

DISCLOSURE STATEMENT

The Securities and Exchange Commission requires that all registered investment advisors provide certain information to all existing and potential clients. This statement conforms to those requirements.

OVERVIEW

Robert Tomasello and Donald Hansen formed Guardian Investment Management in 1976 as a partnership. We have continuously offered investment advice to our clients during this period. Investment management is the only business and exclusive source of income for Guardian. We do not offer or sell any other type of service. We are not registered as a broker, nor are we affiliated with any broker or investment company. We do not share in any compensation with respect to security trade commissions.

As a Fiduciary, we offer independent and unbiased investment management. Our primary focus is on preservation of capital and protection from inflation. In our 35 years, Guardian has never been involved in a legal action or disciplinary event.

All of our clients use a custodian bank or a brokerage firm as custodian. We do not have custody of client's securities or cash assets. Every portfolio is managed separately to meet the specific goals of the individual client. Although most of our clients are individuals or trusts, we also offer advice to retirement accounts and tax free organizations. As of December 31, 2011 our total assets under management was \$147,041,226. Of this total, \$134,072,275 was discretionary management.

PARTNERS

Robert Tomasello — Bob - is a native San Franciscan. After graduating from the University of San Francisco, Bob joined Bank of America as an investment officer. His experience at B of A was invaluable in starting Guardian in 1976. Bob brings over 40 years of investing experience to Guardian. Bob's civic activity includes an active role as Chairman of the Board of Sutter West Bay Hospitals. He spends 3 to 4 hours a week on this service.

Donald Hansen - Don — graduated from the University of Iowa in 1961 and spent 4 years as an officer in the U.S. Navy. After his discharge, Don spent 4 years with Dean Witter, before joining Bank of America as an Investment Officer and founder of their Investment Counselling Department. Don brings over 45 years of investment experience to Guardian, and is a member of the CFA

Institute.

INVESTMENT PHILOSOPHY

Our investment approach is based on fundamental analysis, as opposed to technical or quantitative strategies. We are long term investors, with relatively low levels of portfolio turnover. We believe that the combination of dividend income and capital growth will provide the best returns for our clients over a long period of time. A consistent and growing dividend should also provide some downside protection in a volatile equity environment. We analyze the past records of a company, in terms of earnings history, profit margin trends, dividend payout, cash position, total debt structure, and historic price to earnings ratios. We also look at the projected earnings and decide whether the P/E ratio on forward earnings is attractive for a new investment. Our sources of information include annual reports, trade publications, press releases, brokers reports and many internet business web sites. The companies that we invest in are generally large capitalization companies listed on the New York Stock Exchange or the NASDAQ market.

Our equity portfolios strive to reduce the risk by diversifying over 20 — 30 companies and also over many different industry sectors. We like to keep the exposure to any one company to 5% or less, but there are instances where a stock held for many years has grown to a higher percentage, but the capital gain taxes and the age of the client dictates that we maintain our large position. In some cases where portfolio assets are higher than our average account we may own 30 — 40 companies. Each client has a separate account and custom investment goals. Depending on the age, income needs, and risk tolerance, we design a portfolio which could see a higher allocation to equities or conversely to fixed income. The bonds that we invest in are high quality and short to intermediate maturity. The issues include U.S. Government, municipal, and high quality corporate bonds. The bond allocation provides diversification and reduces volatility. We do some limited convertible bond investing also.

OPERATIONS

Our two partners jointly conduct equity research and set investment strategy. A partner is assigned lead responsibility for managing a clients portfolio. The other partner is also available for consultation with the client. Clients portfolios are custodied at custodian banks, Schwab Institutional, or in limited cases at brokers

of their choice. A majority of our accounts are at Schwab, where they benefit from highly discounted commissions and a very efficient operational system. A small number of brokers voluntarily E-mail research reports, but we do not pay them nor do we use our clients commissions to pay for research

We furnish quarterly portfolio valuations to our clients. These reviews include the current value and cost basis of each security, and the current value and allocation of the total portfolio. In addition, the custodians also issue monthly statements and copies of all confirmations to the client.

CONFLICT OF INTEREST

It is very important to address various areas of potential conflict of interest in the investment management business to reassure our clients. Potential areas to review should include: partners personal trades; use of commissions (soft collars) ; use of Limited Power of Attorney; and custody of assets. Transactions for clients always have priority over the personal trades of our partners. Our partners review the trades of the other partner to ensure compliance. Our trades at Schwab are electronically executed on the web, and the commissions are minimal, so we don't use commissions to buy brokers research. Our Limited Power of Attorney does not allow us to withdraw funds from a client's account: it only allows us to buy or sell securities. One of the most important protections for our clients is the use of an independent custodian. A custodian is charged with the responsibility to keep each account separate and to only accept instructions that a client approves. The custodian also issues a monthly statement that shows all of the activity in the account. Our clients should review the monthly statement to assure that the advisors reports are accurate, and that the advisor is adhering to the agreed investment objectives.

FEE STRUCTURE

1% on the first \$2,000,000
6/10 of 1%
above \$2,000,000

Fees are negotiable, depending on the equity/bond allocation in the portfolio. We compute the fees based on the portfolio valuation as of the end of each quarter, and the fees are for the following three months, so they are paid in advance. If the investment management contract is canceled during the quarter, the client will receive a refund for the pro-rated number of days remaining during the

GUARDIAN INVESTMENT MANAGEMENT

quarter. Most of our clients quarterly fees are deducted from the custodian account. A few clients are billed directly per their request. Clients who have chosen to have a bank as custodian will also pay a custodian fee. Our fees are based only on the assets under management. Our minimum account size that we would accept is \$1,000,000, but in some rare cases we have accounts under a million. We do not use performance based fees.

425 California St. 17th floor 181 Second Avenue Suite 210 San
Francisco, Ca 94104 San Mateo, Ca 94401 415-765-6860
650-343-9854

This brochure provides information about the qualifications and business practices of Guardian Investment Management. If you have any questions about the contents of this brochure, please contact us at the phone numbers listed above. Guardian is an investment advisor registered with the Securities and Exchange Commission. The information in this brochure has not been approved or verified by the SEC, and the SEC registration does not imply a certain level of investment skill or training. Further information about Guardian is available on the SEC's website at www.advisorinfo.sec.gov.

Table of Contents

Page 1. Disclosure Statement / Overview / Partners

Page 2. Investment Philosophy / Operations

Page 3. Conflict of Interest / Fee Structure