



**Comerica Securities, Inc.**  
**Member FINRA/SIPC**

## **Investment Advisory Services**

201 W. Fort Street, Detroit MI 48226

800-232-6983

[www.comerica.com](http://www.comerica.com)

**March 30, 2012**

Form ADV, Part 2; our "Disclosure Brochure" or "Brochure" as required by the Investment Advisers Act of 1940 is a very important document between Clients (you, your) and "Comerica Securities" (us, we, our). This Brochure provides information about our qualifications and business practices.

*This brochure provides information about the qualifications and business practices of Comerica Securities. If you have any questions about the contents of this brochure, please contact us at 1-800-232-6983. 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.*

*Additional information about Comerica Securities is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (select "investment adviser firm" and type in our firm name). Results will provide you both Part 1 and 2 of our Form ADV.*

We are a registered investment adviser with the Securities and Exchange Commission. Our registration as an Investment Adviser does not imply any level of skill or training. The oral and written communications we provide to you, including this Brochure, is information you use to evaluate us (and other advisers) which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship.

## **Item 2 - Material Changes**

The previous update to our Form ADV Part 2 occurred on September 14, 2011. The following material changes have occurred since our last update:

- As of April 1, 2012, our fee schedules will change for all new investment program accounts. The new fee schedules are provided in the “Fees and Compensation” section which is Item 5 in this brochure. Accounts opened before April 1, 2012 will not automatically convert to the new fee schedules. Any changes to previous fee schedules will be preceded by a 30-day written notice to our clients.
- A separate Fixed Income Portfolio Fee Schedule was added to the Wealth Management Solutions Program for accounts that exceed \$1,000,000 in value and maintain an allocation of 95% or more in fixed income products.
- The firm previously offered new clients a discretionary account option in the Personal Portfolio Advisory Program. Accounts are now only available on a non-discretionary basis.

If you would like another copy of this Brochure, please download it from the SEC Website as indicated above or you may contact our Chief Compliance Officer, David T. Doyle at 313-222-0146 or by email at [dtdoyle@comerica.com](mailto:dtdoyle@comerica.com).

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## **Item 4 – Advisory Business**

### **Description of Comerica Securities, Inc.**

Comerica Securities, Inc. (“Comerica Securities”) is a non-bank affiliate of Comerica, Inc. (“Comerica”) and a part of Comerica’s Wealth Management Division. Comerica’s Wealth Management team consists of certain divisions of Comerica Bank, a member of FDIC. These divisions include Comerica Trust, Comerica Asset Management, Comerica Insurance Services and Comerica Securities. Comerica Securities broker-dealer was formed in 1985 and became a Securities and Exchange Commission (“SEC”) registered investment advisor in 2005. Comerica Securities is 100% owned by Comerica Investment Services which 100% is owned by Comerica Bank, which is 100% owned by Comerica, Incorporated, a publicly traded company. Comerica Securities is a member of the Financial Industry Regulatory Authority (“FINRA”) and the Securities Investor Protection Corporation (“SIPC”). Comerica Securities is an affiliate, through common control and ownership, with World Asset Management and Wilson Kemp & Associates, who are also investment advisers registered with the SEC.

### **Types of Advisory Services**

Comerica Securities provides its clients with the following Investment Program Accounts:

- A. Wealth Management Solutions
  - (a) Separately Managed Account
  - (b) Unified Managed Account
  - (c) FORAY Advisory and FORAY Index
- B. Managed Portfolio Solutions Wrap Program
  - (a) Personal Portfolio Advisory
  - (b) Alpha Fund Advisory

Advisory services offered in the various programs include, but are not limited to, the following:

- Portfolio Model Construction and Ongoing Portfolio Monitoring
- Asset Allocation Strategies and Asset Selection

In addition to the Investment Programs, Comerica Securities also offers the following Investment Advisory Services:

- C. Institutional Retirement Plan Consulting
- D. Financial Planning Services

When recommending or choosing an investment to fit a client's needs, Comerica Securities does not limit its investment advice to specific types of investments or securities. However, for Comerica Securities managed investment advisory accounts that purchase mutual funds, the firm and our sub-advisor, Comerica Asset Management, does maintain an approved list of mutual funds and mutual fund families. Comerica Securities will generally not recommend or purchase future contracts, leveraged or inverse ETFs, or other securities that the firm may deem not suitable except for very sophisticated investors. Accounts with Comerica Securities that are managed by sub-advisors or other "outside managers" may invest in securities that are typically not bought in accounts managed directly by Comerica Securities.

