

**Form ADV - Parts 2A & 2B**

**AMERICAN SUPERIOR COMPANY**

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This brochure provides information about the qualifications and business practices of *American Superior Company*. If you have any questions about the contents of this brochure, please contact us at [FormADV@AmericanSuperior.Org](mailto:FormADV@AmericanSuperior.Org). 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.

Additional information about *American Superior Company* also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Investment advisor registration with any regulatory agency does not imply a certain level of skill or training.

## Item 2 - Material Changes

The following changes have been made since our Form ADV Part 2 annual update of March 2011:

### 1) Office Relocation

American Superior Company relocated its sole physical office to Reno, Nevada from Glenview, Illinois in September 2011.

### 2) Change in Regulatory Authority

The *Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010* stipulates that advisors managing less than \$90 million must withdraw from Securities and Exchange Commission registration and instead register with one or more state securities departments. Therefore, **American Superior will transfer its primary registration to the securities department of Nevada before the end of June 2012.** American Superior Company expects to maintain its long-standing registration in Illinois and will register in other states as required by regulation or law.

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## Item 4 - Advisory Business

### I. Customized Financial Services

#### ☐ Managing Your Money to Achieve Your Goals

American Superior Company provides **investment portfolio development** and **investment asset management** services to individuals, trusts, estates and small businesses. We have been offering advisory services continuously since 1984... a total of 28 years.

We construct your portfolio only after learning and taking into account your unique circumstances, including...

- your capital growth and/or income goals
- the timing of major contributions and withdrawals that you can anticipate
- non-managed assets you own
- your discomfort or tolerance for market price gyrations, and
- your prior experience with the spectrum of investment products.

The securities we will buy or sell in your account are determined in part by the ...

- investment objectives you have identified.
- need to diversify your assets
- total value of assets you have placed under management
- timing of your contributions and withdrawals, and
- securities you initially bring into management.

#### ☐ Building Your Conservative Portfolio

**We consider the portfolios we build to be conservative.** They emphasize the *direct* ownership of traditional, readily-marketable products like exchange-listed stocks, over-the-counter stocks and bonds, investment-grade bonds, mutual funds, and exchange-traded funds.

Another reason our portfolios are conservative is that our Asset Management Agreement *forbids* us to use borrowed cash or securities in your accounts. We do **not** make transactions “on margin”.

A third reason our work for you is conservative is that **we do not purchase** highly volatile securities such as...

- stock options
- commodities contracts
- “penny stocks” of fledgling or tiny companies or
- illiquid securities like “private placements”.

Finally, our client portfolios are conservative because of their **low turnover rates**.

American Superior agrees with academic studies showing that investor returns are higher when the number of portfolio transactions is lower.

## II. Securities Your Managed Account May Own

### ☐ Domestic Common Stocks

Some companies we buy for you are household names or their products are very widely known. Other companies we buy may be unfamiliar to you because the company serves industrial or niche markets that you wouldn't see, or because the company is too small to be discussed on national business newscasts.

Often we seek the stocks of established companies with good profit or sales growth prospects. Those are commonly labeled **growth stocks**.

Other times, we may purchase an established company that has hit a rough patch in its operations. Its stock may be selling below historic norms but we think it can recover. That is called a **value stock** purchase.

### ☐ Foreign Common Stocks

Individual **foreign stocks** are added to portfolios when the shares are listed on an American exchange or traded here as American Depositary Receipts. Otherwise, we buy pools of foreign securities as mutual funds or exchange-traded funds.

Foreign stocks may be attractive for diversification. Some foreign economies have higher growth rates than the USA so companies there offer advantageous returns. On the other hand, smaller foreign markets may be more volatile than the domestic market and currency fluctuations can affect investment outcomes.

### ☐ Bond and Debt Securities

The debt securities that our clients own are usually issued by:

- municipal, regional or state governments and their agencies
- U. S. government agencies
- the U. S. Treasury
- domestic corporations, or
- banks.

