

**Item 1 – Cover Page**

**Integrity Management & Research, Inc.**

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**Venice, FL 34285**

**(941) 484-4000**

**November 2011**

This Brochure provides information about the qualifications and business practices of Integrity Management & Research, Inc. (“IM&R”, “us”, “we”, “our”). If you (“clients”, “your”) have any questions about the contents of this brochure, please contact us at (941) 484-4000. 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.

We are a registered investment adviser with the State of Florida under the Office of Financial Regulation. Our registration as an Investment Adviser does not imply any level of skill or training. Additional information about IM&R also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (click on the link, select “investment adviser firm” and type in our firm name). Results will provide you with both Parts 1 and 2 of our Form ADV.

## Item 2 – Material Changes

This is IM&R's "initial" filing of its Form ADV Part 2 or "Disclosure Brochure" dated November 2011, pursuant to amendments made to rules promulgated under the Investment Advisers Act of 1940, as amended (the "Advisers Act"), and the form formerly known as Form ADV Part II. This Disclosure Brochure was developed in response to new requirements adopted and imposed by the State of Florida under the Office of Financial Regulation.

1. For future filings, this section of the Disclosure Brochure will address only those "material changes" that have been incorporated since our last delivery or posting of this Disclosure Brochure on the SEC's public disclosure website (IAPD) at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).
2. We may, at any time, update this Disclosure Brochure and send a copy to you an updated copy including a summary of material changes, or a summary of material changes that includes an offer to send you a copy (either by electronic means (email) or in hard copy form).
3. If you would like another copy of this Disclosure Brochure, please download it from the SEC website as indicated above or you may contact Richard F. Curcio, President, at (941) 484-4000 or via email at [rcurcio@reitsales.com](mailto:rcurcio@reitsales.com).

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## **Item 4 – Advisory Business**

Integrity Management & Research, Inc. is a corporation organized under the laws of the State of Florida on September 29, 1992, and wholly owned by Integrity Investments, Inc. We are registered as an investment adviser with the SEC since November 16, 1992 and notice filed with the State of Florida under the Office of Financial Regulation since April 10, 2001. Pursuant to amendments made to rules promulgated under the Advisers Act we are no longer eligible to continue our registration with the SEC. We have filed our application to register as an investment adviser with the State of Florida under the Office of Financial Regulation, in order to provide the investment advisory products and services described within this document. Currently we do not have assets under management.

We do not have investment advisory clients at this time. This Disclosure Brochure provides you with information regarding our qualifications, business practices, and the nature of advisory services that should be considered before becoming our advisory client.

Please contact Richard F. Curcio, President, if you have any questions about this Brochure.

Individuals associated with us who are qualified will provide investment advisory services on our behalf. Such individuals are known as Investment Advisor Representatives (IARs). We require, at a minimum, a degree from an accredited four year college and/or experience in financial areas such as investment, retirement, and/or tax planning. All IARs must possess all licenses required by law to conduct investment advisory and securities business.

IM&R provides a variety of financial planning services, pursuant to a written agreement, to individuals, families and other clients regarding the management of their financial resources based upon an analysis of their current situation, goals, and objectives. Generally, such financial planning services will involve preparing a financial plan or rendering a financial consultation based on your financial goals and objectives. This planning or consulting may encompass one or more of the following areas: investment, income tax, retirement, and estate planning.

The Plan or separate financial consultation will usually include general recommendations for a course of activity or specific actions to be taken by you. Plans or consultations are typically completed within six (6) months of contract date, assuming all information and documents requested are provided promptly.

IM&R's financial planning services involve appraisal of your financial situation, including an analysis of your entire financial planning needs and investment portfolio. The information provided by you is examined in relation to your long and short-term investment objectives, your needs as perceived by you and IM&R, market conditions and general economic conditions. Our advice includes specific recommendations regarding long and short term financial planning and recommendations regarding the retention or disposition of your securities and other investments. This service also includes at least one written report and one or more meetings to discuss the status of your financial situation and our specific recommendations.

Services are limited to six months of advice. Services beyond six months are available by separate agreement.

Because each client's financial situation and goals change, you are encouraged to have your financial situation re-examined periodically. You may wish to have follow-up reviews and analyses performed by IM&R after receiving our initial financial planning services. Such follow-up reviews are performed, and reports provided, as frequently as we mutually agree.

