



INVESTMENT MANAGEMENT CONSULTANTS, INC.

Registered Investment Advisor

Investment Adviser Brochure Form ADV Part 2

Investment Management Consultants, Inc, IMC, is a Registered Investment Advisor (RIA). RIAs are required to provide clients and prospective clients with Part 2 of Form ADV – the “brochure”. The intent is to provide investors with information on advisor qualifications and business practices in a standardized, narrative format.

Registration as a RIA is a regulatory process. It does not imply a level of skill or training. 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.

If you have questions about the contents of this brochure, please contact us at 503-248-9064, or at www.imc-inv.com. Additional information about IMC is also available on the SEC’s website at www.adviserinfo.sec.gov.

Securities through KMS Financial Services, Inc.
111 SW Columbia, Suite 1080, Portland, OR 97201
www.imc-inv.com 503-248-9064 800-280-5659

Material Changes

Fees, Compensation and Services

IMC has reduced its fee for asset management in three ways:

- 1) Under the old schedule the best rate was 0.50% annually. Under the new schedule it is 0.25% annually.
- 2) Under the new schedule, the breakpoints (points where the percentage management fee is reduced) is accelerated. With the old schedule a client did not reach the first break until \$1 million, and they did not reach the most favorable rate until \$5 million. Under the new schedule the first break is at \$500,000, and the 0.25% rate is reached at \$2 million.
- 3) We offer a discounted fee schedule for relationships of 10 or more years. A second discounted schedule applies for relationships of 20 or more years (our way of saying thank you). The second discounted schedule also applies to those who have entered the decumulation phase of their investment lives, typically retired and withdrawing from their account.

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Advisory Business

- A. *Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).*

IMC is an independent Registered Investment Advisory firm established in 1994. Ronald Eisen and David Bodmer are the principal owners.

- B. *Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.*

IMC advises individuals, families, trusts, retirement plan sponsors and foundations. We offer both on-going fee for service asset management and financial consulting and planning. Our process begins with the specifying of client needs and objectives. This initial step concludes with a discussion of what may be reasonably achieved in consideration of client resources, objectives, and risk tolerance.

The second step centers on discussion of strategy alternatives and their relative advantages and disadvantages. After discussion, decisions are made in regard to client investment policy – guidelines and constraints, asset mix, time frames, benchmarks, and how we will measure success.

IMC does not recommend individual stocks or bonds but utilizes managed accounts, primarily mutual funds and exchange traded funds. Our investment due diligence process involves the evaluation of multiple distinct investment categories. Managers are selected and monitored following a systematic, proprietary methodology. Managers are ranked based on holdings, objectives, cost, consistency, and risk adjusted returns over a variety of rolling time frames. Our process also assesses and ranks qualitative issues including ownership, owner and manager investment in their portfolios, corporate citizenship/stewardship, and personnel qualifications: experience, depth, bench strength, and continuity.

The final step is monitoring performance in the context of evolving client objectives, needs and preferences.

- C. *Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.*

IMC has developed a series of model investment asset allocation strategies. They are designed to cover the risk/return spectrum. The strategies range from (expected) low risk/low volatility, to longer term strategies with (expected) higher returns but with accompanying increased risk/volatility. Each strategy allocation is developed based on investment time horizon, return and risk history, asset class correlations, and forward market and economic assumptions.

Strategies are specified in an investment policy statement and implemented through IMC's investment selection and monitoring process. Client input on objectives, needs, preferences and circumstances (for example, tax status) are incorporated into the client's investment policy and in investment selection and implementation.

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- D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.*

IMC does not participate in wrap fee programs.

- E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.*

As of December 31, 2010:

Discretionary individual and families	\$64 million
Non-discretionary individuals and families	40 million
Non-discretionary corporate retirement plans, foundations and endowments	380 million

Fees and Compensation

- A. *Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.*

IMC has a three tiered fee schedule – a base schedule, a discounted schedule applicable to IMC clients of 10 years, and a further discounted schedule for clients of 20 years and/or in the de-cumulation phase of their investment lives. Related accounts (institutions and family) are aggregated in determining the breakpoint and account minimums.