### ☐ Other Securities

To meet client goals, we may purchase individual parcels of preferred stocks, convertible bonds, real estate investment trusts or certificates of deposit. We may buy more aggressive assets for some clients when these assets are diversified in a mutual fund or

exchange-traded fund. Examples of these assets are high yield taxable bonds, high yield municipal bonds and emerging market stocks.

### III. Facts You Should Know About Our Relationship

#### ☐ Assets Under Management

At the end of calendar year 2011, American Superior Company supervised assets of \$44,000,000 with discretionary authority. We supervised essentially no assets without discretionary authority.

#### ☐ Business Owner

The sole owner of American Superior Company, an Illinois corporation, is the Alan J. Liebman Estate Trust.

#### ☐ Additional Services

If we manage your assets, we may be able to help you with other money tasks such as organizing a college savings program or projecting your future retirement income. Any services we provide that are outside our core task of portfolio asset management may incur time-on-task charges at our stated hourly rate [see *Item #5*].

#### ☐ Management Agreement Renewal and Cancellation

The Management Agreement we both approve at the start of our relationship runs for an initial one year term and automatically renews on its annual anniversary.

This Agreement can be cancelled by you or by American Superior Company without penalty upon 60 days *advance written* notice.

If you revoke a limited trading authorization without advance notice, we may construe that as a cancellation of our Agreement. In that case, you agree to compensate us for the lack of advance notice by paying our normal advisory fee for a 65 day period beyond the date of revocation.

#### ☐ Restricting Security Purchases

American Superior Company may accept your written instruction to **not** buy particular securities or types of securities in your account. Acceptable restrictions must not compromise the achievement of the goals you have set or stymie basic investment principles such as diversification. Acceptable restrictions also must **not** lead to violation of our ethics policy, or place American Superior Company in jeopardy of violating any securities regulation or law.

## Item 5 - Fees and Compensation

Our fee for asset management service is calculated as a percentage of your managed portfolio's average weekly balance during the prior calendar quarter using these rates...

Managed Asset Amount	Quarterly Rate, %	Effective Annual Rate, %
First \$500,000	0.1875	0.75
Next \$500,000	0.1250	0.50
Next \$1,000,000	0.1000	0.40
Over \$2,000,000	0.0875	0.35

The cost per thousand dollars for our service *decreases* as your managed asset balance *increases* because we can invest larger sums more efficiently. American Superior passes some of that benefit to you.

**All new client accounts are subject to a minimum annual fee of \$3,700** [\$925 minimum quarterly fee]. Clients who signed Agreements before 9/1/1996 are “grandfathered” to a minimum annual fee of \$2,000 [\$500 minimum quarterly fee].

A new client's first quarterly fee is based upon the initial asset amount specified in the Asset Management Agreement.

**We do not negotiate fees** with any client because American Superior Company believes its fees are already among the lowest in this industry.

**Client fees are payable in advance for the upcoming calendar quarter.** However we normally enclose our statements with your quarterly management report, which arrives during the calendar quarter. This gives you a several week “payment grace period”.

We ask all clients who custody assets at *Fidelity Institutional Wealth Services* to authorize American Superior to deduct advisory fees from their managed accounts after each of our quarterly management report is shipped. This “paperless” payment system improves our back-office efficiency and helps us keep your costs low. Exceptions are made in special circumstances such as when substantially all of a client's managed assets are “captive” in pension, annuity or retirement accounts.

When your money is invested in shares of **pooled assets** such as mutual funds or exchange-traded funds, *you may pay layered fees on those assets*. That is, you may pay an embedded fee to the fund management company and an explicit fee to American

Superior Company.

American Superior *never* receives any income from any broker, fund company or security issuer because assets were bought or sold in your account. American Superior *never* shares in the fees you may pay to such third parties.

One of our goals when buying pooled securities for your account is to *minimize* your total fee expense. For example, we often buy un-managed **index funds** rather than actively-managed funds having the same investment objective. Index fund expenses are usually significantly lower than actively-managed fund expenses while index fund returns are competitive or superior.