If you do not wish to have a full financial plan but only to have your investments reviewed by us, you may do so by selecting our initial asset monitoring services. These services are designed to provide an overview of your investable assets and to meet with you during the six months following the date of the agreement to discuss the investments and the changes that we believe are appropriate. A written report is provided as part of the service. After the initial six months asset monitoring services are provided, you may choose to have your assets monitored periodically by IM&R with regular reports being sent to you. Such services include periodic reviews of your portfolio and meetings to discuss your investments.

Prior to engaging IM&R to provide financial planning or consulting services, you will generally be required to enter into a financial planning and consulting agreement that sets forth the terms and conditions of the engagement, describes the scope of the services to be provided, and the portion of the fee that is due from you prior to our commencing services. If requested, we may recommend the services of other professionals for implementation purposes, including our IARs in their separate individual licensed capacities as registered representatives of Integrity Investments, Inc. You are under no obligation to engage the services of any such recommended professional. You retain absolute discretion over all such implementation decisions and are free to accept or reject any recommendation. Moreover, you are advised that you have the responsibility to promptly notify IM&R if your financial situation or investment

objectives change for the purpose of reviewing/evaluating/revising our previous recommendations and/or services.

## **Item 5 – Fees and Compensation**

Our fee for advisory services will be based on a percentage of assets of up to 1%. Fees are negotiable.

Our fee for advisory services will be based on the ending value of the account on the last day of the billing cycle and is payable in advance. The first advisory fee is based on the value of the account on the first day of management by IM&R and is payable within one month after execution of the investment advisory agreement. The first advisory fee will be assessed on pro-rata basis taking into account the time for which the account was not managed by IM&R and the time remaining in the billing cycle. The advisory fees are payable directly to IM&R.

Integrity Investments, Inc. serves as the broker-dealer. Broker-dealers such as Integrity Investments, Inc. charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). The brokerage commissions and/or transaction fees charged by Integrity Investments, Inc., may be higher or lower than those charged by other broker-dealers. Our IARs or our associated persons, as registered representatives of Integrity Investments, Inc., may receive a portion of the commissions charged to effect securities transactions. Serving in such capacity may result in a conflict of interest by creating an incentive for us to recommend securities transactions that generates additional revenue for our IAR or our associated persons. However, IM&R, our IARs, and our associated persons will adhere to our Code of Ethics and their fiduciary duty to place your interests first and maintain independence in advisory services and recommendations.

You will incur transaction charges imposed by unaffiliated third parties and you may pay charges imposed directly by a mutual fund, index fund, or exchange traded fund which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses), wire transfer fees and other fees and taxes on brokerage accounts and securities transactions.

Either party may terminate the advisory agreement at any time by providing written notice to the other party. Full refunds will only be made in cases where cancellation occurs within five (5) business days of signing the investment advisory agreement. You will receive a pro-rata refund thereafter, which takes into account work completed by us on your behalf. You will incur charges for bona fide advisory services rendered to the

point of termination and such fees will be due and payable by you. Refunds will be given on a pro-rata basis.

We will deliver the disclosure brochure to you before or at the time we enter into an investment advisory contract with you.

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

We do not charge performance based fees (i.e., advisory fees on a share of the capital gains or capital appreciation of the assets of a client). Our compensation structure is disclosed in detail in Item 5 above.

## **Item 7 – Types of Clients**

We offer investment advisory services to individuals including high net worth individuals, trust companies, banks, pension and profit sharing plans, corporations, and government entities. We do not impose a minimum account value, or required a minimum account size in order to provide financial planning services.

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

As described in Item 4 above, IM&R's investment strategies may include long term and short-term strategies. In determining the investment advice to give to you we will determine trends and project future values. We will analyze the financial statements and health of a business, its management and competitive advantages, and its competitors and markets but usually focusing on growth or value (or sometimes a combination of both) to determine if such security meets your needs and objectives. In addition, we will perform a security analysis discipline in forecasting the direction of prices through the study of past market data, primarily price and volume.

IM&R utilizes a top-down investment process based on the analysis of a wide range of economic, political, and sentiment drivers to formulate forecasts and develop portfolio themes. The top-down investment process focuses on the most important determinants of portfolio return: style, sector and stock selection. Investment philosophy benefits include: diversification benefits, a broad mandate increasing the opportunity for better performance while reducing risk, adaptability to manage portfolios in a variety of market conditions.

