

Part 2 of Form ADV: Firm Brochure

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This brochure provides information about the qualifications and business practices of Fairlane Investment Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (313) 593-3925 or jperri@fiai.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Any use of the terms registered or registered investment advisor does not imply a certain level of skill or training.

Additional information about Fairlane Investment Advisors, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 105624.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July 2010. This Firm Brochure, dated 03/28/2012, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

The Tactical Portfolio Ranges for Conservative and Moderate were slightly expanded in March of 2012. See Item 8.

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Item 4 Advisory Business

Firm Description

Fairlane Investment Advisors, Inc. (FIAI) is an investment advisory firm registered with the SEC. FIAI was founded in 1984 by James Perri (President/Chief Compliance Officer) and Joseph Kubic (Vice President/Senior Portfolio Manager) who are the principal owners of the firm; both hold 50% ownership. Dori Borden joined the advisory staff in May of 2001. Sarah Pflugrad joined the operations staff in May of 2007.

INVESTMENT SUPERVISORY SERVICES

Fairlane Investment Advisors' main focus is to provide managed investment portfolios for individuals using our asset allocation program on a discretionary basis. We manage 401(k) and 403(b) accounts as well as variable annuities and brokerage accounts. The 401(k) and 403(b) accounts are managed on an individual participant level, not an employer sponsored level, and are limited to the investment choices offered within the employer sponsored plan. Our asset allocation program is available for most Fidelity sponsored 403(b)s, as well as a select group of TIAA-CREF 403(b)s. Fidelity no-load variable annuities are available to clients using our asset allocation program. Client brokerage accounts (IRA, Trust, Joint, Individual, etc.) are managed using Fidelity's Institutional Wealth Services platform.

There is continuity of account management from pre-retirement, into and through retirement. As part of pre-retirement advising, for employees of a specific group of employers we discuss the impact of any years of service rules that affect their pension and at what age they may take advantage of the early retirement rule that applies to 401(k) accounts.

FINANCIAL PLANNING

FIAI clients may also be provided limited financial planning consultation through their investment advisory representative in any one particular area. A broader look at financial goals and objectives in reviewing employee benefits, insurance, estate planning, educational funding, budgetary planning, retirement cash flow analysis and the meeting of short and long term living goals is also a consideration. Clients are encouraged to review their goals and objectives on an ongoing basis with their investment advisory representative and how they are affected by the planning items that are applicable.

Financial planning recommendations are not limited to any specific product or service offered by a broker-dealer, investment company or insurance company. All recommendations are of a generic nature.

INDIVIDUALIZATION OF MODEL PORTFOLIO MANAGEMENT

FIAI offers portfolio management services to investors, using model asset allocation portfolios. Each model portfolio is designed to meet a particular investment objective. Our asset allocation program is designed to ensure that each client receives individualized treatment and that each client's portfolio is managed in accordance with their financial situation, investment objectives and risk tolerance. Client risk is determined based on the result of an Investor Profile Questionnaire that each client is required to fill out.

Reasonable account restrictions can be placed on the portfolio by the client at any time. Restrictions allow clients to hold specific investments that may not otherwise be included in FIAI's models. Clients may also restrict their portfolio from holding specific investments. Should a restriction be deemed unreasonable, the client is notified in writing that the restriction is unreasonable and why. The client will be given the opportunity to modify the restriction in writing within 15 days. Should a client fail to modify the unreasonable restriction, we may refuse or terminate the account. *Any restrictions placed in a clients account will affect the risk level and performance within the portfolio.*

FIAI offers models within two distinct investment management styles:

- Dynamic Asset Allocation (DAA)
- Tactical Asset Allocation (TAA)

Please refer to the "Methods of Analysis" section (Item 8) for additional information.

ASSETS UNDER MANAGEMENT

As of 2/28/2011, FIAI actively managed \$111,379,602 of clients' assets on a discretionary basis.

Item 5 Fees and Compensation

MODEL PORTFOLIO MANAGEMENT FEES

FIAI is compensated for advisory services through advisory fees calculated on assets under management based on the following fee schedule:

<u>Asset Value</u>	<u>Annualized Fee</u>
\$ 75,000 - 149,999	1.50%
\$ 150,000 - 499,999	1.25%
\$ 500,000 - 999,999	1.00%
\$1,000,000 - 1,999,999	.80%
\$2,000,000 +	.70%

All advisory fees are billed in arrears at the end of each calendar quarter, computed as one-fourth (25%) of the annual percentage multiplied by the value (market value or fair market value in the absence of market value) of the client's account at the end of the previous quarter. The quarterly fee is adjusted for additions or withdrawals made by the client during the quarter on a prorated basis. Fees will be debited from the account in accordance with the client authorization in the Client Management Agreement.