**You are responsible for paying all broker transaction commissions and any custodial fees in your managed accounts.** See *Item #12* for full details.

American Superior Company may bill **hourly charges** for:

- (1) client initiated studies outside the scope of regular portfolio supervision;
- (2) analysis of assets not currently under supervision; or
- (3) advisory meetings or telephone discussions other than an annual portfolio review conference.

Hourly charges are billed at the end of each calendar month at the non-negotiable rate of \$95/hour for the time applied in the preceding month. Out-of-pocket costs incurred for research materials, telecommunications, etc. are additional. Clients may cancel consultative assignments in writing at any time, and will be billed for the monthly time and out-of-pocket costs incurred to the date of receipt of their written cancellation notice.

*For consultative legacy clients only*, the advisor will evaluate portfolios on a consultative, non-continuing, non-discretionary basis. Portfolio evaluations typically include assessment of the current worth, diversification, and investment quality of the assets. Additionally, the Advisor may review the portfolio's performance and make recommendations for asset changes against Client-designated investment goals.

Fees for *consultative legacy investment advice* are calculated for a time-on-task basis, at a non-negotiable rate of \$95/ hour. A *minimum fee* and deposit of \$285 covers an initial three hour time.



## Item 6 - Performance-Based Fees and Side-By-Side Management

We do not manage any client accounts using performance-based fees. All client fees are computed from the same schedule, presented in *Item #5*.

## Item 7 - Types of Clients

Our clients are principally individuals who place a combination of personal, retirement, custodial, Trust, estate and small business assets under our supervision.

Client retirement assets typically reside in IRA, Roth IRA, Rollover IRA, SEP IRA, pension, 401K, 403B, 457, Keogh or Profit Sharing plan accounts and/or in variable annuity accounts.

All client relationships are subject to the **minimum fee requirement** disclosed in *Item #5* above on the aggregate amount of supervised assets.

## Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

When we construct a portfolio, your specific goals, timetables, investment experience, risk tolerance and preferences are the guideposts that set our course. **Our intent is to make you comfortable with the investments we order so that you will be remain committed to the financial path we set together for the long term.**

### I. Equity Investment

For equity investments, our primary investment analysis method is studying the business activity, revenues, profits, assets and liabilities of a company that issues a stock. This is usually called *fundamental analysis*.

Some of the risks associated with fundamental analysis are...

- Profits may be manipulated, either to show revenue that's inappropriately high or to show expense that's unrealistically low.
- A recent profit trend may not continue because of such factors as changing consumer tastes, new legal or regulatory requirements, or natural disasters.
- Liabilities may be understated or hidden by questionable accounting practices.

We may also compute certain ratios from reported company data that help us decide whether a securities issuer is operating in a conservative manner, or whether the particular security is attractively priced. This is referred to as *ratio analysis* by practitioners.

Some risks associated with ratio analysis are...

- Historical data used in ratios may be compromised by recent events such as a merger
- Several ratios alone cannot reliably take the measure of a complex corporate entity

A third approach is to examine how the security is judged by all investors as revealed by its market price history. We may compare a security's price behavior to benchmarks for companies in its industry or for the entire stock market. This is commonly labeled *technical analysis*.

Some of the risks associated with technical analysis are...

- Past price trends may not repeat in future periods.
- There are no objective standards for identifying price change patterns.

### II. Debt Security Investment

All *individual* debt securities we add to your portfolio are rated "investment grade" which

means they fall in the top four rating categories defined by independent rating agencies such as Standard & Poor's or Moody's.

A rating alone is certainly not sufficient to justify buying a debt security. We study such other characteristics as an issuer's payment history on all debt it has issued, its overall financial position and its business history and prospects.

We also review the specifications of the debt issue such as its...

- Interest rate
- Maturity date
- Early redemption provisions
- Liquidity
- Embedded insurance, and
- Sources of cash flow.

Some risks associated with debt securities are...