Additional information on the Investment Programs and Advisory Services offered by Comerica Securities is as follows:

## **A. Wealth Management Solutions**

### ***a. Separately Managed Account Track ("SMA")***

For clients in the SMA track, FDx Advisers ("FDx"), a Comerica Securities' third party provider, will recommend a list of individual asset managers ("managers"), mutual funds and exchange traded funds that correspond to the proposed asset classes and styles displayed in the asset allocation model. The asset allocation model is derived from specific client responses to the client questionnaire. Comerica Securities, as part of the proposal, will recommend specific managers, mutual funds or ETFs from this list.

The managers and mutual funds selected to participate in the Wealth Management Solutions program are chosen after an intensive evaluation and due diligence process conducted by FDx and Comerica Asset Management. This due diligence process focuses on quantitative and qualitative factors such as the manager's and investment vehicle's reputation, approach to investing, and style consistency. Comerica Asset Management equity strategies are also available in the program. If a client accepts the proposal, they will receive an Investment Policy Statement and the Advisory Agreement for the Wealth Management Solutions Program. Please refer to Item 5 for fee information regarding this Program. The minimum initial investment for these accounts is \$100,000.

### ***b. Unified Managed Account Track ("UMA")***

For clients in the UMA track, FDx will provide Comerica Securities with a list of portfolio models from various equity managers as well as mutual funds that have undergone the FDx due diligence process. Equity models from Comerica Asset Management will also be included in the program. An adviser will construct a portfolio in a single account for the client that can be

comprised of a combination of manager models, mutual funds and/or ETFs. The UMA account utilizes an “overlay manager” who coordinates trading across asset classes in each account which may allow for a greater degree of tax efficient investment management. From time to time, Comerica Asset Management and other managers may make changes to their models based on current market and economic conditions. Since UMA accounts can utilize several manager portfolio models in a single account and may be tax optimized, the UMA track is not expected to be an exact replica of a separately managed account for each model. However, absent any client imposed restrictions, the UMA account will be managed so that it is statistically similar to the targeted portfolio. Please refer to Item 5 for fee information regarding this Program. The minimum initial investment for these accounts is \$50,000.

***c. FORAY Advisory and FORAY Index Accounts***

The FORAY Advisory and FORAY Index accounts are asset allocation strategies that utilize asset allocation models designed by the Comerica Asset Management Investment Policy Committee (“IPC”). These asset allocation models range from an allocation model for the very conservative investor to a model for those seeking maximum growth potential. Both the Advisory and Index Programs utilize an “Automatic Asset Allocation Algorithm”, an automated process where all the account models are processed through portfolio optimization software to provide the benefits of diversification and active investment management.

The Foray Advisory program uses actively managed mutual funds in the models. The Foray Index Program uses indexed Exchange Traded Funds in the models. The asset allocation model selected for you is determined by your response to a risk tolerance questionnaire. The models are systematically rebalanced when a model change is made by the IPC or generally, at least quarterly. Ongoing reviews and the monitoring process for these accounts follow a disciplined methodology emphasizing proper asset allocation for each of the models. Please refer to Item 5 for fee information regarding this Program. The minimum initial investment for these accounts is \$50,000.

**B. Managed Portfolio Solutions Wrap Program**

***a. Personal Portfolio Advisory Program***

For clients in this program, the Comerica Securities Financial Consultant will construct, through the use of asset allocation software, allocation models based on specific client investment objectives and risk tolerances. The Financial Consultant will then recommend various investment choices based on asset class to populate the proposed allocation model. These recommendations can include, but are not limited to, common and preferred equities, mutual funds, exchange-traded-funds, and fixed income securities. You will be presented with the proposed allocation model and investment recommendations to review prior to establishing an account. If you

choose to execute the proposed model, the account will be established on a non-discretionary basis.

As a non-discretionary account, the Financial Consultant will not be acting in a discretionary manner nor will the Financial Consultant make any investment decisions without your consent. The Financial Consultant will periodically evaluate the portfolio while taking into account changing economic and market conditions as well as changes to your personal financial situation. When appropriate, recommendations for rebalancing or a re-allocation will be made to you.