When a new break point is reached through deposits or appreciation, a lower fee will apply. The fee rate will increase if the client withdraws funds causing the account to fall below the break point, but will not increase due to market fluctuation.

Clients with a parent-child relationship may have values combined for a reduction in the percentage used to calculate their fees. Other client family relationships that existed prior to 2008 have been grandfathered.

Employees of FIAI, their families, as well as soliciting representatives and their spouses may have their fees waived.

In addition to the above fees there is an account administrative reporting fee of \$12.50 per quarter that is used to offset the daily recording, preparation, access and mail of client portfolio reports through Orion Advisor Services.

FIAI's advisory fees are not negotiable and under no circumstances do we receive advisory fees in advance of services rendered.

Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Additional Fees and Expenses

In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians, including 401(k) and 403(b) custodians, and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Fairlane investment Advisors does not share in any of these fees or transaction charges.

All fees paid to FIAI for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Please refer to the "Brokerage Practices" section (Item 12) for additional information.

ERISA Accounts

FIAI is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act (ERISA) and regulations under the Internal Revenue Code of 1986, respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, FIAI may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

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

FIAI does not charge performance-based fees and therefore does not and cannot take part in side-by-side management.

Item 7 Types of Clients

FIAI provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans (other than plan participants)
- Professional associations

Minimum Account Recommendation

A minimum family aggregate size of \$75,000 is recommended for this asset allocation program. A minimum of \$10,000 per separate account within the family aggregate is recommended.

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

METHODS OF ANALYSIS

In today's increasingly complex and volatile stock market, it is important to have a tactical or dynamic investment strategy. Based on fundamental and technical analysis, along with research from various sources, we are able to determine which asset classes, sectors and indexes to invest into within each of our diversified portfolios. *Diversification does not guarantee protection against market losses or ensure a gain.* We continually evaluate the following factors when selecting investments that have the best attributes for outperforming the market:

- **Fundamental analysis** (analyzing various economic reports such as the employment situation to measure the current economic conditions). *Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security, industry or sector can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.*
- **Technical analysis** (analyzing the absolute and relative movement of the market in an effort to ascertain the probabilities for future price change). *Technical analysis does not consider the underlying financial condition of a company, industry or sector. This presents a risk in that poorly-managed or financially unsound companies may underperform regardless of market movement.*
- **Style** (i.e. value vs. growth)
- **Market capitalization** (i.e. large cap vs. small cap)
- **Sector rotation** (i.e. energy vs. financials)
- **International positions** (developed nations vs. emerging markets)

Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Our Investment Management Styles

Fairlane Investment Advisors offers two distinct investment management styles:

- **Dynamic Asset Allocation (DAA)**
- **Tactical Asset Allocation (TAA)**

We invest primarily in mutual funds and exchange traded funds (ETFs).

Dynamic Asset Allocation (DAA)

The DAA investment objective is to seek appropriate growth and/or income. In addition, it attempts to minimize an investor's exposure to risk while maximizing gains by positioning the model either aggressively or defensively (hedging) based on short-term market opportunities. The aggressive or defensive positioning can be accomplished by investing into leveraged mutual funds/ETFs. Leveraged investment products provide the opportunity for magnified exposure to a desired index. *The use of leverage by a mutual fund or ETF increases the risk of the fund. The more leverage an investment product has, the more the leverage will magnify both gains and losses on those investments.*

By using hedges (alternative investments, cash and bonds) and reallocating the portfolio more frequently, the DAA models are designed to fluctuate less than the market. *Due to this hedging, the portfolios can lag the market when it rises.* However, the portfolios should decrease less than the market on the downside, potentially creating the same return as a fully invested portfolio. Deviations may occur relative to model allocations during a given period due to market conditions or our perceived and/or anticipated market developments. *Of course there can be no assurance that any such perceived and/or anticipated market developments will occur, be correct or prove profitable.*

Since this strategy involves frequent trading it can affect investment performance particularly through increased brokerage and other transactions costs and taxes.