- The revenue stream or tax base supporting a debt can be compromised
- Assets pledged as collateral can fall in value because of changing business conditions, demographics or acts of nature
- The debt's principal may be returned early in a partial redemption, or
- Interest payment reinvestment may be made at a lower rate of return.

### III. Investment Strategies

Financial research shows that a diversified equity portfolio is more likely to have positive returns *the longer you stay invested*. This has been true because domestic stock markets have produced positive investment returns *on average* during the past eighty-five years.

**American Superior Company believes you should keep a long term investment perspective.** Of course, no investment philosophy is guaranteed and the past success of any securities trend does not predict future success. One risk of long-term holding is that you might need to withdraw capital during a market downturn, when security prices are low. This can be mitigated by keeping an emergency cash balance to cover your expenses until security prices recover.

When mutual or exchange-traded funds are appropriate for your portfolio, **American Superior Company prefers to buy un-managed *index funds*** rather than actively-managed funds. Investment studies show that index funds often give equal or higher returns at dramatically lower expense than actively-managed funds with the same objective. Index funds generally have lower asset turnover too so they keep your taxes low. A risk today is that some newer index funds have been constructed with convoluted rules that make heavy use of leverage, options and other derivative holdings. These index funds should be avoided.

**American Superior Company likes to include *individual stocks and bonds* in client portfolios** if asset diversification, income flow and other client goals can be met. Individual stocks are highly liquid and usually provide excellent disclosure of material

issuer information. Individual bonds have a definite maturity date and their yields are set. A risk of holding individual securities is that one particular issuer will experience an unfavorable business event so it's important to own enough individual securities to minimize "event risk".

#### **IV. Risk of Investment Loss**

**ALL investment securities we buy in your managed account present a risk of capital loss that you should be prepared to bear.** The prices of stocks or debt securities can fall and stay low for extended periods, such as during recessions when the national economy withers.

Sophisticated investors understand that **not** investing in securities can lead to losses too. Inflation makes everything we buy cost more over time. It is a serious threat to retirement budgets and all long-term savings plans. So, for example, if you hold cash in a bank account instead of buying securities, it's true you may never see your balance decline. That makes the bank account feel risk-less. But the interest rate the bank pays is almost always less than the inflation rate, so in fact your cash is losing "buying power" all the time in that bank account which can lower your standard of living.

## Item 9 - Disciplinary Information

Neither American Superior Company nor any management person of the company has *ever* been the object of any legal or disciplinary action in a criminal or civil proceeding in any court.

Neither American Superior Company nor any management person of the company has *ever* been the object of any administrative proceeding before the SEC or any other Federal, state or foreign regulatory authority.

Neither American Superior Company nor any management person of the company has *ever* been the object of a self-regulatory organization proceeding or complaint.

## Item 10 - Other Financial Industry Activities and Affiliations

**American Superior Company operates solely as an independent investment advisor.**

American Superior Company and its management persons are **not** registered and have **no** application pending to be a broker-dealer or a registered representative of a broker-dealer.

American Superior Company and its management persons are **not** registered and have **no** application pending to be a futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of any of these entities.

American Superior Company and its management persons are ***not in a material relationship*** with any person or company whose business is ...

broker-dealer for any securities,  
investment company,  
financial planner,  
other investment advisor,  
bank or thrift institution,  
accounting firm or accountant,

law firm or lawyer,  
insurance company or agency,  
pension consultant,  
real estate broker or dealer,  
sponsor or syndicator of limited  
partnerships.

We do **not** receive fees or remuneration from any person or company in any of these categories of business.

See *Item #12* for information about American Superior's relationship with broker-dealer and custodian *Fidelity Institutional Wealth Services*.

### **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

It is the intent of American Superior Company to both act in good faith and also to avoid the appearance of acting in bad faith with clients, employees and suppliers.

The three supports of our ethics policy are dedication to integrity, professionalism and client priority. *[See a copy of our Code of Ethics for full details].*

In brief, we intend to be an honest and trustworthy partner in all our relationships.

We intend to perform our duties to our clients diligently and mindful of our fiduciary responsibilities.