	A	B	C
Account Breakpoints	Base Fee Schedule	10 Year Relationships	20 Year Relationships and/or in Asset De-cumulation Phase
First \$500,000	1.00%	0.90%	0.80%
Next \$500,000	0.80	0.70	0.60
Next \$500,000	0.70	0.60	0.50
Next \$500,000	0.50	0.50	0.50
Amounts over \$2 million	0.25	0.25	0.25
Minimum annual fee	\$3,000	\$3,000	\$2,000

The fees for institutional relationships (corporate entities such as retirement plans and foundations) are negotiated dependent on the services required. There is a \$5,000 per year minimum.

Notes on fee schedule:

1. The fee to non-institutional asset management clients after account establishment includes basic financial planning. Larger financial planning projects may be separately charged; a flat fee agreed to prior to project initiation.
2. Employees and former employees of IMC institutional clients may by request receive the discounted fee schedule (B or C above) that aligns to the years' relationship of the institution to IMC. In addition and in recognition of the contribution of the institution to IMC's success, entry on the breakpoint schedule is at the 0.80%, 0.70%, or 0.60% level.
3. IMC's fund selection process screens for the lowest cost available share class. In some instances this may be a fund that pays a 12b-1 service fee. It is not expected total 12b-1 fees for any individual or family account will exceed 0.10%. For institutional accounts with larger balances, it is IMC's policy to use any 12b-1s received as an advisory fee offset.
4. Fees are billed in advance for the first full quarter of services provided. (Partial quarters on initiating an account are not invoiced.) For example, a client beginning services in February would not be billed until April 1st for advisory services to be rendered for the 2nd quarter, April, May and June. The reverse of the policy is followed on account termination and fees for partial quarters are not provided a pro-rated refund unless requested.
5. IMC clients will be annually surveyed to assess their overall level of satisfaction. Clients rating IMC below expectations will receive a 10% reduction in their fees until the problem area(s), as determined by that client, are remedied.

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6. IMC strives to minimize client costs for administrative services and transactions and to contain these costs at or better than industry standard practices. To do so, IMC periodically surveys and benchmarks IMC client costs against alternative service providers.

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.

Clients may pay by check or by deduction from their accounts. In general, institutional accounts pay by check and individuals by deduction. Regardless, all clients receive a quarterly invoice denoting their fee and its computation and mode of payment.

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.

Other fees and/or expenses that may be charged client accounts:

- IMC utilizes independent, third-party custodians to safeguard and recordkeep investments. There is typically a nominal annual fee associated with their service, paid by the client to the custodian. Currently IMC's primary custodian is Pershing LLC, a subsidiary of The Bank of New York Mellon Corporation.
- All mutual funds are bought no-load, without commissions or contingent deferred sales charges.
- Some mutual funds have instituted redemption fees, also referred to as "market timing fees", or "short-term trading fees". They are in place to discourage short-term trading, for example buying a fund and then selling it within 90 days, and are unlikely to apply to IMC strategies. Custodians charge transaction fees for their services in buying and selling securities. The transaction fees, including a fee levied by the Securities and Exchange Commission and collected by the custodian, are nominal, flat fees, fully disclosed on trade confirmations. These fees, combined less than \$20 per mutual fund trade, are paid by the client.
- Mutual funds charge fees for their management services, known as the "expense ratio". The expense ratio will vary by investment and is fully disclosed in investment prospectus and reports. The expense ratios are included in IMC client reports, benchmarked against the universe of funds invested in the same sector and with like objectives. IMC is very cognizant of management fees and their long-term corrosive potential on performance, and actively screens for funds in the lowest cost quartile.

D. If your clients either may or must pay your fees in advance, disclose this fact. 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.

IMC receives fees quarterly in advance. For simplicity IMC does not charge for the initial partial quarter; or for terminated clients, refund a final partial quarter. Regardless, if requested IMC will calculate and refund final quarter unearned fees, prorating the fee over the quarter.