There are 7 different risk levels for equities, plus an Income model (most conservative):

1 -----> 7
conservative aggressive

The following are some examples of alternative mutual funds/ETFs that we may use to attempt to lessen the risk within our DAA models:

- Managed Futures
- Commodities
- Currencies/Financial Futures
- Equity Market Neutral
- Inverse Investments
- Absolute Return

The alternative investments (mutual funds/ETFs) that we may use carry specific risks which tend to be different than the risks associated with traditional investments such as stocks and bonds. The following summarizes the types of alternatives that we may use and the risks associated with each:

Managed Futures: This strategy seeks to benefit from the trends within the commodity and financial futures markets by using a long and/or short momentum strategy.

Commodities: This strategy seeks to benefit from the trends within the commodities market by using a long and/or short momentum strategy. Commodities would also include mutual funds/ETFs that invest directly into a physical commodity such as gold bullion.

Currency/Financial Futures: This strategy seeks to benefit from the trends within the currency and financial futures markets by using a long and/or short momentum strategy.

Equity Market Neutral: This strategy buys a portfolio of attractive stocks (the long portion of the portfolio), and sells a portfolio of unattractive stocks (the short portion of the portfolio). The spread between the performance of the longs and the shorts provides the value added.

Inverse Investments: This strategy seeks to deliver the opposite of the performance of the index or benchmark it tracks. It seeks to increase in value when the market declines and decrease in value when the market rises.

Absolute Return: This strategy seeks to achieve long-term capital appreciation with an emphasis on absolute (positive) returns and low correlation to traditional financial market indices such as the S&P 500 Index.

These alternative investments involve significant risk including, but not limited to, the following:

- *The use of derivatives such as futures, options, structured notes and swap agreements may expose the investment to additional risks that would not be subject to if it invested directly in the securities underlying those derivatives.*
- *Higher fees and expenses offset trading profits and reduce returns.*
- *May involve the use of significant leverage that could increase the risk of investment loss.*
- *The use of short selling within some of these strategies involves increased risk and costs.*
- *High portfolio turnover can impact the expenses, tax consequences and the fund performance due to distributions of increased net short term capital gains.*
- *The returns may not match the return of the index due to, among other factors, the incurred operating expenses, and not being fully invested at all times as a result of cash inflows and reserves to meet redemptions.*

Tactical Asset Allocation (TAA)

The TAA is a more traditional style of investing for growth and/or income. This style involves less frequent trading and no inverse positions for hedging purposes. Tactical portfolios have a core/satellite approach with 4 levels of risk:

- | | |
|----------------|--------------|
| • Income | • Moderate |
| • Conservative | • Aggressive |

These four levels of risk are achieved mainly by including varying degrees of bond and cash exposure. This style also employs a Targeted Asset Class percentage at each risk level to determine the amount of that asset class that will be held in the portfolio on average over a period of time. (See following table)

A core/satellite approach in a portfolio would consist of several core positions, i.e., this would be mutual funds or exchange traded funds that are well diversified (having several sectors and/or asset classes within each fund) or are non-correlated (acting differently than the other funds). The term core means that these funds are the more long term positions in the portfolio and the satellite are therefore the funds that rotate around the core and are changed more frequently in a portfolio. The satellite funds consist more of a non-diversified position like sector and industry investments.

Tactical Portfolio Ranges

	<u>INCOME</u>	<u>CONSERVATIVE</u>	<u>MODERATE</u>	<u>AGGRESSIVE</u>
International Equity	0%	0-20%	0-30%	10-40%
Domestic Equity	0%	20-60%	40-80%	60-90%
Market Neutral/Commodity/ Alternatives	0%	0-30%	0-30%	0-30%
Any of above Categories	0-50%	n/a	n/a	n/a
Cash/Bonds	50-100%	24-48%	10-30%	0-12%

** Equity Funds from time to time may not be fully invested in equities due to their own internal management style.*

** Small portfolios (less than \$30,000) allocation and ranges are slightly different due to size and cost.*

Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. Our firm and our management personnel have no reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations with the exception of James Perri, who is an agent for various insurance companies. As such, he is able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients are not under any obligation to engage him when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

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

Code of Ethics

FIAI has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. A copy of our Code of Ethics is available to our advisory clients and prospective clients upon request.

1. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.

2. Clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process of Insurance Products

As disclosed in Item 10 of this Brochure, related persons of our firm are separately licensed as insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and conflict of interest disclosures.

Participation in Client Transactions

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

Personal Trading

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

No principal or employee of our firm may

- put his or her own interest above the interest of an advisory client.
- buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.
- purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- participate in IPO or private placement investments by related persons of the firm.

