Types of Clients

Description

The Advisor generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and professional business entities.

Client relationships may vary in scope of engagement and length of service.

Account Minimums

There is no minimum account size or fee for the account value of assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security and asset-type analysis methods may include prices and sales volume trend charting, fundamental analysis, technical correlation analysis and cyclical analysis.

The main sources of metrics and information include financial printed and electronically transmitted media, inspections of company activities, research materials prepared by others, company rating services, timing services, company quarterly and annual reports, fund prospectuses, company filings with the Securities and Exchange Commission (SEC) and company press releases.

Other sources of information that the Advisor may utilize include Morningstar Principia[®] fund information, Morningstar Principia[®] stock information, Steele Mutual Fund Expert fund information, TD Ameritrade research information, fund company information and internet search data.

Investment Strategies

The primary investment strategy used for client accounts is strategic asset allocation utilizing a core and satellite approach. This means that the Advisor utilizes actively managed mutual funds as the core investments, and then adds actively or passively managed funds where there may be greater opportunities to make a difference in performance or risk. Client portfolios may be globally diversified to control the risk associated with regional or emerging markets.

The investment strategy for every client is determined by their financial objectives and life status as disclosed during consultations in person or by other means. A client meeting is recommended a minimum of two to four times per annum. Each client portfolio reflects client specific objectives and suitability. Clients may change their objectives at any time.

Risk of Loss

All investment programs have certain risks that are borne by the investor. The Advisor's 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 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 or 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. Loss in purchasing power lowers investment returns.
- **Currency Risk:** Foreign 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, for example, a lower interest rate. This primarily relates to fixed income securities such as bonds, certificates of deposit, money market funds, etc.
- **Business Risk:** These risks are associated with a particular world region, country, 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 the process 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:** Borrowing to finance a business' operations may increase the probability of profitability, because the company can 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

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

Financial Industry Activities

The Advisor is registered as a broker-dealer with the Financial Industry Regulatory Authority (FINRA), as a Registered Investment Advisor (RIA) with the U.S. Securities Exchange Commission (SEC) and is a member of the Securities Investor Protection Corporation (SIPC). The Advisor is also subject to state law and regulatory agencies where applicable.

Affiliations

The Advisor has no arrangement or affiliation that is material to its advisory services or its clients or with a related person or entity who is a broker-dealer, investment company, other investment advisor, financial planning firm, commodity pool operator, commodity trading advisor or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, real estate broker or dealer or an entity that creates or packages limited partnerships.

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

Code of Ethics

The employees of the Advisor 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 by mail or electronic communication.

Participation or Interest in Client Transactions

The Advisor and its employees may buy or sell securities that may also be held by clients. Employees may not trade individual securities (stocks primarily) ahead of client trades. Employees comply with the provisions of the Advisor's *Policies and Procedures Manual*.

Personal Trading

The Chief Compliance Officer of the Advisor is Andrew Hanlein. His trades are reviewed by Gerald Wells. Registered Principals of the firm review all other client trades. Such 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 nominal mutual fund or exchange-traded fund transactions, these do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

The Advisor does not have any affiliation with financial product providers. Specific custodian recommendations are made to clients based on their need for such services. The Advisor recommends custodians based on the proven integrity and financial responsibility of the provider and the best execution of orders at reasonable commission rates.

The Advisor recommends discount brokerage firms and trust companies (qualified custodians), such as TD Ameritrade. The Advisor is an advisor with TD Ameritrade.

The Advisor does participate in an expense sharing arrangement with TD Ameritrade but does not receive any other compensation. Such expenses that may be paid for by TD Ameritrade may include, but are not limited to, vendors who provide investment research and recommendations, securities pricing, record keeping and archiving services and information security services.

Best Execution

The Advisor reviews the execution of trades at each custodian each week. The review is documented in the Advisor's *Policies and Procedures Manual*. Transaction fees charged by the custodians are also reviewed on a quarterly basis. The Advisor does not receive any portion of the transaction fees.

Order Aggregation

Most trades are *mutual or exchange-traded funds* where trade aggregation does not result in any client benefit. Trading volumes in individual securities such as stocks are typically too small to result in any client benefit.

Review of Accounts

Periodic Reviews

Registered advisers and their supervisory principals may perform account reviews at least bi-annually. Reviews may be performed more frequently when market conditions dictate.

