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*This brochure provides information about the qualifications and business practices of Brooks, Moore & Associates, Inc. If you have any questions about the contents of this brochure, please contact us at (423) 756-8628 or via email to [Debbie@brooksmoore.net](mailto:Debbie@brooksmoore.net). 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. Although we are registered with the SEC, registration does not imply a certain level of skill or training.*

Additional information about Brooks, Moore & Associates, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## 1) Advisory Business

- A) Description, how long in business, principal owners

*Brooks, Moore & Associates, Inc. is a registered investment advisory firm founded in February 1986. Principal owners are Ricky L. Moore, President, and Jay W. Brooks, Secretary.*

- B) Types of advisory services offered

*BMA provides investment management/supervisory services only, which involves providing, on a continuing basis, investment advice which takes into consideration the source, nature and amount of a client's total assets, investments and income/liquidity requirements.*

*BMA offers advice on the following types of investments, and our advice is limited to these types of investments: equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual fund shares, U.S. government securities, options contracts on securities, real estate partnerships and partnerships in oil and gas interests.*

- C) Explain whether you tailor your advisory services to the needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

*BMA tailors our advisory services to each client's specific and often unique needs. Each investment portfolio that we manage varies in structure dependent upon our assessment of the client's objectives. In some cases, clients may impose restrictions on the types of securities in which we invest on their behalf.*

- D) Wrap Fees

*BMA does not participate in any wrap fee programs.*

- E) Amount of client assets you manage – distinguish between discretionary and non-discretionary, then provide total assets managed.

*As of December 31, 2010, BMA managed client assets of \$138,529,000 on a discretionary basis and \$18,807,000 on a non-discretionary basis, for total managed assets of \$157,336,000.*

## 2) Fees and Compensation

- A) Describe how you are compensated; provide fee schedule; disclose whether fees are negotiable.

*BMA is compensated for investment advisory services by either: a) a percentage of assets under management or, b) fixed fees (other than subscription fees).*

*BMA's basic fee schedule is as follows:*

<i>Market Value of Assets Managed</i>	<i>Rate Per Year</i>
<i>Up to \$3,000,000</i>	<i>1.00%</i>
<i>Over \$3,000,000</i>	<i>0.75%</i>

*Under certain circumstances, these fees are subject to negotiation.*

- B) Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.

*BMA clients may elect (on Exhibit A to investment management contract) to have fees deducted from the investment account or pay them directly. Fees are billed at the end of each quarter. Most of our clients authorize the deduction of fees directly from their account. When this deduction occurs, the client continues to receive a fee statement reflecting the quarterly expense incurred.*

- C) Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

*In addition to our investment management fee, clients incur fees for brokerage commissions, mutual fund expenses and custodian fees where applicable. When we utilize mutual funds in client accounts, we generally use no-load funds, however, there are management fees incurred within the funds.*

- D) If your clients pay or must pay fees in advance, disclose that. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

*BMA charges fees in arrears, for services already provided, based on the net asset value of the account at the time the fee is imposed. There are no acceptance or termination charges other than the cost of registration and delivery of the securities involved.*

- E) If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3, and 5.E.4.

1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

*BMA employees do not accept compensation for the sale of securities or any investment products. Our only compensation is in the form of quarterly fees paid by our clients.*

2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

*See Item 2.E.1 above*

3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

*See Item 2.E.1 above*

4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

*See Item 2.E.1 above*

### **3) Performance Based Fees and Side-By-Side Management**

*Not Applicable*

- 4) **Types of Clients** – Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

*BMA's client base consists primarily of high net worth individuals; however, we also manage investment accounts for pension and profit sharing plans, charitable organizations, and corporations or other businesses.*

*BMA imposes a minimum dollar value of assets of \$250,000 for starting an account, which may be subject to negotiation under certain circumstances.*

**5) Methods of Analysis, Investment Strategies and Risk of Loss**

- A) Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

*BMA's security analysis methods include fundamental and technical methods, utilizing financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC and company press releases. Our investment strategies are generally long-term in nature but may include short-term purchases. Investing involves risk of loss that clients should be prepared to bear.*

- B) For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

*The structure of the investment accounts we manage is dependent upon each client's specific needs and objectives. Most of our clients have a total return objective which involves the long-term interest in generating a combination of current income and long-term growth. A mix of stocks, bonds and cash equivalents (such as money market funds) are generally utilized in client accounts.*

- C) If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

*Each asset class has specific risks associated with it. When the stock market experiences significant declines, all stocks are at risk of declining in value. A change in investor sentiment or specific corporate or industry difficulties can lead to a decline in specific stock prices. With bonds and other fixed income investments, rising interest rates or falling credit quality can negatively affect the value of these investments. The investments that we utilize have risk associated with them; however, we attempt to limit these broad risks through diversification and analysis.*

**6) Disciplinary Information**

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

*None*

**7) Other Financial Industry Activities and Affiliations**

- A) Broker dealer

*Not applicable*

- B) If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

*None*

- C) Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related

person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

*BMA has no associations with any other corporations or individuals. BMA is 100% owned and controlled by Ricky Moore and Jay Brooks.*

*N/A to Items 1 thru 11 below*

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
  2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
  3. other investment adviser or financial planner
  4. futures commission merchant, commodity pool operator, or commodity trading advisor
  5. banking or thrift institution
  6. accountant or accounting firm
  7. lawyer or law firm
  8. insurance company or agency
  9. pension consultant
  10. real estate broker or dealer
  11. sponsor or syndicator of limited partnerships.
- D) If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

*Not applicable*

## **8) Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

- A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.