Item 12 Brokerage Practices

FIAI has an arrangement with National Financial Services LLC, and Fidelity Brokerage Services LLC (together with all affiliates, "Fidelity") through which Fidelity provides our firm with their "platform" services. The platform services include, among others, brokerage, custodial, administrative support, record keeping and related services that are intended to support intermediaries like FIAI in conducting business and in serving the best interests of our clients but that may also benefit us.

Research and Other Soft Dollar Benefits

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). FIAI and our investment advisor representatives do not share in any transaction costs or commissions charged. Fidelity enables FIAI to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

As FIAI does not receive brokerage commissions (or markups or markdowns) we are unable to exchange these for any research, products or services.

Fidelity also makes available to our firm, at no additional charge, certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by FIAI (within specified parameters). These research and brokerage services are used by our firm to manage accounts for which we have investment discretion. FIAI may also receive additional services which may include discounts from certain vendors in the Fidelity network. Without this arrangement we might be compelled to pay more for the same or similar services. As a result of receiving such services for lower or no cost, we may have an incentive to continue to use or expand the use of Fidelity's services. We examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and have determined that the relationship is in the best interests of FIAI's clients and satisfies our client obligations, including our duty to seek best execution.

Fidelity's commission rates are generally considered discounted from customary retail commission rates. However, the commissions and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealers' services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, while FIAI will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Investment research products and services that may be obtained by us will generally be used to service all of our clients. FIAI does not receive any soft dollar credits.

Brokerage for Client Referrals

FIAI does not receive client referrals from our broker-dealer(s); therefore there is no incentive to FIAI or conflict of interest in receiving most favorable execution.

Directed Brokerage

By signing our Investment Management Agreement clients give FIAI written authority to determine broker-dealer usage.

Custody for all individual participant 401(k) or 403(b) accounts and execution of all 401(k) and

403(b) transactions will occur through the custodian or institution chosen by the plan sponsor. Transaction costs and other fees will be applicable as outlined in the plan documents, prospectus, or other material distributed by the plan directly to the participant and are not received in any part by FIAI.

Aggregate Orders

FIAI blocks trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block. Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. FIAI will typically aggregate trades among clients whose accounts can be traded at a given broker. The portfolio manager and/or trading desk must reasonably believe that the order aggregation will enable FIAI to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.

Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client and whether the client's account is part of the electronic notification process. These clients have lower transaction costs (see equity pricing – Item 12).

Transactions for any client account may not be aggregated for execution if the practice is inconsistent with the client's advisory agreement with FIAI or our firm's order allocation policy.

If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer or his designee no later than the morning following the execution of the aggregate trade.

No client or account will be favored over another with the possibility of an exception with 401(k), 403(b) and Annuity trading. These transactions are not block traded, but occur one at a time per participant according to the following order of execution.

When moving to a more aggressive investment stance the higher risk profiled accounts will be traded first, progressing to the most conservative profile. The reverse will be true for moving to a more conservative investment stance.

Mutual Fund / ETF Pricing

The following pricing schedule includes costs for trades and/or allocations placed electronically using Fidelity Advisor CHANNEL®. The majority of investments used by FIAI within our portfolio management are no-transaction-fee (NTF) mutual funds and ETFs. The applicable costs are as follows:

- NTF mutual funds* – no transaction fee

- Zero commission ETFs – no commissions (Fidelity provides a limited number of these ETFs)
- Transaction fee mutual funds – \$25 flat fee on all buys and sells
- ETFs – see Equity Trade Schedule

Short term trading fees (less than 60 days) can be charged to non Fidelity mutual funds

*As of December 31, 2010 more than 6,000 funds are available without paying a transaction fee to Fidelity.

Equity Pricing

Trades Placed Electronically via Advisor CHANNEL®:

- \$12.95 for the first 1,000 shares plus \$0.015 per share for every share over 1,000.
- Accounts with \$1 million or more in assets will qualify for pricing of \$7.95 for the first 10,000 shares, \$0.01 per share for every share over 10,000 (electronic trades only). Account assets will be evaluated and pricing revised accordingly at the beginning of each calendar month. If account assets exceed \$1 million between updates, please contact your Fidelity Client Service Manager to request revised pricing.
- **Special pricing for clients who receive their statements and confirms electronically.** Those accounts receive pricing of \$7.95 for the first 10,000 shares.