Review Triggers

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

Regular Reports

Account reviewers are instructed to consider a client's current asset 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. The updates typically include a portfolio analysis that details performance and risk by positions.

Client Referrals and Other Compensation

Incoming Referrals

The Advisor grows its business by referrals. The firm does not advertise its services. Referrals originate from current clients, estate planning attorneys, accountants, employees and friends and other similar sources. The firm does not compensate referring parties for referrals.

Referrals Out

The Advisor does not accept referral fees or any form of compensation from other financial or accounting professionals when they refer a prospect or client.

Other Compensation

The Advisor's employees may receive expense paid trips to investment tradeshow and research meetings by its custodians and fund companies. Spouses and non-firm members are not included in such arrangements.

Custody

Account Statements

All assets are held at qualified custodians that provide account statements directly to the Advisor as well as to clients at their address of record at least quarterly. Most custodial statements, as well as trade confirmations, are available at associated websites or are provided by daily emails (optional per client request) and by monthly mail. In addition, the Advisor provides a monthly statement of account positions and values (Group Reports) by mail or email per client option.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the Group Report statements provided by the Advisor.

Net Worth Statements

Clients are frequently provided account net worth statements and tables and graphs that are generated from the firm's securities analysis and reporting systems. Account net worth aggregation, back-testing and hypothetical projections may be used for long-term financial, education, retirement and estate planning.

Investment Discretion

Discretionary Authority for Trading

The Advisor accepts discretionary authority to manage securities accounts on behalf of clients. As such, the Advisor has the authority to determine, without obtaining specific client consent, the types and values of the securities to be bought or sold. The Advisor does not receive any portion of transaction fees paid by a client to TD Ameritrade Institutional, our advisory account custodian and clearing firm, for account transactions.

Limited Power of Attorney

The Advisory Services Agreement provides the trading authorization for this purpose. Clients approve such an agreement so that the Advisor may execute the scope of trades that clients have approved.

Voting Client Securities

Proxy Votes

The Advisor does not vote proxies for securities. Clients are expected to vote their own proxies as provided by custodians.

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

Financial Information

Financial Condition

The Advisor does not have any financial impairment that would preclude the firm from meeting contractual services or commitments to clients. It is required to maintain minimum net capital levels established by its regulator, FINRA.

Clients are not provided with the Advisor's balance sheet because the Advisor does not serve as a custodian for client assets, funds or securities and does not take possession of client assets, funds or securities in fact or in the name of The Advisor. All investments are transacted and processed by direct deposit through custodians for the benefit of client accounts or by direct transfer between custodians for the benefit of client accounts.

Business Continuity Plan

General

The Advisor maintains a *Business Continuity Plan* that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key personnel.

Disasters

The Advisor's Business Continuity Plan covers natural disasters such as snowstorms, 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 or biological events, communications outages, internet outages and non-acts of God. Electronic files are backed up daily and are stored offsite for remote retrieval if necessary.

Alternate Offices

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

Loss of Key Personnel

The Advisor has four key principals located at two widely separated offices to support ongoing functions and services in the event of a key employee's serious disability or death.

Information Security Program

Information Security

The Advisor maintains an information security program to reduce the risk that a client's personal and confidential information may be assessed.

Privacy Notice

The Advisor is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of non-public information that we collect from clients may include information about personal finances, information about health situations to the extent required for financial consideration, information about transactions between clients and third parties such as banks, mortgage companies, attorneys and accountants and information from consumer reporting agencies.

With client permission, we disclose limited information to attorneys, accountants, and lenders with whom clients are considering or have established a relationship. Clients may opt out from the Advisor's sharing of information with nonaffiliated third parties by notifying us at any time in writing. Without client permission, the Advisor shares a limited amount of information about clients with securities custodians in order to establish trading accounts and to comply with governmental regulations and laws, for example, the Patriot Act of 2001.

The Advisor maintains a secure office environment to ensure that client information is not placed at unreasonable risk of disclosure. We employ a electronic fire-wall, secure data encryption techniques and password authentication procedures within our electronic environment.

The Advisor does not provide client information to mailing list vendors or solicitors for financial or consumer products. 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 Kentucky securities regulators may review our

company records and your personal records as required and 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 Kentucky securities laws. After that time, information may be destroyed by a bonded shredding service.