*Confidentiality and integrity are the cornerstones to the BMA Code of Ethics. BMA's employees are prohibited from utilizing any material, non-public information in the investment process. Our Code establishes rules of conduct for all employees of BMA and is designed to, among other things, govern personal securities trading activities in the accounts of employees. The Code is based upon the principle that BMA and its employees owe a fiduciary duty to BMA's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid (i) serving their own personal interests ahead of clients, (ii) taking inappropriate advantage of their position with the firm and (iii) any actual or potential conflicts of interest or any abuse of their position of trust and responsibility.*

*BMA will be happy to provide a copy of its Code of Ethics to any client or prospective client upon request.*

- B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

*The employees of BMA do not recommend securities to our clients where we have a material financial interest as a general partner or other control capacity. We will, however, personally own many of the same publicly traded investments as our clients.*

- C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

*The employees and directors of Brooks, Moore & Associates, Inc. may, from time to time, hold securities for themselves that are also recommended to clients. BMA does not anticipate investing in securities in which the purchases or sales by the employees or directors would have a material affect on the price of these securities. If the potential for conflict arose, BMA will disclose the nature of the conflict to the client. In cases where we are investing in the same securities as our clients, our personal purchases are generally transacted alongside clients at the same price and commission. When employee transactions are executed separately from our clients because of a custodian arrangement, BMA has a strict policy against executing employee transactions before a client's transactions. Employee security transactions are monitored by Jay Brooks and Ricky Moore. Security reports are reviewed on a quarterly basis; however, employee transactions are discussed and monitored ongoing before executed.*

- D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.  
 Note: The description required by Item 8.A may include information responsive to Item 8.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 8.B, 81.C, or 8.D with respect to securities that are not "reportable securities" under SEC rule 204A-1(e)(10) and similar state rules.

*Please see Item C. above*

## **9) Brokerage Practices**

- A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).
- 1) *Research and Other Soft Dollar Benefits.* If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create. NOTE: Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.
- a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

*Interstate, a division of Morgan Keegan, is allocated a significant portion (generally greater than 50%) of the commissions that we direct on behalf of our clients. We do not pay a premium commission rate to Interstate for the soft dollar program that they handle. We generally pay a similar rate to that paid to the other brokerage firms that we use. These soft dollar commissions generated through Interstate are used to obtain our quote and news service, the Baseline research service (for company analysis), business periodicals and, historically, has been used to pay a portion of the portfolio management software maintenance. BMA sets the commission rate from a schedule for all securities transactions that we control, and this rate is the same for all broker-dealers that we utilize. This rate does not apply to arrangements where the client designates a broker to act as custodian, or where a client designates a broker to execute transactions. BMA benefits from controlling and directing transactions by receiving research and services that it would otherwise have to pay for.*

- b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favorable execution.

*BMA also receives company and industry research (which benefits us in the investment process) from most of the other broker-dealers through which we execute client securities transactions. We have no arrangements whereby we pay a premium commission for any services. All commission*

*rates are set by BMA based on the price of the security involved in the transaction. We choose broker-dealers to execute client transactions based on our perception of the quality of their research, along with their ability to efficiently execute those transactions.*

*A potential conflict of interest exists due to the large portion of client commissions that are directed to the Interstate Group for the purchase of services and publications utilized by BMA for the investment management of our client accounts. The firm receives an economic benefit from utilizing soft dollars. The soft dollar arrangement we utilize allows BMA to avoid paying cash for certain research services.*

- c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

*BMA does not cause clients to pay premium commission rates in return for soft dollar benefits.*

- d. Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

*BMA utilizes soft dollar benefits for all client accounts.*

- e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.

*The soft dollar commissions generated through Interstate are used to obtain our quote and news service, the Baseline research service (for company analysis), business periodicals and, historically, has been used to pay a portion of the portfolio management software maintenance. All of the services or information that we receive with client brokerage commissions are used in the investment decision making process. Our quotation and news service allows us to monitor and analyze the investment markets, as well as the companies owned in client accounts. The Baseline system is an analysis tool which provides extensive information on thousands of companies. The research reports that we receive from brokerage firms aid in our oversight of companies owned, in addition to being a source of new investment ideas.*

- f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

*We have no detailed procedure for allocating client transactions. We spread the transactions among several firms that provide research information based on our assessment of the value of the research in our investment decision-making process. We have a required level of commissions with our soft dollar broker (Interstate) as the cost of our quote system is paid on a monthly basis and Baseline system is paid on a quarterly basis. We generally carry a credit balance with our soft dollar broker in order that we are not pressured to produce commission transactions during any given period. Our trading activity in a client's account is not related to, or increased by, our soft dollar commitment.*

- 2) **Brokerage for Client Referrals.** If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

- a. Disclose that you may have an incentive to select or recommend a broker-dealer on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.