Your Financial Consultant will review your account allocations with you as necessary but no less than on an annual basis. The minimum initial investment for this program is \$50,000.

### ***b. Alpha Fund Advisory***

Alpha Fund Advisory is an asset allocation strategy that utilizes asset allocation models based on those designed by the Comerica Asset Management Investment Policy Committee (IPC). These asset allocation models range from an allocation model for the conservative investor to a model for those seeking maximum growth potential. This program uses a process where all the account models are processed through portfolio analytic tools such as StyleADVISOR, BARRA Portfolio Manager and Morningstar software programs to provide the benefits of diversification and active investment management. Alpha Fund Advisory uses actively managed mutual funds in the models. The asset allocation model selected for you is determined by your response to a risk tolerance questionnaire. The different models are:

Conservative: Primary goal is to provide current income while maintaining minimal risk. Potential for growth of income and principal is minimal.

Moderately

Conservative: Primary goals are generation of current income and dividend growth. Principal growth is a secondary goal.

Moderate: Primary goals are to provide current income and long-term growth of assets. Both goals are given a fairly equal weighting and the client would have a moderate risk tolerance.

Moderately

Aggressive: Primary goal is to provide long-term growth of principal and income. Income needs may be present but are not dominant over the desire for long-term growth.

Aggressive: Primary emphasis is on long-term growth of capital. Little to no need for current income from portfolio and client is tolerant of principal volatility.

Maximum

Risk: Focus is on significant potential for capital appreciation. Little to no need for current income from portfolio and client has a high tolerance for risk.

The models are systematically rebalanced when an investment change is made or generally, at least quarterly. Ongoing reviews and the monitoring process for these accounts follows a disciplined methodology emphasizing proper asset allocation for each of the models. Trades in these accounts are placed on a discretionary basis. The minimum initial investment for these accounts is \$50,000. The maximum investment amount for these accounts is \$500,000 (account balances may be greater due to market fluctuations).

### **C. Institutional Retirement Plan Consulting**

For institutions with employee benefit retirement plans, Comerica Retirement Plan Consultants (“RPC”) can provide comprehensive services to document the processes required under ERISA in order to make and monitor prudent fiduciary decisions. Through the use of a needs assessment to identify gaps in a current plan, a benchmark against similar plan types can be used to determine the overall success or effectiveness of the plan. If it is determined that a plan needs to be benchmarked against other providers, a Comerica RPC functions in the role as adviser to the plan sponsor and committee to assist in the vendor analysis and comparison. Proprietary tools are used for benchmarking and/or the vendor search process. All Retirement Plan Consultants have earned the Accredited Investment Fiduciary® (“AIF®”) designation. By conforming to all four functions of AIF, to Organize, Formalize, Implement and Monitor (see Fiduciary Stewards Handbook from the Center for Fiduciary Studies), Comerica will assume co-fiduciary status on the investment and vendor selection. An investment policy statement is required and on-going investment due diligence and monitoring is tracked through the use of either the Fiduciary Investment Reporting Manager (“FIRM”), a third party vendor and product of the Center for Fiduciary Management, or other investment due diligence tools on at least an annual plan review basis with the committee.

#### ***Defined Benefit Plans***

Comerica Securities provides the following retirement planning services to defined benefit plans:

Document the roles and responsibilities of the Retirement Plan Committee

Prepare and maintain Investment Policy Statements



Develop plan specific asset allocation

Prepare investment due diligence reports

- Market commentary
- Holdings allocation
- Style Allocation
- Comparative fund performance (benchmarking)
- Fund-specific commentary/recommendations

Research and evaluate investment managers

Maintain watch list for investment options

Prepare vendor consolidation analysis, benchmarking

Conduct search for service providers

### ***Defined Contribution Plans***

Comerica Securities provides the following retirement planning services to defined contribution plans:

Document the roles and responsibilities of the Retirement Plan Committee

Draft and maintain Investment Policy Statements

Prepare investment due diligence reports (at least annually)

- Market commentary
- Holdings allocation
- Style allocation
- Comparative fund performance (benchmarking)
- Fund-specific commentary/recommendations

Prepare and present performance summary

Maintain investment option watch list

Benchmark and monitor a recommended investment option menu

Search, benchmark and monitor service providers

Document review of current fees, investments and services of retirement plan

### ***Plan Sponsor Services***

Comerica Securities offers the following services to plan sponsors:

- Interface and act as a liaison with custodian, record-keeper and/or third party administrator (TPA)
- Provide ongoing updates of regulatory changes and consultation on how they may affect your plan
- Consult on testing results
- Facilitate conversions and de-conversions - monitor timeline, participant on weekly calls, collect documents, consult on plan design and organize participant meetings.
- Assist with IRS & DOL notices - research issues and inform client
- Resource for administrator on retirement plan

Please refer to Item 5 for fee information regarding Retirement Services.