There are inherent risks involved for each investment strategy or method of analysis IM&R uses and the particular type of security we recommend. Investing in securities involves risk of loss which you should be prepared to bear.

We do not recommend to you any one primary security type.

## **Item 9 – Disciplinary Information**

We do not have any legal, financial or other “disciplinary” item to report. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a client / adviser relationship, or to continue a client /adviser relationship with us.

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

Neither IM&R nor any of our management persons are registered (except as stated below), or have an application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor or an associated person of the foregoing entities.

In addition, neither IM&R nor any of our management persons have any relationship or arrangement that is material to our advisory business or to our clients that we or any of our management persons have with any related person that is, under common control and ownership, a:

- Investment company or other pooled investment vehicle,
- Other investment adviser or financial planner,
- Futures commission merchant (or commodity pool operator or commodity trading advisor),
- Banking or thrift institution,
- Accountant or accounting firm,
- Lawyer or law firm,
- Insurance company or agency,
- Pension consultant,
- Real estate broker or dealer, or



- Sponsor or syndicator of limited partnerships.

IM&R is affiliated with Integrity Investments, Inc., a registered broker dealer member FINRA & SIPC with various state regulatory agencies. Our principals and IARs are associated with Integrity Investments, Inc. as registered representatives. If you purchase these products through us, our principals and IARs in their capacities as registered representatives will receive the normal commissions. Thus, a conflict may exist between our interest and those of our advisory clients. The client is under no obligation to purchase products either through us or through Integrity Investments, Inc. Furthermore, in some instances, commissions are used to offset fees charged. We only sell registered investment products and/or services that are authorized to be sold through our broker/dealer, Integrity Investments, Inc. The sale of investments through Integrity Investments, Inc. will result in the payment of commissions to our principals and IARs in their capacities as registered representatives of Integrity Investments, Inc.

We do not recommend or select other investment advisers for our clients nor have other business relationships with those advisers for which we receive compensation directly or indirectly from those advisers.

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

Our firm has adopted a written Code of Ethics in compliance with SEC Rule 204A-1 under the Investment Advisers Act of 1940 (as amended—the Advisers Act) and in compliance with state regulations. All employees of IM&R are deemed by the Advisers Act to be supervised persons<sup>1</sup> and are therefore subject to this Code of Ethics. In carrying on its daily affairs, IM&R and all of our associated persons shall act in a fair, lawful and ethical manner, in accordance with the rules and regulations imposed by our governing regulatory authority. The Code of Ethics sets forth standards of conduct and requires compliance with state securities laws. Our Code of Ethics also addresses personal trading and requires our personnel to report their personal securities holdings and transactions to the chief compliance officer of the firm. We will provide a copy of our Code of Ethics to you or any prospective client upon request within a reasonable period of time at the current address of record.

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<sup>1</sup> Supervised person means any partner, officer, director (or other person occupying a similar status or performing similar functions), or employee of an investment adviser, or other person who provides investment advice on behalf of the investment adviser and is subject to the supervision and control of the investment adviser.

We have created a Code of Ethics which establishes standards and procedures for the detection and prevention of certain conflicts of interest including activities by which persons having knowledge of the investments and investment intentions of IM&R might take advantage of that knowledge for their own benefit. We have in place Ethics Rules (the “Rules”), which are comprised of the Code of Ethics and Insider Trading policies and procedures. The Rules are designed to ensure that our personnel (i) observe applicable legal (including compliance with applicable state and federal securities laws) and ethical standards in the performance of their duties; (ii) at all times place the interests of our clients first; (iii) disclose all actual or potential conflicts; (iv) adhere to the highest standards of loyalty, candor and care in all matters relating to our clients; (v) conduct all personal trading consistent with the Rules and in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility; and (vi) not use any material non-public information in securities trading. The Rules also establish policies regarding other matters such as outside employment, the giving or receiving of gifts, and safeguarding portfolio holdings information.

Under the general prohibitions of the Rules, our personnel may not: 1) effect securities transactions while in the possession of material, non-public information; 2) disclose such information to others; 3) participate in fraudulent conduct involving securities held or to be acquired by any client; and 4) engage in frequent trading activities that create or may create a conflict of interest, limit their ability to perform their job duties, or violate any provision of the Rules.