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- 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.*

IMC advisory clients investing in IMC managed portfolios, invest in mutual funds no-load, or load waived at net asset value (NAV). Clients who do not invest in IMC managed portfolios may purchase or sell investments through IMC advisors, in their role as Registered Representatives of KMS Financial Services, Inc., in which compensation would be received. Investment expense is a primary consideration in IMC's selection of investment managers. IMC's due diligence process focuses on risk-adjusted performance within an objective and does not screen to eliminate funds with service fees (12b-1s). Accordingly, funds with 12b-1s may emerge as the "best fit" for portfolio strategies. As service fees are paid by the mutual funds to an investment firm's broker-dealer, with pass through to the advisor, their presence creates a conflict of interest. IMC manages the conflict by requiring funds with 12b-1s to rank in the lowest cost four deciles in total expenses versus peers.

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.*

Clients are under no obligation to purchase or sell investments through KMS Financial Services, Inc.

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.*

Does not apply

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.*

Does not apply

Performance-Based Fees and Side-by-Side Management

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

Does not apply

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.

IMC provides investment advice to individuals and family groups, trusts, endowments, non-profit organizations, foundations and retirement plans.

IMC has a broad range of institutional clients and has particular expertise in managing defined contribution plans. IMC work includes recurring advisory services as well as a variety of special projects. Institutional account fees are individually negotiated, dependent on the services provided. The minimum annual fee is \$5,000.

While there are exceptions, the majority of individual and family advisory accounts are between \$500,000 and \$3,000,000. For individuals and family groups there is no minimum account size, but rather a minimum fee of \$3,000 per year. The minimum fee may be waived for long-time clients who are decumulating (typically retired) and spending down their account.

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.*

IMC maintains a series of risk-based investment portfolios that are constructed primarily of mutual funds and exchange-traded funds. The portfolios are spaced along a risk/return continuum. The series is further segregated into taxable and non-taxable portfolios, the taxable portfolios managed to maximize after-tax investment returns.

Portfolios are developed using asset class return assumptions and historical asset class correlations weighted to maximize the potential expected return for a given level of downside risk.

The components of the portfolios are selected through application of a series of quantitative and qualitative screens. The quantitative include

- Risk-adjusted performance using rolling returns of varying time periods
- Volatility analysis over varying rolling time periods
- Historical performance ratios
- Asset base and composition
- Costs

The intent of this analysis is to isolate managers who have exhibited an ability – on a risk adjusted basis – to consistently outperform peers and benchmark indexes over a full market cycle. Preference is given to managers with track records of preserving principal in difficult markets.

Qualitative factors considered include:

- Specialization/focus
- Investment philosophy and methodology rigor
- Key manager tenure
- Breadth and depth of personnel
- Manager and staff personal investment/commitment
- Firm culture and stewardship
- Portfolio cash and inflows and outflows
- Transparency and communication
- Regulatory status and reputation

Managers are monitored for performance versus peers and benchmarks, changes in investment philosophy, key employee turnover, and adherence to the investment style for which they were selected.

An investor is matched to a portfolio strategy based on their situation and objectives within the context of income and growth needs and expectations, time horizon, temperament, other sources of income, and other assets and liabilities (and their positioning). An investment policy statement is used to specify portfolio strategy and components, expected returns and volatility, and to outline how the portfolio will be managed and success measured.

Volatility and risk are inherent to investing. IMC “manages” the risk by working with the client to define:

- 1) How much risk is needed to accomplish client objectives – required risk.
- 2) How much risk can the client afford to take – capacity risk.
- 3) How much risk does the client prefer to take – emotional tolerance.

The investor is then matched to a portfolio. Client fact finding, education, and ongoing discussion are all essential elements to matching an investor to an appropriate portfolio.

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.

IMC builds portfolios based on Modern Portfolio Theory – portfolios broadly diversified to maximize return for the risk taken, as defined by investment types’ historical returns and correlations. Low trading volume is inferred in this strategy. IMC maintains that the most important work – understanding client objectives, portfolio design appropriate to those objectives, manager research and due diligence, and client education – is done prior to implementation. After implementation, portfolios are monitored to maintain consistency with investor objectives. Changes in strategies are made as client situations and objectives change. Adjustments to portfolios within strategies are made to improve potential returns and/or reduce volatility.

IMC does not market time, nor does it utilize leverage and frequent trading strategies. IMC does not utilize investments with limited or restricted liquidity, nor those that employ non-transparent, “black-box” strategies. IMC avoids high cost strategies and those that are not time tested.