#### **D. Financial Planning Services**

Comerica Securities can provide financial plans to existing customers and clients of Comerica at no cost when financial planning software such as SunGard's Planning Station is utilized by the Financial Consultant. The information used to prepare the financial plan is obtained directly from the client utilizing a client questionnaire. Current investments identified by the client and included in the plan may or may not be held at Comerica Securities or any of its affiliates. The usefulness of the plan will depend upon the accuracy of the information provided by the client.

In some cases, Comerica Securities may also utilize the Wealth Planning Department of Comerica's Wealth Management Division to prepare a comprehensive wealth plan customized to the client individual needs.

The planning process consists of meeting with a professional Wealth Planner from Comerica Wealth Management who will work to clarify and define goals and develop strategies for the following needs:

- Cash flow
- Investments
- Retirement plans
- Income taxes
- Estate and gift planning
- Charitable planning

The Wealth Planner will gather detailed information from the client regarding their income, net worth, risk tolerances, goals and objectives. All information will be treated with complete confidentiality. Once all of the data has been gathered, the Wealth Planner will prepare a comprehensive wealth plan that will provide recommendations and evaluate alternatives as it relates to the client's financial goals, insurance needs, income tax, estate and gift planning needs. The client may choose to execute some or the entire plan. Comerica Securities is not

responsible for investments that may be made outside of Comerica Securities in an effort to execute the plan.

#### **E. Client Tailored Services and Client Imposed Restrictions**

The process for an Investment Program typically begins with the client and the Comerica Securities Financial Consultant compiling pertinent financial and demographic information in order to determine which Investment Program best suits the client's goals and objectives. This information is used to recommend a strategy based on the client's individual needs and objectives, investment time horizon, tolerance for risk, and any other factors deemed pertinent to the client's individual situation.

Clients may impose restrictions on investing in certain securities within their accounts in accordance with their preferences, beliefs and values. However, if the restriction imposed by the client prevents Comerica Securities, or any other manager, from properly servicing or maintaining the proper allocation in the account, Comerica Securities, or any other manager, reserves the right to terminate the account relationship.

#### **F. Wrap Program Services**

The Comerica Securities Managed Portfolio Solutions platform includes the Personal Portfolio Advisory and Alpha Fund Advisory Programs. Managed Portfolio Solutions, the wrap fee program sponsored by Comerica Securities, provides either discretionary or non-discretionary investment advisory services that clients may choose from as described in this brochure and the Comerica Securities Managed Portfolio Solutions Wrap Fee Program brochure. The Managed Portfolio Solutions platform utilizes Envestnet Asset Management, Inc. ("Envestnet"), a registered Investment Adviser, as the Platform Manager. The Platform Manager operates the technology platform on which the wrap program functions and may provide certain investment advisory services to Comerica Securities and our clients. Envestnet and Comerica Securities are not affiliated other than through jointly providing services to the wrap fee program.

All accounts participating in program offerings on the Managed Portfolio Solutions platform will be held in custody at our clearing firm, Pershing, LLC (Pershing).

#### **G. Assets Under Management**

As of January 31, 2012, Comerica Securities Investment Adviser had \$389,787,896 in total assets under management. Of the total assets under management, \$91,252,409 is managed on a discretionary basis and \$298,535,487 is managed on a non-discretionary basis.

## Item 5 – Fees and Compensation

### A. Fee Schedules

Program fees for all Comerica Securities investment advisory programs are provided below. Fees are negotiable and discounts on fees are available based on, but not limited to, the household relationship with Comerica Securities and amount of assets under management. Discounts given on the client fee for Institutional Retirement and Financial Planning services are at the discretion of the Retirement Plan Consultant and Financial Consultant respectively. As a result, clients with similar assets may have differing fee schedules and pay a different percentage.

