



## **Investors Management Services**

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This brochure provides information about the qualifications and business practices of Investors Management Services. If you have any questions about the contents of this brochure, please contact us at (313) 886-1020 or by email at [kim@IMS1968.com](mailto:kim@IMS1968.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.

Investors Management Services is a registered investment adviser. This registration does not imply any level of skill or training.

Additional information about Investors Management Services is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

Every year we are required to update our ADV Part 2 with the SEC and this section will detail any material changes in the brochure. We will provide you with a new brochure as necessary based on changes or new information at any time, without charge.

Due to market pricing as well as the addition and subtraction of accounts, the assets under management on page 5 will change from year to year. As of February 28, 2012, we manage \$95,084,538 in assets for 149 clients. \$94,815,029 is managed on a discretionary basis and \$269,509 is managed on a non discretionary basis. There have been no other changes to the brochure at this time.

Our brochure may be requested by contacting Investors Management Services at (313) 886-1020 or by emailing [Kim@IMS1968.com](mailto:Kim@IMS1968.com).

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**Item 4 – Advisory Business**

Established in 1968 by firm president and CEO, Richard Wiggins, Investors Management Services provides asset management services to individuals, pensions, profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities on either a discretionary or non discretionary basis.

The ability to provide our clients with personalized service is the cornerstone of our firm. Establishing an account with IMS begins with a conversation about financial goals, cash flow needs, time horizon and tolerance for risk. We review our clients' assets, family situation, tax circumstances, and other factors that affect financial goals. The result of this conversation is an agreed upon set of guidelines for the management of the account. We recognize that these factors change over time, therefore, objectives such as capital appreciation, income, growth or capital preservation will be discussed at the initial meeting and at all future meetings. Clients may impose restrictions on investing in certain securities or types of securities at our initial meeting or at any time in the relationship as they see fit. They may also request that specific assets be invested in their account.

Taking the above factors in mind along with the current market conditions, securities will be bought or sold in the following investment vehicles.

- Individual Equities
- Corporate Bonds
- Exchange Traded Funds (ETFs)
- Money Market Funds
- Municipal Securities
- Mutual Funds
- United States Government Securities

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## **Item 5 – Fees and Compensation**

IMS serves in an advisory capacity only, providing professional guidance and counsel for the management of security investments for our clients. We do not act as a broker or dealer, and therefore, receive no direct financial benefit from the trading of securities. We do not participate in a wrap fee program and we do not use a performance-based fee schedule.

Our fee is calculated based on the total market value of the client's account at the end of the current quarter. All fees are agreed upon prior to entering into a management contract and are detailed within the contract itself. The fee schedule is as follows:

0.8% annually on the first \$500,000  
0.7% annually on the next \$500,000  
0.5% annually on the balance

There is a minimum annual fee of \$500.00

At the inception of an account relationship, a portfolio valuation is prepared. The fee is then computed based on the foregoing fee schedule and is billed on the next calendar quarter end. Subsequent quarterly fees are based on the previous quarter's ending value. The above fee scheduled is stated on an annualized basis. Fees are due at the end of each calendar quarter. Clients may elect to have their fees debited directly from their brokerage upon prior written consent. Such fees are pursuant to the following: Investors Management Services will send the client an invoice showing the amount of the fee, the value of the assets on which the fee is based, the period covered and the agreed upon rate at which the fee was calculated; and the custodian will send the client a statement, at least quarterly, on which the amount of the fee paid will be indicated. Clients should note that the custodian is not responsible for checking the calculation of the fee assessed; it remains the client's responsibility to check that the amount charged on the invoice matches the amount deducted on the statement.

It is our general policy to negotiate fees for charitable organizations, for exceptionally large accounts, special relationships or where unusual circumstances exist. The agreement may be terminated at any time, upon written notice, by either party and at no cost. The final invoice will be prorated based on the number of days during the quarter the portfolio was under management.

Investors Management Services' investment advisory fees are exclusive of brokerage commissions, transactions fees, and other related costs and expenses which may be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, or other third parties such as management fees, custodial fees, odd-lot charges, transfer taxes, foreign taxes, wire transfer and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to the advisory fee for Investors Management Services. IMS does not receive any portion of these commissions, fees or costs.

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

Investors Management Services does not charge performance based fees.

**Item 7 – Types of Clients**

Investors Management Services provides investment advisory services to individuals, pensions, profit sharing plans, individual retirement plans including; IRAs, SEP, and KEOGH; trusts, estates, charitable organizations, and corporations.