Our personnel are required to conduct their personal investment activities in a manner that we believe is not detrimental to its advisory clients. Our personnel are not permitted to transact in securities except under circumstances specified in the Code of Ethics. The policy requires all access persons<sup>2</sup> to report all personal transactions in securities not otherwise exempt under the policy. All reportable transactions are reviewed for compliance with the Code of Ethics.

We do not, nor does a related person, recommend to our clients, or buy or sell for client accounts, securities in which we (or a related person) have a material financial interest.

Neither we, nor a related person, invest in the same securities (or related securities) that we (or a related person) recommend to our clients. Additionally, we do not, nor does a related person, recommend securities to our clients, or buy or sell securities for

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<sup>2</sup> Access person means any of your supervised persons who has access to nonpublic information regarding any clients' purchase or sale of securities, or nonpublic information regarding the portfolio holdings of any reportable fund, or who is involved in making securities recommendations to clients, or who has access to such recommendations that are nonpublic. If providing investment advice is your primary business, all of your directors, officers and partners are presumed to be access persons.

client accounts, at or about the same time that we (or a related person) buy or sell the same securities for our own (or the related person's own) account.

We do not execute transactions on a principal or agency cross basis.

## **Item 12 – Brokerage Practices**

We do not consider whether we or a related person receive client referrals from a broker-dealer or third party. However, our IARs, in their capacities as registered representatives of Integrity Investments, Inc., may suggest that you implement recommendations through that broker-dealer. If you choose to do so, this would present a conflict of interest to the extent that our IARs could receive commissions or compensation as registered representatives of Integrity Investments, Inc.

The primary factor for selecting Integrity Investments, Inc. and determining the reasonableness of their commissions is their services. The level of their commissions is reasonable without considering the extra services. However, all securities transactions are processed through Integrity Investments, Inc. because of our relationship with Integrity Investments, Inc.; consequently we cannot assure best execution of those securities transactions. In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among others, the execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for the client's account transactions.

While we maintain to achieve that the commissions you pay shall comply with our duty to obtain best execution, you are under no obligation to implement recommendations through the registered representatives. But if you do so, you may pay commissions or fees that are higher or lower than those that may be obtained elsewhere for similar services. As previously stated, Integrity Investments, Inc. is a broker-dealer and with which our IARs are licensed as registered representatives.

We do not receive research or other products or services from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"). Additionally, we do not routinely recommend, request or require that a client direct us to execute transactions through a specified broker-dealer, nor aggregate the purchase or sale of securities for various client accounts.

### **Item 13 – Review of Accounts**

Refer to items 4 and 5 as far as reviews made by the President and the applicable fees incurred for these reviews.

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

We do not receive an economic benefit from a non-client for providing investment advice or other advisory services to our clients, nor do we, or a related person directly or indirectly compensate any person who is not our supervised person for client referrals.

### **Item 15 – Custody**

We do not have custody of client funds or securities, nor do we have the authority to deduct our fees directly from client accounts.

### **Item 16 – Investment Discretion**

Based on our business model, we do not manage securities accounts on your behalf. Therefore we do not have discretionary authority to determine which securities to buy or sell on your behalf, determine the amount of securities to be bought or sold on your behalf, the broker or dealer in which to execute such securities transactions, and determine what transaction fee rate shall be paid on your behalf.

### **Item 17 – Voting Client Securities (i.e., Proxy Voting)**

We do not vote, or will accept, authority to vote client securities. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent. Clients should contact their custodian or a transfer agent with questions about a particular solicitation.

### **Item 18 – Financial Information**

We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to you given that we do not have custody of client funds or securities, or require or solicit prepayment of fees greater than \$1,200 per client and six

months or more in advance. In addition, we are not currently, nor at any time in the past ten years been, subject of a bankruptcy petition.

## **Item 19 – Requirements for State-Registered Advisers**

Each of our principal executive officers and management persons, identified as Richard F. Curcio, (CRD #870977) and Brenden R. Curcio, (CRD #2366247) will provide the Form ADV Part 2B Supplements which describes their formal education and business background including any business in which they are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business.

We do not, nor do any of our supervised persons receive performance-based compensation for advisory services provided.

We do not, nor any of our management persons, have any legal, financial or other “disciplinary” item to report.

We do not, nor any of our management persons, have any relationship or arrangement with any issuer of securities that is not listed in Item 10 of this Brochure.