#### 1. Wealth Management Solutions

##### *a. Separately Managed Account Track (SMA)*

###### **Fee Schedule:**

<b>Assets Managed</b>	<b>Program Fee*</b>
On first \$2 Million	1.35%
On next \$3 Million	1.00%
On next \$5 Million	0.70%
On Balance (>\$10 Million)	0.50%

\*Client will pay indirect management and expense fees to mutual funds and ETFs when utilized in their portfolio. Please refer to “Item 5c General Information on Fees” for additional information.

###### Commissions: \*\*

Client fee + 0.06 per share on all trades of 2,000 shares or less

**OR**

Client fee + 0.04 per share on all trades greater than 2,000 shares.

\*\*If the SMA account is managed by an external manager, commissions will not be charged. If the account is using a Comerica strategy, equity and ETF trades will be subject to commission charges as provided above.

The fee you pay may change over time due to the effects of market conditions and investment performance on your account asset value. Any additions or withdrawals made in your account may also affect the fee you pay.

***b. Unified Managed Account Track (UMA)***

These accounts will be charged a combination of fees plus commissions. Mutual fund purchase transactions are exempt from commission and sales charges. (See commission schedule below):

**Fee Schedule:**

<b>Assets Managed</b>	<b>Program Fee*</b>
On first \$2 Million	1.35%
On next \$3 Million	1.00%
On next \$5 Million	0.70%
On Balance (>\$10 Million)	0.50%

\*Client will pay indirect management and expense fees to mutual funds and ETF's when utilized in their portfolio. Please refer to "Item 5c General Information on Fees" for additional information.

**Commissions:**

Client fee + 0.06 per share on all trades of 2,000 shares or less

**OR**

Client fee + 0.04 per share on all trades greater than 2,000 shares.

The fee you pay may change over time due to the effects of market conditions and investment performance on your account asset value. Any additions or withdrawals made in your account may also affect the fee you pay.

***c. FORAY Advisory and FORAY Index***

**Fee Schedule:**

<b>Assets Managed</b>	<b>Program Fee*</b>
On first \$2 Million	1.35%
On next \$3 Million	1.00%
On next \$5 Million	0.70%
On Balance (>\$10 Million)	0.50%

\* Client will pay indirect management and expense fees to mutual funds and ETFs when utilized in their portfolio. Mutual fund trades are executed as "no load" (without commissions or sales charges). Please refer to Item 5c "General Information on Fees" for additional information.

The fee you pay may change over time due to the effects of market conditions and investment performance on your account asset value. Any additions or withdrawals made in your account may also affect the fee you pay.

Accounts that are invested in the Foray Index Program trade Exchange Traded Funds (ETFs) and will pay the following commissions on trades executed in their account:

Commissions:

Client fee + 0.06 per share on all trades of 2,000 shares or less

**OR**

Client fee + 0.04 per share on all trades greater than 2,000 shares.

There are no commission or sales charges on mutual fund trades in the Foray Advisory accounts.

The fee you pay may change over time due to the effects of market conditions and investment performance on your account asset value. Any additions or withdrawals made in your account may also affect the fee you pay.

***Fixed Income Portfolio\* Fee Schedule (Applicable for all Wealth Management Solutions accounts)***

**Fee Schedule:**

<b>Assets Managed</b>	<b>Program Fee**</b>
On first \$2 Million	0.50%
On next \$3 Million	0.35%
On next \$5 Million	0.25%
On next \$10 Million	0.20%
On Balance (>\$20 Million)	0.15%

\* Fixed Income portfolios are defined as those portfolios that have 95% or more of their assets in fixed income securities. Fixed Income securities include, but are not limited to, individual debt obligations such as government notes and bonds, corporate notes and bonds, and pooled investment vehicles that hold debt obligations. For example, mutual funds, unit investment trusts, exchange traded funds (ETFs), as well as money market funds are pooled investment vehicles. These portfolios are offered for all accounts in the Wealth Management Solutions Program. The minimum initial investment for these accounts is \$1,000,000.

\*\*Client will pay indirect management and expense fees to mutual funds and ETFs when utilized in their portfolio. Please refer to “Item 5c General Information on Fees” for additional information.

Commissions: (Charged on ETF trades)

Client fee + 0.06 per share on all trades of 2,000 shares or less

**OR**

Client fee + 0.04 per share on all trades greater than 2,000 shares.

The fee you pay may change over time due to the effects of market conditions and investment performance on your account asset value. Any additions or withdrawals made in your account may also affect the fee you pay.