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

Investors Management Services uses fundamental and quantitative analysis to evaluate the financial and competitive position of a company. IMS also analyzes the capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors.

The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

IMS focuses on comprehensive wealth management. IMS' goal is to provide individualized advice and guidance to assist clients in achieving their financial goals. It is IMS' belief that every client has a unique set of goals and objectives and the most appropriate way to help them meet these goals is to take a holistic approach.

1. Establish and define the scope of relationship
2. Gather client data, including goals
3. Analyze and evaluate the client's financial status
4. Develop & implement the asset allocation
5. Monitor the recommendations

Through a combination of equities, fixed income, mutual funds, ETFs and alternative assets, IMS designs custom portfolios based on mean variance optimization and the principles of modern portfolio theory. IMS' investment approach is firmly rooted in the belief that markets are efficient and that investor's returns are determined principally by asset allocation decisions rather than market timing or security selection.

Our approach: It all begins with risk. 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 a number of risks including but not limited to interest-rate risk, market risk, inflation risk, currency risk, reinvestment risk, business risk, liquidity risk, and financial risk.

The firm's main sources of information include a variety of market-based research materials, including some provided by third party sources. This information includes market commentary and specific securities analysis. In conducting the analysis of securities, the firm uses commercially available software technology including Bloomberg, securities rating services, due diligence reviews, financial newspapers, prospectuses, issuer-prepared information and filings with the Securities and Exchange Commission among others. IMS may also use outside consultants in certain circumstances to provide expertise as to particular areas of information or analysis.

**Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our company. Neither IMS nor any of its employees has ever had any information, pending or previous, applicable to this item.

**Item 10 – Other Financial Industry Activities and Affiliations**

Investors Management Services is not actively engaged in a security-related business other than giving investment advice. Neither IMS nor any of its employees sell or are licensed to sell products or services other than investment advice. Investors Management Services receives compensation directly from clients and not from any outside source. We do not have any related parties.

**Item 11 – Code of Ethics**

Investors Management Services places the interest of its clients' investments ahead of the interest of the advisor and staff. We have adopted a Code of Ethics and other ethical rules and guidelines for avoiding prohibited acts and eliminating potential conflicts of interest. It is based upon the principle that Investors Management Services and its employees must conduct their affairs, including their personal securities transactions, in such a manner as to avoid serving their own interests before those of clients, refrain from taking inappropriate advantage of their position of trust and responsibility and abstain from any actual or potential conflicts of interest. The code of ethics establishes rules of conduct for all employees of IMS and includes rules that prohibit the use of material non public information, restricts the delivery and acceptance of gifts by IMS personnel, and establishes the parameters with regard to personal securities trading in the accounts of employees. A copy of the code will be provided to any client or prospective client upon request.

**Participation in Client Transactions/Personal Trading:** Only clients may participate in initial public offerings of a security. Employees may not purchase or sell securities in their own accounts on the same day purchases or sales of the same securities are made for client accounts. However, the securities purchased or sold by employees may be similar or opposite in nature from client transactions and may be executed at different prices from those of client transactions. Employees who are placing personal trades on days that they are out of the office must call the trade desk before making the trade to ensure that it complies with the above policy.

All employee investment transactions are reported to the Compliance Officer on an initial, quarterly and annual basis for review. The Compliance Officer's quarterly investment transactions will be reviewed by another officer of the company. Investors Management Services provides orientation on ethics rules to new employees and meets with all employees annually or when needed, to review the company policies.

**Item 12 – Brokerage Practices**

Clients may choose a broker to custody their assets and execute trades initiated by us. A client who chooses a broker should realize that IMS has limited authority to negotiate commissions or to obtain volume discounts, therefore, a disparity in commissions may exist between their transactions and those charged to other clients by different brokerage firms.

In those cases where a client does not have a broker and specifically asks for a recommendation, we consider the following factors before recommending a brokerage firm; lowest transaction price, the products offered, and the ability to meet client needs. Evaluations of the reasonableness of brokerage commissions are made by comparisons among firms who offer similar services. We generally recommend Schwab Institutional and Fidelity Institutional because their trading costs are low and they have a commitment to technology and service.

Investors Management Services does not utilize “soft dollar benefits” such as research materials from broker/dealers or a third party in connection with transactions. However, IMS does receive the following benefits from Charles Schwab & Company through the Institutional Advisor Platform: Access to electronic trading, access to block trading, and access to an electronic communication network for client order entry and account information.