Trades placed via Fidelity Trading desk:

- \$0.05 per share with \$29.95 as the minimum.

Fixed Income Pricing

Principal Business

- Municipal Bonds - Competitive basis
- Corporate Bonds - Competitive basis
- Certificates of Deposit - Competitive basis
- Mortgage-Backed Securities - Order of 20 bonds or less: \$50
- Mortgage-Backed Securities - Order of >20 bonds: Competitive basis
- Government-Sponsored Enterprises (agencies) - Order of 20 bonds or less: \$50
- Government-Sponsored Enterprises (agencies) - Order of >20 bonds: Competitive basis
- U.S. Treasury & Related Securities - Order of 20 bonds or less: \$50
- U.S. Treasury & Related Securities - Order of >20 bonds: Competitive basis
- Government Auctions Orders (regardless of size) - \$50
- Government Treasury Bills (regardless of size) - \$50
- Munie-Resets (regardless of size) - \$50
- Auction Rate Preferred (regardless of size) - \$50
- Commercial Paper - \$30
- Unit Investment Trust - \$30

As Agent for Business*

- Corporate Bonds (including exchange-traded issues)
- Commission per bond - \$2.50 per bond with \$40.00 as the minimum

*The majority of fixed-income business is executed on a principal basis.

Other Fees

- Wire Fee \$30.00 (If the Online Cashiering Feature is used, the fee is \$15)
- Trade-Away Fee \$20.00
- Foreign Security Transfer Fee Competitive basis
- Check Reorder \$6.00
- Overnight Check Request \$8.00

Retirement Account Closeout Fee:

- Premiere Select® IRA - \$75.00 per account
- Premiere Select SEP - \$75.00 per account

Please review the funds' investment objectives, risks, charges, and expenses. If you do not receive a prospectus on the investments in your portfolio, contact Fidelity for a prospectus containing this information. Read it carefully.

Fidelity reserves the right to change the funds available without transaction fees and reinstate the fees on any funds. Fidelity will charge a short-term trading fee each time you sell or exchange shares of Institutional FundsNetwork® No-Transaction-Fee (NTF) funds held less than 60 days (short-term trade) with certain exceptions. If these funds are held for more than 60 days, they may be sold without a short-term trading fee. Fidelity funds, money market funds, funds redeemed through a systematic withdrawal program, shares purchased through a periodic purchase program, and shares purchased through dividend reinvestment may be sold without this fee. Fidelity Investments reserves the right to exempt certain funds (including funds that allow short-term trading) or accounts from this fee.

The fee will be based on the following fee schedule:

- 0.50% of the principal amount of the transaction; Maximum: \$200, Minimum: \$30

Please be aware that certain Institutional FundsNetwork mutual funds may be subject to separate and additional redemption fees imposed by the particular fund. Refer to that fund's current prospectus for details.

Fidelity may restrict an account that reflects excessive trading resulting in round trip transactions. A round trip is a purchase or exchange purchase followed by a sell or exchange within 30 calendar days with in the same investment.

To help protect the interests of all fund investors and enforce the policies in each fund's prospectus, the Fidelity funds reserve the right to reject any purchase order.

Fidelity Brokerage Services, LLC or its brokerage affiliate, may receive remuneration for providing certain recordkeeping or shareholder services to these fund families.

All pricing is subject to change without notice. Clearing, custody or other brokerage services may be provided by National Financial Services, LLC or Fidelity Brokerage Services, LLC, Members NYSE, SIPC.

Item 13 Review of Accounts

REVIEW

While the underlying securities within Model Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of the investment objectives and guidelines of each model portfolio as well as any investment restrictions provided by the client. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by Dori Borden, Chief Trading Officer and/or Sarah Pflugrad, Operations.

Clients who are retiring, incurring health problems, having a change in family status, or a change in investment goals or income needs should request to have these changes reviewed with their investment advisory representative.

REPORTS

In addition to the monthly statements and confirmations of transactions that clients receive from their custodians, we provide quarterly reports summarizing account performance, balances, holdings and advisory fees paid to FIAI. The quarterly reports may be delivered by regular mail or electronic notification and are available to clients through our website. These reports will also remind the client to notify us if there have been changes in the client's financial situation or investment objectives and whether the client wishes to impose investment restrictions or modify existing restrictions.