## **2. Managed Portfolio Solutions Program**

### ***a. Personal Portfolio Advisory Accounts***

**Fee Schedule:**

<b>Assets Managed</b>	<b>Program Fee*</b>
On first \$200,000	1.65%
On next \$800,000	1.25%
On next \$5 Million	1.00%
On next \$5 Million	0.70%
On Balance (>\$11 Million)	0.50%

\* Client will pay indirect management and expense fees to mutual funds and ETFs when utilized in their portfolio. Mutual fund trades are executed as “no load” (without commissions or sales charges). Please refer to Item 5c “General Information on Fees” for additional information.

Accounts are subject to an annual minimum fee of \$250.

The fee you pay may change over time due to the effects of market conditions and investment performance on your account asset value. Any additions or withdrawals made in your account may also affect the fee you pay.

***b. Alpha Fund Advisory***

**Fee Schedule:**

<b>Assets Managed</b>	<b>Program Fee*</b>
On first \$2 Million	1.35%
On next \$3 Million	1.00%
On next \$5 Million	0.70%
On Balance (>\$10 Million)	0.50%

\* Client will pay indirect management and expense fees to specific mutual funds utilized in their portfolio. Mutual fund trades are executed as “no load” (without commissions or sales charges). Please refer to Item 5c “General Information on Fees” for additional information.

The fee you pay may change over time due to the effects of market conditions and investment performance on your account asset value. Any additions or withdrawals made in your account may also affect the fee you pay.

**3. Institutional Retirement Plan Consulting**

Fees for ongoing investment monitoring:\*

Maximum Client fee

\$0 - \$4,999,999.....	1.00%
\$5,000,000 - \$7,999,999.....	0.75%
\$8,000,000 - \$14,999,999.....	0.50%
\$15,000,000 - \$29,999,999.....	0.40%
\$30,000,000 - \$49,000,000.....	0.30%
\$50,000,000+.....	0.25%

\*Fees are negotiable and schedule above excludes any one time fee for service projects including, but not limited to, benchmarking, vendor searches and participant communications.

If client should choose an hourly fee arrangement, the consultant’s billable rate for its registered investment advisory services is based on the services offered but shall be no less than \$250.00 per hour.

For vendor searches and benchmarking, the consultant will invoice client for a flat fee of which 50% of the invoice amount will be due upon the start of the vendor search with the balance due



upon completion. If an on-going relationship is established, vendor search fees can be rolled into the asset based fee billed to plan assets. Fee will be set on a case by case basis for vendor benchmarking and search work.

This fee schedule is subject to change upon written notice at least one billing cycle in advance. Fee schedule will generally be in effect for 3 years and reviewed annually thereafter.

#### **4. Financial Planning Services**

Financial plans prepared for clients by the Comerica Wealth Planning Department may be subject to a fee. While there is no minimum fee and it is at the discretion of the Financial Consultant and the Comerica Wealth Planning Department, any fee is negotiable. The maximum fee charged will not exceed \$5,000.

#### **B. Payment of Fees**

Wealth Management Solutions, Managed Portfolio Solutions, Institutional Retirement Plan Consulting and Financial Planning Services have different methods for payment of your fees. Clients will pay their fees as follows:

##### **1. Wealth Management Solutions Program (UMA, SMA, FORAY Accounts)**

Your advisory services fee will be deducted directly from your account. The initial fee payment to Comerica Securities will be based upon the market value of the assets in the portfolio(s) as of the last business day of the month during which the account was open. Initial fee will be charged retroactively and on a prorated basis from the date the account was opened at the percentage rate specified in the Fee Schedule document. Thereafter, fee payments shall be charged each month for the preceding month based upon the market value of all assets in the portfolio(s) as of the last business day of the preceding month. UMA and Comerica Asset Management SMA Accounts will be charged a combination of investment advisory fees plus commissions. Accounts in the FORAY Index Programs will be charged a combination of investment advisory fees plus commissions. Mutual fund purchase and sell transactions in any Wealth Management Solutions Program accounts are traded as “no load” and exempt from commission and sales charges.