The most significant risks to IMC’s approach to investment include:

- 1) Investment markets underperform expectations.
- 2) An IMC strategy fails to perform as expected. Modern Portfolio Theory is built on the assumption that over time, historic relationships between investments remain relatively consistent. More volatility can occur if these relationships prove to be incorrect or (for a time) are inconsistent.
- 3) A manager or managers within a strategy do not perform as expected.
- 4) A mismatch of strategy to client.

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.

IMC primarily utilizes mutual funds and exchange traded funds. Mutual funds are professionally managed portfolios of securities subject to the statutory, regulatory and reporting requirements of the Investment Company Act of 1940. Funds are a widely accepted investment vehicle because they can offer broad diversification, liquidity, and cost effective professional management. Helpful to the investor, an industry has developed dedicated to mutual fund analysis.

We believe the mutual fund structure, legal/regulatory framework under which it functions, and and effective use of third-party research, can substantially mitigate many of the risks traditionally associated with investing. Material risks remain. They include market volatility, funds that do not achieve expected returns, poor timing (ie the right fund but the wrong time), overpayment of fees, investor reaction to short-term trends (greed and panic), and mismatching portfolio to investor objectives. IMC’s role is to manage these risks for its clients.

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.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a client's or prospective client's evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a client's or prospective client's evaluation.

A. *A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person*

1. *was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;*

Does not apply

2. *is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;*

Does not apply

3. *was found to have been involved in a violation of an investment-related statute or regulation; or*

Does not apply

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4. *was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.*

Does not apply

- B. *An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person*

1. *was found to have caused an investment-related business to lose its authorization to do business; or*

Does not apply

2. *was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority*

- (a) *denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;*

Does not apply

- (b) *barring or suspending your firm's or a management person's association with an investment-related business;*

Does not apply

- (c) *otherwise significantly limiting your firm's or a management person's investment-related activities; or*

Does not apply

- (d) *imposing a civil money penalty of more than \$2,500 on your firm or a management person.*

Does not apply

- C. *A self-regulatory organization (SRO) proceeding in which your firm or a management person*

1. *was found to have caused an investment-related business to lose its authorization to do business; or*

Does not apply

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2. *was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.*

Does not apply

Other Financial Industry Activities and Affiliations

- A. *If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.*

IMC advisors are also registered representatives of KMS Financial Services, Inc, a FINRA registered broker-dealer and member of SIPC.

- 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.*

Does not apply

- 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.*

1. *broker-dealer, municipal securities dealer, or government securities dealer or broker*

IMC utilizes KMS Financial Services, Inc, as broker-dealer. KMS is headquartered in Seattle and provides securities execution, and regulatory and supervisory services. KMS does not create or market investment products.

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)*

Does not apply

3. *other investment adviser or financial planner*

Does not apply

4. *futures commission merchant, commodity pool operator, or commodity trading advisor*

Does not apply

5. *banking or thrift institution*

Does not apply

6. *accountant or accounting firm*

Does not apply

7. *lawyer or law firm*

Does not apply

8. *insurance company or agency*

Does not apply

9. *pension consultant*

Does not apply

10. *real estate broker or dealer*

Does not apply

11. *sponsor or syndicator of limited partnerships*

Does not apply

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.*

Does not apply

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.*

IMC's purpose is to assist our clients in meeting their financial objectives. IMC personnel place the client first, and treat the client as the employee would expect to be treated in a like professional relationship – with integrity, prompt open communication, and competence. Client information is confidential and safeguards are maintained to protect client privacy.

Available on request is a copy of code of ethics, privacy policy and IMC's Commitment to Our Clients.

- 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.*

IMC Advisors may buy or sell investments which are also recommended to clients. IMC requires compliance with certain Policies on Personal Securities Trading, which, in general, prohibit an Advisor from trading a security before a client and prohibits an advisor from opening and having a personal securities trading account without prior written approval from IMC. A copy of the Code of Ethics is available to Clients on request.