Item 14 Client Referrals and Other Compensation

FIAI pays a percentage of our quarterly fees to independent persons or firms ("Solicitors") for introducing clients to us. When a client enters into a management agreement with FIAI we require the Solicitor to provide the client with a copy of this document and a separate disclosure statement which is signed and submitted along with the Investment Management Agreement. The disclosure statement includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the fee percentage paid to the Solicitor;
- that the fee paid to FIAI by the client will not be increased to compensate the Solicitor.

It is FIAI's policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

Our firm does not have actual or constructive custody of client accounts.

We previously disclosed in the "Fees and Compensation" section (Item 5) that our firm directly debits advisory fees from client accounts. As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period. Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

In addition to the periodic statements that clients receive directly from their custodians, we also send account statements directly to our clients on a quarterly basis. We urge our clients to carefully compare the information provided on these statements to ensure that all account transactions, holdings and values are correct and current.

Item 16 Investment Discretion

Clients give us discretionary investment authority when they sign an Investment Management Agreement with our firm. This Agreement authorizes FIAI to buy, sell or otherwise trade securities or other investments in the account without discussing the transactions with the client in advance. This authority is limited only when clients place restrictions on their accounts.

Item 17 Voting Client Securities

As a matter of firm policy, we do not have the authority to vote proxies on behalf of clients. Clients may receive any proxies or solicitations directly from their custodians or transfer agents.

As we do not have authority there is no conflict of interest between FIAI and our clients in regards to proxy voting. Clients may contact us by phone with general questions on proxies or solicitations.

Item 18 Financial Information

We are required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. FIAI has no financial circumstances to report. FIAI has not been the subject of a bankruptcy petition at any time during the past ten years.

Brochure Supplement

James Perri
Joseph Kubic
Dori Borden
Sarah Pflugrad

Fairlane Investment Advisors, Inc.
3 Parklane Blvd Suite 104W
Dearborn, Michigan 48126
(313) 593-3925

03/28/2012

This brochure supplement provides information about our employees. Please contact James Perri if you have any questions about the contents of this supplement.

Additional information about our management personnel, with the exception of Sarah Pflugrad, is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 Educational Background and Business Experience

James Perri is our President / Chief Compliance officer. He was born in 1951 and attended Eastern Michigan University for Pre-Law studies. He is a co-founder of FIAI and received certification as an Investment Advisors Certified Compliance Professional from National Regulatory Services in 2006 which he maintains by completing the required continuing education credits each year. Most recently he passed the Uniform Investment Advisers Law Examination Series 65 in July 2010.

Joseph Kubic is our Vice President / Senior Portfolio Manager. He was born in 1951 and graduated with a BS in Pharmacy from Wayne State University in 1977. He is a co-founder of FIAI and passed the Uniform Investment Advisers Law Examination Series 65 in July 2010.

Dori Borden is our Trading Officer. She was born in 1974 and graduated with a BS in Business Administration from Northeastern University in 1997. She became the Trading Officer of FIAI in May of 2001 and passed the Uniform Investment Advisers Law Examination Series 65 in June 2010.

Sarah Pflugrad is our Accountant / Head of Operations. She was born in 1983 and graduated with a BBA in Accounting from Andrews University in 2007. She worked as head lifeguard for Andrews University Aquatics Department from May 2005 to April 2007. She then joined FIAI as head of accounting and support staff in May of 2007. She became head of operations for FIAI in 2008. She was employed in customer service by Express from May 2009 to December 2009 and as an aquatics supervisor for the Farmington YMCA from July 2009 to April 2011.

Item 3 Disciplinary Information

As stated in Item 9 of this brochure, our personnel have no reportable disciplinary events to disclose.

Item 4 Other Business Activities

As stated in Item 10 of this brochure, James Perri is an agent for various insurance companies and is able to receive separate yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients are not under any obligation to engage him when considering implementation of advisory recommendations.

No other personnel other than James Perri are actively engaged in any investment-related business.

Item 5 Additional Compensation

None of our personnel receive any economic benefit from a non-advisory client for the provision of FIAI's advisory services.

Item 6 Supervision

James Perri (President / Chief Compliance Officer) and Joseph Kubic (Vice President / Senior Portfolio Manager) are supervisors of each other and of the FIAI staff and can be contacted at (313) 593-3925.

Our staff is supervised by required adherence to our Code of Ethics and Policy and Procedures, as well as required attendance to meetings to review or amend our Code of Ethics or Policy and Procedures. Our Investment Committee oversees investment meetings, investment policy changes and reviews client accounts to ensure our staff is accurately meeting the needs of our clients.