##### **2. Managed Portfolio Solutions: Personal Portfolio Advisory & Alpha Fund Advisory**

Your advisory services fee will be deducted directly from your account. The initial Program Fee for the first calendar quarter (or part thereof) in which the client participates in the Program shall be calculated and debited on or before the 15th day of the month (or the next business day if the 15th is a non-business day) after initial Program Assets are placed in the Program with Pershing and shall be the Program Fee for the first calendar quarter (or part thereof) in which the client participates in the Program. The initial Program Fee for any partial calendar quarter shall be pro-

rated based on the number of calendar days in the partial quarter. Thereafter, the Program Fee shall be calculated at the beginning of each calendar quarter based on the value of Program Assets on the last business day of the prior calendar quarter. However, if an Account is opened in the last month of a calendar quarter, the Program Fee will be calculated and debited for the remaining period in the calendar quarter plus the next calendar quarter on or before the 15th day of the month (or the next business day if the 15th is a non-business day) after initial Program Assets are placed into the Program. For example, an account that opened on 3/15/12 would have fees debited on or before 04/15/12 for the periods (3/15/12 – 3/31/12) and (04/01/12 – 06/30/12). If client invests \$10,000 or more in any Account after the inception of a calendar quarter, the Program Fee for the additional amount for that quarter will be calculated and pro-rated as of the day of the additional investment. If client withdraws \$10,000 or more in any Account, a Program Fee credit for that quarter will be calculated as of the day of the withdrawal and credited back on or before the 15<sup>th</sup> of the month following the withdrawal. The Program Fee for each quarter will equal (on an annualized basis) the percentage set forth in the Fee Schedule, of the fair market value of the Program Assets in the applicable category (including interest paid or accrued) as calculated on the last business day of the previous calendar quarter. The Platform Manager will determine fair market value for Program Fee calculation purposes. Partial withdrawals from the Account will be eligible for a refund of fees paid in advance. Client agrees that excessive contributions or withdrawals, as determined by Adviser in its sole discretion, may be subject to additional charges to cover administrative costs. If the account is terminated and all Program Assets are withdrawn from the Program prior to the end of a quarter, the pro rata portion of the Program Fee will be reimbursed to client.

Please refer to the Comerica Securities Managed Portfolio Solutions Wrap Fee Program Brochure for more information.

### **3. Institutional Retirement Services**

Comerica will invoice client for services rendered quarterly in arrears based upon plan valuation as of the last business day in each calendar quarter for the plans set forth in the Consulting Agreement. Fees for services rendered shall be pro-rated on a daily basis commencing on the day on which plan assets are first managed under the Consulting Services Agreement. Payment must be received within thirty (30) days from end of quarter.

Fee shall be calculated at the annualized rate of the following schedule and paid quarterly on plan assets. 12b-1 fees, finder's fees, sub-transfer agent fees and other compensation may be used to offset stated fee utilizing commission recapture from the product provider and therefore delivering a gross-to-net pricing model.

#### **4. Financial Planning**

Comerica will invoice client for any agreed upon Financial Planning Services. Client will be billed for one-half ("1/2") of the fee at the time of service agreement. The balance will be due upon delivery of the Financial Plan.

#### **C. General Information on Fees**

Program fees paid by clients will vary between the different types of services and advisory programs they participate in. Direct fees paid by clients may include advisory fees to Comerica Securities, fees paid to wrap program sponsors, fees paid to separate asset managers, or any combination of these. Program fees do not cover charges associated with securities transactions in clients' accounts, including: (i) dealer markups, markdowns or spreads charged on transactions in over-the-counter securities; (ii) costs relating to trading in certain foreign securities; (iii) the internal charges and fees that may be imposed by investments such as mutual funds and closed-end funds, unit investment trusts, exchange-traded funds or real estate investment trusts such as fund operating expenses, management fees, redemption fees, 12b-1 fees and other fees and expenses. Further information regarding charges and fees assessed on these investments may be found in the appropriate prospectus or offering document; (iv) brokerage commissions or other charges imposed by broker-dealers or entities other than the custodian if and when trades are cleared by a broker-dealer other than Pershing in the Managed Portfolio Solutions Program; (v) the charge to carry tax lot information on transferred mutual funds or other investment vehicles, postage and handling charges, returned check charges, transfer taxes; stock exchange fees or other fees mandated by law, and (vi) any brokerage commissions or other charges, including contingent deferred sales charges ("CDSC"), imposed upon the liquidation of "in-kind assets" that are transferred into a Program. Clients should be aware that if they transfer in-kind assets into a Program, Comerica Securities, a sub-advisor or separate asset manager may liquidate such assets immediately or at a future point in time and clients may incur a brokerage commission or other charge, including a CDSC. These CDSC charges are paid directly to the fund company and Comerica Securities receives no compensation when a client is subject to a contingent deferred sales charge. Clients also may be subject to taxes when these assets are liquidated. Accordingly, you should consult with your financial consultant and tax consultant before transferring in-kind assets into a Program.