And thirdly, we intend to put your interests ahead of our own, and not favor any one client over another as we fulfill our obligations.

We never buy or sell assets to clients that American Superior or officers and employees personally own. All transactions are made in open markets with unrelated parties.

However, officers and employees of American Superior Company frequently own the same or similar public securities to those held in client accounts. In everyday language, “our staff eats its own cooking” when an officer or employee’s investment objective overlaps with a client’s investment objective.

When an officer or employee of American Superior buys or sells the same security as a client buys or sells, either the two transactions are bundled together in a “block trade” or the client trade is given priority over the insider’s transaction. If a limited quantity of a security is available, clients are given priority of ownership or of disposal over *American Superior Company* insiders.

## Item 12 - Brokerage Practices

A substantial portion of American Superior Company's supervised assets is custodied at *Fidelity Institutional Wealth Services*. Fidelity is also the broker-dealer we use for most client transactions. [Fidelity operates under the corporate identities *Fidelity Brokerage Services LLC* and *National Financial Services LLC*.] The major exceptions to this are assets that are "captive" at custodians dictated by your retirement plan or annuity.

### We recommend that clients open brokerage accounts with Fidelity because...

- Fidelity provides excellent broker and custodian service
- Fidelity provides an electronic marketplace of no-load, load-waived and commission-free exchange-traded-fund purchase opportunities
- Fidelity's commission rates are competitive with or lower than other providers
- Fidelity has offices nationwide and a comprehensive website
- a primary custodian for American Superior Company supervised assets gives significant operating efficiency which helps us keep client fees low, and
- Fidelity offer secure transaction software, seminars and financial market analyses that help us serve clients and keep us informed about the advisory industry.

*Fidelity Institutional Wealth Services* does **not** charge you an account opening fee or any annual fee for serving as your custodian. Fidelity does **not** charge you for collecting or posting interest and dividends to your accounts. Fidelity **does** provides you with several no-cost methods for adding or withdrawing cash from your accounts including paper check and electronic methods.

*Fidelity Institutional Wealth Services* may levy an account-closing fee of \$75 on retirement accounts or charge you \$15 for same-day *wire transfer* withdrawals.

You pay brokerage commissions directly to the external brokerage firm servicing your account [usually *Fidelity Institutional Wealth Services*] when we buy or sell securities for you. Typically Fidelity charges \$8 per transaction when your total assets in Fidelity custody exceed \$1,000,000 and \$18 per transaction for lesser asset totals.

American Superior receives software for transaction-entry and reporting, financial market and securities research materials, and advisor industry information from *Fidelity Institutional Wealth Services*. These complimentary products generally enhance our transaction-handling and decision-making for all clients, and keep us abreast of new products and services in our industry.

We do **not** receive any "soft dollar" benefits from Fidelity or any other broker-dealer. That is, we do **not** receive any benefits based on the amount of commission fees you pay or on the amount of assets you have in custody at Fidelity.

An online Fidelity marketplace allows us to buy mutual funds from hundreds of investment company managers, and individual debt securities from hundreds of broker-dealers, who are *unaffiliated* with Fidelity. These fund managers and broker-dealers pay Fidelity a fee to be included in the marketplace. Fidelity benefits by operating as a middleman between buyers like American Superior and sellers like mutual fund companies or bond dealers.

We are under ***no*** contractual obligation to use Fidelity products. We are under ***no*** contractual obligation to buy or sell from the fund managers or broker-dealers on the Fidelity marketplace in your account when Fidelity is your custodian and broker-dealer.

Recently, about 16% of American Superior client assets were invested in Fidelity mutual fund products (*excluding* Fidelity money market funds). A *significant* portion of this Fidelity product ownership was passive *index funds* [such as a fund that reflects the returns of the *Standard & Poor's 500 Index*] which Fidelity offers at some of the lowest costs in the industry.