- 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.*

Does not apply

- 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.*

Does not apply

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).*

IMC utilizes KMS Financial Services (see Other Financial Industry Activities and Affiliations, A and C.1) as broker-dealer. Factors to be considered in selection of a broker-dealer include:

- Ethical practices
- Independence
- A service culture
- Conformity with legal and regulatory requirements
- Conflicts of interest disclosed and appropriately managed
- Financial stability
- Ownership structure and personal investment that reinforces accountability
- Professional staff are competent and of sufficient depth
- Services and platform offered
- Compliance history and compliance support capabilities
- Technology standards
- Innovative and forward looking
- Reasonable fees

Fee reasonableness is determined by comparing competing broker-dealer fees and services offerings.

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.*

Does not apply

- 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.*

Does not apply

- 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.*

Does not apply

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- 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.*

Does not apply

- 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.*

Does not apply

- 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.*

Does not apply

- 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.*

Does not apply

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 based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.*

Does not apply

- 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.*

Does not apply

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.*

IMC advisory accounts are established, through KMS Financial Services, Inc., at Pershing, LLC. KMS is primarily a securities broker-dealer, and as such, participates or has interest in client transactions executed through Pershing.

IMC mutual fund trades through KMS and Pershing are executed for a flat, nominal fee. While lower fees may be obtained through other broker-dealers and brokerage arrangements, IMC believes on balance that the transaction fees paid by clients are reasonable for the services provided.

IMC's specialty is in designing and managing portfolios of mutual funds. Other security transactions may be undertaken as an accommodation to clients, typically for a flat fee. Clients are under no obligation to execute these transactions through IMC/KMS/Pershing. It is possible that more favorable execution could be obtained elsewhere.

- 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.*

While IMC utilizes KMS and Pershing, clients will make the broker-dealer and custodian decision.

- 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.*

Accounts are separate and mutual fund transactions may not be aggregated. Accounts are aggregated where applicable, to achieve sufficient dollar amounts to qualify for institutional or lower cost investments.

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.*

Standing Investment Committee participants are the senior professionals at IMC: Ron Eisen, President; David Bodmer, Principal; and Will Nolan, Chief Investment Officer. Other IMC colleagues participate dependent on relevance to their duties, education opportunities, and schedule. Outside professionals are periodically invited to participate when their expertise is of benefit (generally for education or to assist with special projects).

IMC maintains several layers of review: Weekly, Quarterly and Annually.

- **Weekly:** The purpose of the Weekly meeting is to provide a forum to discuss economic and investment trends, highlight areas of opportunity and concern, and make and follow up on research and thought assignments. Specific clients and portfolios are discussed to apprise team members of changing client situations; for example, births, deaths, moves, employment and health changes.
- **Quarterly:** While each IMC investment strategy has a particular risk/return profile, implementation utilizes common managers across strategies. The Quarterly meeting focuses on portfolio allocations by asset class and whether the allocations should be adjusted. Individual managers and their performance is reviewed relative to index and peer benchmarks. Equal consideration is paid to both positive and negative exceptions to expectations.
- **Annually:** Individual portfolios are reviewed within the context of each client's situation and objectives. Action items are determined and assignments made.

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

In addition to the above, reviews are triggered when we are made aware of a change in situation or objectives that could impact the client's investment strategy.

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

Clients receive hard copy statements directly from their account custodian. Depending on account activity, the statements are mailed either monthly or quarterly. Content includes account balances, holdings and transactions.

Quarterly, IMC sends client performance reports. Each client has the option to receive their reports by mail and/or by e-mail. Content typically includes:

- Market commentary and capital market indexes performance
- Portfolio performance for the quarter, last 12 months and since inception
- Portfolio objectives and index measures
- Portfolio balances and allocations
- Fund performance and benchmark comparison statistics

Client accounts are maintained on a daily valuation recordkeeping system. Clients may at any time review their account, accessing it through IMC's website, www.imc-inv.com, or through the custodian's website, www.netxclient.com. Content includes:

- On demand statements
- Account transactions
- Realized and unrealized gain/loss schedules
- Income and expenses
- 1099 reconciliation, etc.

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.*

Does not apply

- 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.*

Does not apply

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.

Does not apply

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).

Discretionary authority means that IMC has been given the authority by the client to execute investment transactions on their behalf without first notifying and obtaining client authorization.