There is a chance that an error may occur while placing a trade on a client’s behalf. If this happens, the incorrect trade will be cancelled and the intended trade will be placed in the client account as of the original trade date and price. If an investment gain results, the gain will remain in the client’s account. IMS will not benefit from any investment gain resulting from a corrected trade.

#### **Item 13 – Review of Accounts**

Richard Wiggins reviews all accounts at least monthly, to determine if stated goals and objectives are being met based on the current market and economic conditions. All accounts and individual securities within each account are reviewed more frequently as necessary, usually daily, but not less often than twice per month. Factors which trigger more frequent or irregular reviews include new developments regarding individual companies, the economy, the markets, or the personal circumstances of the client.

Reports of client holdings are prepared at least quarterly, or more often if the client desires. These reports include a listing of assets, costs and current market values. Upon request, taxable clients will receive a realized gain and loss report for tax purposes.

#### **Item 14 – Client Referrals and Other Compensation**

Investors Management Services does not pay or compensate a third party for client referrals. Client investment advisory fees are the only fees collected.

#### **Item 15 – Custody**

Clients receive statements from their custodian at least quarterly, but usually on a monthly basis. IMS urges you to carefully review such statements and compare the official custodial records to the quarterly reports which we provide to you. The custodian will deliver the statements directly to you, we will not collect and then redirect them to you. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or the valuation of certain securities. If there are valuations, they are typically very small. Clients are encouraged to ask any questions with regard to this.

Investors Management Services does not take physical control of assets. Due to the fact that we have the authority to directly debit fees from some clients’ accounts, we are deemed to have custody. In order to ensure that only the fees are deducted; we do not have the ability to sign checks or deduct any other monies from the account; will obtain prior written authorization in order to deduct fees; do not require you to prepay fees; will not hold client securities in the name of Investors Management Services, nor will we hold client securities in bearer form; and we will require your authorization when wiring any funds from accounts to third party accounts on your behalf.



**Item 16 – Investment Discretion**

For the majority of our clients, IMS has investment discretionary authority – the authority to determine the securities to be bought or sold and the amount of the securities to trade on a client’s behalf, without obtaining consent. The limited power of attorney document which is signed at the beginning of the relationship will give us this authority. Limitations or restrictions in certain securities or security types may be imposed initially or at any time in writing.

IMS reserves the right to accept nondiscretionary clients who require individual approval and consultation prior to each transaction. These clients must understand however, that the priority may be given to those accounts which do not need individual approval and therefore, the overall investment results may not be comparable to those obtained for clients who do not require such consultation.

**Item 17 – Voting Client Securities**

The voting or non-voting of proxies shall be the responsibility of the portfolio manager. A proxy manager may be designated to assist in compiling proxies and maintaining files of annual reports and proxy materials. All documentation will be kept on file for a period of five years. The following policies will be observed in handling proxies:

- i. Each item to be voted on should be voted separately and individually - not voted in blank;
- ii. The company shall maintain a record of proxy statements received and how each proxy was voted;
- iii. IMS will keep records of client requests for proxy voting information including information provided to the client;
- iv. Documents which are prepared by us which were important in the voting decision will be kept on file.
- v. The following guidelines shall govern the voting of proxies:
  1. Vote with management on routine matters (e.g., uncontested election of directors, ratification of selection of accountant).
  2. In general, vote all other matters in the way which seems most likely to enhance shareholder value over the long run.
  3. We will vote negatively on any issues not in the best interest of plan participants when stock is held by qualified plans.
  4. In cases where conflicts of interest arise we will first disclose the conflict to the client and seek the clients’ permission to vote the proxy in proportion of other shareholders. The client may choose to refer the proxy to a representative of their choice. An example of a conflict would be the voting of proxies issued by a company that is also a client of the portfolio manager or on whose board of directors, a person related to the portfolio manager sits.
  5. We will keep records of all conflicts of interest and the communication between the client and us.

Clients who wish to obtain information on the specifics of a vote with respect to their securities may do so by contacting Investors Management Services by phone, email or mail. This information will be provided at no cost to the client.

**Item 18 – Financial Information**

Investors Management Services does not require or solicit prepayment of more than \$500 in fees six months or more in advance. In addition, IMS is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual needs of clients. IMS has no disclosures with regard to this item.