Another 6% of American Superior client assets are invested in non-Fidelity mutual funds that are sold on the Fidelity marketplace. Some of these mutual funds are “no load” products and others are “load waived” shares. When we buy a fund for you in the Fidelity marketplace, your expenses are equal to or less than what retail buyers pay.

At times, American Superior Company may enter an aggregate stock or bond order that is subdivided among several of our client accounts. Such **block trades** are typically made to obtain a lower buy price or a higher sell price for your benefit. Sometimes a block trade is needed because there's a minimum transaction size requirement that must be met. Also block transactions can be efficient by letting us take advantage of a favorable market price for you and other clients all at once.



### Item 13 - Review of Accounts

All supervised accounts are reviewed by the President of American Superior Company [see *Item #19* for his background and credentials]. Scheduled supervisory reviews are made weekly, quarterly and annually. Special reviews are triggered by the circumstances described below.

**Weekly reviews** update the current value of the portfolio of supervised assets. The percentage change in total portfolio value is contrasted with changes in one or more appropriate, generally recognized investment "yardsticks." For example, the Standard & Poor's 500 Stock Index may be the appropriate yardstick for common stocks of very large domestic companies.

**Quarter-annual and Annual reviews** examine the change in value of the supervised assets on an item-by-item basis. Each component asset is considered for retention, accumulation or sale as its performance equaled, significantly exceeded or significantly lagged, one or more appropriate, generally recognized investment benchmarks. If asset sales are indicated, replacement assets may be selected and purchased at these review dates.

**Special reviews** are conducted when: (1) significant news affecting one or more portfolio assets is received, (2) a significant change in security value occurs between quarter-annual review dates, (3) securities market conditions provide advantageous purchase or sale opportunities, or (4) the client requests a change in the investment goals or substantially changes the amount or type of assets under supervision. Any of these special review situations may trigger interim purchases or sales of supervised assets.

Client reports are discussed below in *Item #15*.

## Item 14 - Client Referrals and Other Compensation

No unaffiliated person, or external business or organization is compensated for client referrals.

*Current clients* of American Superior may be offered a fee reduction award if a prospective client they refer to us signs a new management agreement with American Superior.

No employee or officer of American Superior Company receives any economic benefit from third parties because of the investment advice or service we provide to our clients.

## Item 15 - Custody

**All of the assets American Superior Company manages for you are held by external, unaffiliated, qualified custodians.** Our primary custodial relationship with *Fidelity Institutional Wealth Services* is described in Item #12.

Qualified custodians *directly* send you statements of account at least quarter-annually.

American Superior Company provides you with quarter-annual management reports which include listings of your assets, their value on quarter-beginning and -ending dates, and information about their costs, transactions, realized gain/loss information on sales and summaries of the source and destination of your assets for each separately-registered account.

Clients are urged to compare the information in American Superior Company reports with the statements they receive from their qualified custodian(s) and report any discrepancies to us immediately so that errors can be corrected by us or by the external custodian.

## Item 16 - Investment Discretion

You will be asked to give American Superior Company *limited discretionary authority* which means that we have your permission to buy and sell assets in your accounts without consulting you before we order a transaction. This discretion is limited to transactions. *Only you can authorize movement of assets in or out of your accounts.*

Though we don't consult with you before a trade, you always receive a *confirmation report directly from your broker-dealer* shortly after every transaction is filled.

Our transactions on your behalf must always satisfy the restrictions and terms you approved when you signed our Asset Management Agreement. To protect you, these restrictions substantially limit the type of securities we can purchase for you and the type of accounts you can open. [see *Item #4* above]

Substantially all of the assets we supervise are in accounts that have granted American Superior Company limited discretionary authority.

You grant limited discretionary authority to us for assets in custody at *Fidelity Institutional Wealth Services* when you sign any new-account application form. For other external custodians, you give American Superior Company limited discretionary authority by signing a Letter of Instruction.

## Item 17 - Voting Client Securities

American Superior accepts authority to vote proxy ballots for your securities with the intention of making the securities you own serve your best interests. [For full details, see our *Proxy Voting Notice* that all new clients receive.]