Discretionary authority is affirmatively granted or denied IMC through the IMC General Advisory Services Agreement. While discretionary authority is not required, it has been universally provided for reasons of timeliness, administrative convenience, and efficiency.

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.*

Does not apply

- 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.*

Does not apply

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.*
- 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 conform to Article 2 of SEC Regulation S-X.*

Does not apply

- 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.*

Does not apply

- 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.*

Does not apply

Brochure Supplement

Ronald B. Eisen
Principal

Investment Management Consultants, Inc.
111 SW Columbia Suite 1080
Portland, OR 97201
503.248.9064

This brochure supplement provides information about Ronald B. Eisen that supplements the Investment Management Consultants, Inc. brochure. You should have received a copy of that brochure. Please contact Courtney Prince at 503.248.9064 if you did not receive Investment Management Consultants, Inc. brochure or if you have any questions about the contents of this supplement.

Additional information about Ron Eisen is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Year of birth: 1948

Formal education after high school:

Bachelor of Arts in History and Economics from Cal State Northridge
Completed graduate coursework in economics at Portland State University

Business background:

Has both attended and taught numerous seminars and classes covering insurance, securities, investment advisory, tax and employee benefits administration disciplines. Has authored over 60 articles and co-authored two books on prudent investment practice. Has a broad knowledge of the investment business with primary emphasis on investment advisory, asset allocation, manager structures, investment policy formulation, retirement plan sponsor and participant fiduciary standards development cost containment, and financial planning for trusts, corporations and individuals. In 1994 co-founded Investment Management Consultants, Inc.

Disciplinary Information:

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Ron Eisen. No events have occurred that are applicable to this item.

Other Business Activities:

IMC is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Ron Eisen is not actively engaged in any such activities.

Additional Compensation:

Ron Eisen does not receive economic benefits for providing advisory services, other than the compensation paid by IMC.

Supervision:

As a co-founder, principal and president, sits on IMC Investment Committee, and assists in developing investment policy, portfolio allocations and investment selection. David Bodmer functions as the compliance officer and reviews all security transactions.

David J. Bodmer
Principal

Investment Management Consultants, Inc.
111 SW Columbia Suite 1080
Portland, OR 97201
503.248.9064

This brochure supplement provides information about David J. Bodmer that supplements the Investment Management Consultants, Inc. brochure. You should have received a copy of that brochure. Please contact Courtney Prince at 503.248.9064 if you did not receive Investment Management Consultants, Inc. brochure or if you have any questions about the contents of this supplement.

Additional information about David Bodmer is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Year of birth: 1950

Formal education after high school:

Bachelor of Science in Accounting from Brigham Young University

Business background:

Actively engaged in financial advisory since 1977. Brings particular expertise in accounting, tax, estate planning, individual financial counseling, insurance product planning and management, and participant self-directed defined contribution plans. Actively involved in community service, serves and has served on a variety of non-profit, professional and community boards. An IMC co-founder.

Professional designations held: CPA, CFP, CEBS

For an explanation of the minimum qualifications required for this designation, see pages 4-5 of the Brochure Supplement

Disciplinary Information:

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of David Bodmer. No events have occurred that are applicable to this item.

Other Business Activities:

IMC is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. David Bodmer is not actively engaged in any such activities.

Additional Compensation:

David Bodmer does not receive economic benefits for providing advisory services, other than the compensation paid by IMC.

Supervision:

As a co-founder and principal, sits on IMC Investment Committee, and assists in developing investment policy, portfolio allocations and investment selection. Ron Eisen, President of IMC provides supervision.

William B. Nolan
Chief Investment Officer

Investment Management Consultants, Inc.
111 SW Columbia Suite 1080
Portland, OR 97201
503.248.9064

This brochure supplement provides information about William B. Nolan that supplements the Investment Management Consultants, Inc. brochure. You should have received a copy of that brochure. Please contact David Bodmer if you did not receive Investment Management Consultants, Inc. brochure or if you have any questions about the contents of this supplement.