*BMA does not select or recommend broker-dealers in return for client referrals.*

- b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.



*We do not direct client transactions to broker-dealers in return for client referrals. In some cases, clients direct BMA to utilize broker-dealers that are not in our standard network. When this occurs, the commission rates paid are generally more expensive than if BMA controlled the transaction.*

3) *Directed Brokerage:*

- a. If you routinely recommend, request, or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

*Most of the clients of BMA allow the firm to direct transactions to the brokers of our choosing. Not all investment advisers control the placement of transactions for their clients—some clients choose the broker-dealer to be used.*

- b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

*BMA does not generally allow clients to direct brokerage transactions. In some instances, our client's investment accounts are custodied at broker-dealers of the client's choosing. In these cases, the client's transaction costs may be higher than our standard commission rates; however, the bank custody fee is not present.*

- B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

*BMA generally aggregates investment transactions together for our client accounts. Effectively, this means that a large block of stocks or bonds is purchased, and then these securities are allocated into the individual client accounts. This block trading does not occur in instances where the client has designated a broker to custody their assets and execute transactions.*

## 10) Review of Accounts

- A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.

*All client accounts are reviewed by Ricky Moore or Jay Brooks no less often than monthly. Most accounts are reviewed on a weekly basis.*

*BMA assigns a Portfolio Manager to each client or account, and it is the objective of the Portfolio Manager to tailor asset mix, diversification and income to the particular needs of the client. The Portfolio Manager and one other member of BMA's Investment Committee reviews each account on a regular basis. Each account is reviewed for adherence to the client's investment objectives and whether the portfolio is structured to meet those objectives. The Investment Committee consists of:*

*Richard Logan Moore - Managing Director, Shareholder  
Jay W. Brooks - Managing Director, Shareholder*

- B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.

*BMA accounts are reviewed periodically.*

- C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.

*BMA provides account statements to clients at a frequency that they prefer. Many clients receive quarterly statements, but some prefer monthly statements. We also send out a quarterly letter to clients which summarizes our view of the recent investment market activities.*

## **11) Client Referrals and Other Compensation**

- A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

*Not applicable*

- B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

*Not applicable*

## **12) Custody**

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

*BMA does not custody any client funds or securities.*

## **13) Investment Discretion**

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

*BMA generally has full discretionary authority to manage security accounts on behalf of clients. In some cases, clients may place limitations on the types of securities that we purchase. A few of our older client relationships are non-discretionary, meaning that we consult with the client before enacting account changes. This is not a service that we offer to new relationships any longer. BMA and its clients complete a contract which authorizes the firm's discretion to act on our client's behalf.*

## **14) Voting Client Securities**

- A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

*BMA clients, at the time they sign an advisory contract, choose whether they will retain proxy voting rights or assign those to BMA. BMA, as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm*

*maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records. BMA will identify any conflicts that exist between the interests of the adviser and the client by reviewing the relationships of BMA with the issuer of each security to determine if BMA or any of its employees has any financial, business or personal relationship with the issuer. If a material conflict of interest exists, Ricky L. Moore will determine whether it is appropriate to disclose the conflict to the affected clients, to give the clients an opportunity to vote the proxies themselves, or to address the voting issue through other objective means such as voting in a manner consistent with a predetermined voting policy or receiving an independent third party voting recommendation. BMA will maintain a record of the voting resolution of any conflict of interest. Absent material conflicts, BMA will determine how it should vote the proxy in accordance with applicable voting guidelines, complete the proxy and vote the proxy in a timely and appropriate manner.*

*Clients may at any time request information regarding how BMA voted their proxies and may request a copy of these policies and procedures.*

- B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

*Not applicable*

## **15) Financial Information**

- A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

*BMA does not require any prepayment of fees.*

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.
2. Show parenthetically the market or fair value of securities included at cost.
3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must confirm to Article 2 of SEC Regulations S-X.

- B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

*BMA's financial condition is sound with no issues that are likely to impair our ability to meet our contractual client commitments. The firm is managed in a conservative financial manner.*

- C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

*Not applicable*

[If you are registering or are registered with one or more state securities authorities, you must respond to the following additional Item.]

## **16) Requirements for State-Registered Advisers**

- A. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

*Provided*

- B. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

*Investment advisory is our only business.*

- C. In addition to the description of your fees in response to Item 2 of Part 2A, if you or a supervised person are compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

*Not applicable*

- D. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

*Not applicable*

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or any investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

- E. In addition to any relationship or arrangement described in response to Item 7.C. of Part 2A, describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item 7.C. of Part 2A.

*The employees of BMA have no relationships or arrangements with any issuer of securities.*

### **Wrap Fee Program Brochure**

*Not applicable*