The Advisor will notify clients in advance if its privacy policy is expected to change. The Advisor is required by law to deliver this *Privacy Notice* to clients annually, in writing.

Firm Brochure Supplement

(Part 2B of Form ADV)

Education and Business Standards

The Advisor requires that its advisers and registered representatives have a bachelor's degree and further coursework demonstrating knowledge of financial analysis and trading processes. Additionally, advisers must have work experience that demonstrates their aptitude for financial analysis and investment management.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail:

Certified Financial Planner (CFP®) Certified Financial Planners are licensed by the CFP® Board to use the CFP® mark. CFP® certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP® Board as described at www.cfp.net.
- Successful completion of the 10-hour CFP® Certification Exam.
- Five-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Consultant (ChFC®) Chartered Financial Consultants are designated by The American College. ChFC® designation requirements:

- Successful completion of eight college-level courses and written exams covering financial planning, estate and retirement issues, income taxation, employer-sponsored retirement plans, investments and macroeconomics as described at www.theamericancollege.edu.
- A minimum of 30 hours of continuing education every two years.
- Three years of qualifying full-time work experience.
- Meet ethics standards, including compliance with The American College of Ethics and Procedures.

Chartered Life Underwriter (CLU®) Chartered Life Underwriters are designated by The American College. CLU® designation requirements:

- Successful completion of eight college-level courses and written exams covering aspects of insurance planning, group benefits, taxation, business insurance and risk management as described at www.theamericancollege.edu.

- A minimum of 30 hours of continuing education every two years.
- Three years of qualifying full-time work experience.
- Meet ethics standards, including compliance with The American College of Ethics and Procedures.

Master of Business Administration (MBA) Master of Business Administration degrees are awarded to university graduate students who have successfully completed designated course work in a specific business field and major:

- Bachelor's degree from an accredited college or university.
- Masters degree upon successful completion of 48 credits of graduate level courses with a 3.25 GPA including a written thesis defended before a review committee composed of a thesis adviser and course professors.

Adviser Certifications

Adams, Drew (Drew Stephenson Adams), Certifications

Age and Educational Background:

- Date of birth: October 10, 1982
- University of Kentucky, BS, Agricultural Economics and Business (2006)

Business Experience:

- Neogen, Territory Sales Manager (2006 – 2010)
- Alexander Investment Services, Registered Representative (2010 – Present)

Other Business Activities: None

Supervision:

Drew Adams is supervised by Rick Fox, Registered Principal. He reviews Drew Adams' work through frequent office as well as remote interactions.

- Rick Fox's contact information: 606-573-1374, ais@aisweb.com

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bennett, David (David Forbes Bennett), Certifications

Age and Educational Background:

- Date of birth: September 9, 1953
- University of the South (1971 – 1972)
- Western Kentucky University (1973 – 1975)

Business Experience:

- Creative Video Productions, Transportation Manager (1979 – 1980)
- Merrill Lynch, Registered Representative (1984 – 1986)
- Stifel Nicolaus, Registered Representative (1986 – 1990)
- Alexander Investment Services, Registered Representative (1991 – Present)

Other Business Activities:

- Hayrunners Inc. (1972 – Present): hay farming and cattle breeding.

Supervision:

David Bennett is supervised by Andy Hanlein, President and Registered Principal. He reviews David Bennett's work through frequent office as well as remote interactions.

- Andy Hanlein's contact information: 502-736-1336, ahanlein@aiswseb.com

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Collett, Wayne (Claude Wayne Collett), Certifications

Age and Educational Background:

- Date of birth: February 26, 1944
- Lincoln Memorial University, BS (1981)

Business Experience:

- Eastover Mining Company, Mine Superintendent (1973 – 1975), Training Director (1976 – 1982)
- Bailey Hill Mining Company, Safety Director (1982 – 1984)
- Kentucky Department of Mines and Minerals, Mine Safety Analyst (1984 – 1986), Mine Safety Analyst and Instructor (1991 – 2008)
- Great Western Coal Company, Industrial Relations Manager (1989 – 1991)
- Alexander Investment Services, Registered Representative (1986 – 2008), Registered Principal (2008 - Present)

Other Business Activities: None

Supervision:

Wayne Collett is supervised by Rick Fox, Registered Principal. He reviews Wayne Collett's work through frequent office as well as remote interactions.