Additional information about Will Nolan is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Year of birth: 1965

Formal education after high school:

Bachelor of Science in Finance with an Accounting minor at the University of Wyoming
M.B.A. with finance and accounting emphasis from Gonzaga University

Business background:

Joined IMC, January 2008, Chief Investment Officer
Prior to IMC, Chief Investment Officer for Financial Planners Northwest
Entered the investment advisory field in 1999, having gained extensive experience in financial statement and business analysis from more than 10 years of commercial lending and banking. Areas of expertise include portfolio design and implementation, asset allocation strategies, fiduciary responsibilities, business succession planning, and investment analysis and reporting.

Professional designations held: CIMA, AIF

For an explanation of the minimum qualifications required for this designation, see pages 4-5 of the Brochure Supplement

Disciplinary Information:

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of William Nolan. No events have occurred that are applicable to this item.

Other Business Activities:

IMC is required to disclose any outside business activities or occupation for compensation that could potentially create a conflict of interest with clients. Will Nolan is not actively engaged in any such activities.

Additional Compensation:

Will Nolan does not receive economic benefits for providing advisory services, other than the compensation paid by IMC.

Supervision:

As Chief Investment Officer, chairs IMC's Investment Committee and assists in developing investment policy, portfolio allocations and investment selection. David Bodmer is IMC's compliance officer for IMC and has primary responsibility for supervising Will Nolan. David Bodmer can be reached at 503-248-9064.

Professional Designation Qualifications

Certified Financial Planner™ (CFP®)

The Certified Financial Planner™, CFP® and federally registered CFP (with flame design) marks (collectively, the “CFP® marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP Board”). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. Currently, more than 62,000 individuals have obtained CFP® certification in the United States. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- **Education** – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board’s studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor’s Degree from a regionally accredited United States college or university (or its equivalent from a foreign university). CFP Board’s financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- **Examination** – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one’s ability to correctly diagnose financial planning issues and apply one’s knowledge of financial planning to real world circumstances;
- **Experience** – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- **Ethics** – Agree to be bound by CFP Board’s Standards of Professional Conduct, a set of documents outlining the ethical and practice standards for CFP® professionals. Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:
- **Continuing Education** – Complete 30 hours of continuing education hours every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct, to maintain competence and keep up with developments in the financial planning field; and
- **Ethics** – Renew an agreement to be bound by the Standards of Professional Conduct. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients. CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board’s enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Rev 12/16/10 by the Certified Financial Planner Board of Standards, Inc.

Certified Public Accountant (CPA)

Certified Public Accountant (CPA) CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, all American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous Code of Professional Conduct which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's Code of Professional Conduct within their state accountancy laws or have created their own.

From AICPA, January 2011

Accredited Investment Fiduciary ® (AIF)

AIF® designees are licensed by the Center for Fiduciary Studies, a part of the fi360 company. AIF certification requirements include:

- Successful completion of the 90 minute, closed-book, 60 question AIF exam, indicating at least 75% correct answers
- Successful completion of six hours of continuing professional education, four hours of which are fi360 Training continuing education.
- Sign and agree to abide by a code of ethics

From fi360, March 2011

Certified Employee Benefit Specialist (CEBS)

CEBS designees are required to pass exams in an eight course curriculum, six required and two electives, complete annual continuing education, and abide by a code of ethics.

Required Courses:

- Group Health Plan Design
- Group Benefits Management
- Retirement Plan Design
- Retirement Plan Management
- Human Resources and Compensation Management
- Compensation Concepts and Principles

Elective Courses:

- Asset Management
- Health Care Financing and Economics
- Executive Compensation and Compensation Issues
- Personal Financial Planning 1: Concepts and Principles
- Personal Financial Planning 2: Tax and Estate Planning Techniques

From International Foundation of Employee Benefit Plans, March 2011

Certified Investment Management Analyst (CIMA)

The CIMA certification program requires that candidates meet all eligibility requirements, including experience, education, examination, and ethics. There are five steps you must complete to earn the certification:

- Submit CIMA Certification Program Application and undergo background check
- Pass the online Qualification Examination
- Schedule into and complete education program with Registered Education Provider
- Submit Certification Examination Application and pass the online Certification Examination
- Sign licensing agreement and agree to adhere to IMCA's *Code of Professional Responsibility*, *Standards of Practice*, and *Rules and Guidelines for Use of the Marks*.

From Investment Management Consultants Association, March 2011