When we vote your proxies, we generally support ballot items that we think will...

- increase the value of your securities
- reduce corporate expenses
- maintain or increase shareholder authority
- increase future shareholder authority, or improve the auditing quality and accountability of management and Directors to shareholders.

American Superior usually executes its proxy votes through a secure, Internet website designated by public corporations to receive proxy votes. American Superior consults publicly available, independent information sources as necessary to help make our proxy vote decisions.

For operating efficiency, broker/custodians may “bundle” the proxies of all American Superior clients who own a particular security and who have given us proxy voting authority. This is consistent with our policy of voting all proxies for the same security identically for all clients. Furthermore, if that security is also owned by any officer, employee or Director of American Superior Company, proxy ballots for their shares are voted identically to client ballot proxies.

Material conflicts of interest can arise when clients delegate proxy voting authority to American Superior Company. For example: you may own a company that is attempting a “hostile takeover” of another company whose shares are owned by another client of ours. We might be in the position of voting proxies for both companies. Our *Proxy Voting Notice* sets gives out procedures for fairly dealing with such conflicts.

Any client who has delegated proxy voting authority to American Superior and wants to know how a particular proxy ballot for a security they own was voted can call or write our office. Our *Proxy Voting Notice* explains this disclosure procedure.

**Item 18 - Financial Information**

No financial statements are required because American Superior Company does **not** require or solicit fee prepayments of more than \$1,200 per client, six months or more in advance.

American Superior Company is **not** aware of any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

American Superior Company has **never** been the subject of a bankruptcy petition.

## Item 19 - Requirements for State-Registered Advisors and Part 2B – Brochure Supplement Information

### Background for: **Alan J. Liebman, President and Advisor Principal**

The founder and President of American Superior Company is **Alan J. Liebman**. He received a **Bachelor of Arts degree from Columbia College** (New York, NY) with a major in Physics in 1964, and a **Doctor of Philosophy degree in 1970 in Applied Physics from Yale University** (New Haven, CT).

Dr. Liebman worked as a scientist and Group Leader of Research & Development with **Xerox Corporation** (Rochester, NY) for seven years. He then was employed as a Senior Scientist and Department Chief with **AT&T / Teletype Corporation** (Skokie, IL) for seven more years. In both these positions, Liebman studied unconventional printing technology. He holds six patents for innovations in xerography and ink jet printing.

**Liebman founded American Superior Company in 1984** and has been its President continuously since then. During these 28 years Liebman has taken college courses in accounting and short courses in investment topics. He has intensively studied investment markets and methods. Liebman passed the **Illinois Investment Advisor Examination** in 1984; the **NASD Series 2 Exam** in 1995; and the **FINRA Series 65 Exam** in 2010.

Liebman was a Board Member and Vice-President of the Chicago Chapter of the **American Association of Individual Investors** for 15 years through 2009 and the Chairperson of the Chapter's NorthShore group for 20 years through 2010. He has led discussions of hundreds of investment topics for this non-profit educational enterprise. Liebman has given many public lectures on investment topics in Midwest cities, and brought nationally-known financial education speakers to Chicago audiences.

Liebman served as an elected member of the District 68 Board of Education in Skokie, IL from 1980 to 1983 and became a Trustee of Temple Emanuel in Reno, NV in 2012.

*There have **never** been any proceeding or charge brought against Alan Liebman by any regulatory agency or securities administrator, nor any suit brought in any civil or criminal court. Dr. Liebman has **never** been the subject of any arbitration claim. He has **never** filed any personal or business bankruptcy petition.*

Liebman has **no** substantial business activity or income other than from American Superior Company. He receives **no** compensation or bonuses based on the sale or volume of sales of any investment product, or based on the performance of client assets. He has **no** relationship or arrangement with *any* issuer of securities. He receives **no** sales awards or prizes from third parties related to the sale or recommendation of any product.

There is no "supervisor contact" information for Alan Liebman because he is the sole professional employee and management person of American Superior Company.