- Rick Fox's contact information: 606-573-1374, ais@aisweb.com

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Fox, Rick (Richard Lynn Fox), Certifications

Age and Educational Background:

- Date of birth: October 9, 1952
- Morehead State University, BS (1971 - 1975)

Business Experience:

- Southern Wholesale (1971 – 1984)
- Alexander Investment Services, Registered Representative (1984 – 1999), Registered Principal (1999 – Present)

Other Business Activities: None

Supervision:

Rick Fox is supervised by Wayne Collett, Registered Principal. He reviews Rick Fox's work through frequent office as well as remote interactions.

- Wayne Collett's contact information: 606-573-1374, collett@aisweb.com

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Frymire, John (John Marlowe Frymire), Certifications

Age and Educational Background:

- Date of birth: August 27, 1960
- Centre College, BA (1982)
- Stonier Graduate School of Business (1990)
- CFP® Board Certification (2005)
- The American College, ChFC® (2006), CLU® (2006)

Business Experience:

- Citizens Fidelity Bank, Assistant Branch Manager (1982 – 1985)
- Professional Bank Services, Inc., Senior Consultant (1986 – 1998)
- Morgan Stanley, Financial Adviser (1998 – 2009)
- Alexander Investment Services, Registered Representative (2009 – Present)

Other Business Activities: None

Supervision:

John Frymire is supervised by Andy Hanlein, Registered Principal. He reviews John Frymire's work through frequent office as well as remote interactions.

- Andy Hanlein's contact information: 502-736-1336, ahanlein@aisweb.com

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Hanlein, Andy (Leo Andrew Hanlein), Certifications

Age and Educational Background:

- Date of birth: May 8, 1941
- Fordham University, BS (1963)
- University of Pittsburgh, MBA Finance (1964).

Business Experience:

- Corning Glass: Production Supervisor (1965 – 1967), Advanced Market Development Analyst (1967 – 1970)
- Electro-Nucleonics: Manager, Separation Systems (1970 – 1974)
- Altex Scientific: Marketing Manager (1974 – 1975)
- Chemetrics / Worthington Diagnostics / Millipore: Vice President, Sales (series of associated acquisitions and mergers, 1976-1982)
- Sequoia-Turner: Vice President, Sales and Marketing (1983 – 1988)
- PDx Diagnostics: Vice President (1988-1992)
- Alexander Investment Services: President and Registered Principal (1993 – Present)

Other Business Activities: None

Additional Compensation: None

Supervision:

Andy Hanlein is supervised by Rusty Wells, Registered Principal. He reviews Andy Hanlein's work through frequent office as well as remote interactions.

- Rusty Well's contact information: 502-736-1340, gwells@aisweb.com

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Wells, Rusty (Gerald Andrew Wells), Certifications

Age and Educational Background:

- Date of birth: March 21, 1956
- DePauw University, BS Economics (1974)

Business Experience:

- Kmart (1978 – 1981)
- Thomson McKinnon Securities, Registered Representative (1981 – 1983)
- Alexander Investment Services, Registered Representative (1983 – 1985), Chief Financial Officer (1994 – Present) and Registered Principal (1985 – Present)
- City of Hurstbourne, Commissioner (2005 – 2006)
- Citizens Financial Group (CFIN), Director (2007 – Present)

Other Business Activities:

- Millennium Capital LLP, Founder (2000 – Present)
- Croyden Ventures LLP, Founder (2001 – Present)
- Whittington Group LLP and Williamsburg Place LLC, Founder (2008 – Present)

All are real estate investment, management and/or development entities.

Supervision:

Rusty Wells is supervised by Andrew Hanlein, Registered Principal. He reviews Rusty Wells' work through frequent office as well as remote interactions.

- Andy Hanlein's contact information: 502-736-1336, ahanlein@aisweb.com

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Wilson, Craig (Thomas Craig Wilson), Certifications

Age and Educational Background:

- Date of birth: June 11, 1961
- University of Kentucky, BS (1983)

Business Experience:

- Olde & Company: Registered Representative (1985 – 1987)
- Alexander Investment Services, Registered Municipal Bond Principal (1987 – Present)

Other Business Activities:

- None

Supervision:

Craig Wilson is supervised by Rusty Wells, Registered Principal. He reviews Craig Wilson's work through frequent office as well as remote interactions.

- Rusty Wells' contact information: 502-736-1340, gwells@aisweb.com

Disciplinary Information: None

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None