The Program Fee does not cover certain custodial fees that may be charged to clients by the custodian. Clients may be charged for specific account services, such as ACAT transfers, electronic fund and wire transfer charges, and for other optional services elected by clients. Similarly, the Program Fee does not cover certain non-brokerage-related fees such as individual retirement account trustee or custodian fees and tax-qualified retirement plan account fees and annual and termination fees for retirement accounts (such as IRAs).

Also, some mutual funds assess redemption fees to investors upon the short-term sale of its funds. Depending on the particular mutual fund, this may include sales for rebalancing purposes. Please see the prospectus for the specific mutual fund for detailed information regarding such fees. In addition, a client may incur redemption fees, when the portfolio manager to an investment strategy determines that it is in the client's overall interest, in conjunction with the stated goals of the investment strategy, to divest from certain investments prior to the expiration of any minimum holding period that may apply. Depending on the length of the redemption period, the particular investment strategy and/or market circumstances, a portfolio manager may be able to minimize any redemption fees when, in the portfolio manager's discretion, it is reasonable to allow a client to remain invested in an investment until expiration of any minimum holding period.

In addition, certain investment strategies on the Wealth Management Solutions Program will incur commission charges on trades. Please see Item 12 in this brochure which discusses Brokerage Practices. Fee schedules for each program offered by Comerica Securities are described in Item 5 "Fees and Compensation".

Custody and reporting services for the Wealth Management Solutions Program accounts (UMA, SMA, and FORAY) will be provided by Comerica Bank's Trust Department and related costs are included in the fees described above.

Custody of assets held in the Managed Portfolio Solutions Program is provided by Pershing LLC.

#### **D. Prepayment of Fees**

Comerica Securities charges fees both in advance and arrears depending on the program your account is in. Any fee that has been collected in advance will be refunded on a prorated basis. The proration refund to you will be for any days from the point of termination to the end of the billing cycle that you had prepaid. You will receive a credit back to your account for the prorated fees.

#### **E. Outside Compensation for the Sales of Securities to Clients**

1. Comerica Securities, acting as a broker dealer, is permitted to receive 12b-1 (service) fees from mutual fund companies in connection with the placement of clients into mutual fund shares. Receiving these fees from mutual fund companies presents a conflict of interest for the firm and the Financial Consultant as this provides an incentive to recommend funds based on the compensation received, rather than on your needs. In order to address this conflict of interest, Comerica Securities does not encourage or recommend to our Financial Consultants any one mutual fund over another. Additionally, when available from the fund family, Comerica

Securities will typically use a class of mutual fund shares designed for advisory accounts. This class of mutual fund shares does not pay a 12b-1 service fee back to Comerica Securities. If mutual fund shares designed for advisory accounts are not available or not used, the purchase will be done with no sales charge regardless of the type of fund class share used.

**2.** You should be aware that you are not obligated to purchase any investment products recommended to you by a Comerica Securities Financial Consultant. You can decide to purchase investment products in another account at another firm that is not affiliated with Comerica Securities.

**3.** Commissions, asset based distribution fees, sales fees or other types of compensation do not make up more than 50% of our investment advisor fee revenue.

**4.** Most accounts in the Wealth Management Solutions Program pay a commission on trades in addition to the advisory fee. Comerica Securities does not receive any portion of the commissions paid for trades executed in the Program. The advisory fee is not offset by any trading commissions paid by the account. Please review the fees and commission charges for the Wealth Management Solutions Program carefully before investing.

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

Comerica Securities does not charge advisory fees based on the capital appreciation of the funds or securities in a client account (so-called performance based fees). Our advisory fee compensation is charged only as disclosed in Item 5.

## **Item 7 – Types of Clients**

Comerica Securities generally provides investment advice to individuals, including high net worth individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, and corporations or other business entities. Our minimum account size ranges from \$50,000 to \$1,000,000 depending on the Program you enter. Please refer to Item 4, “Types of Advisory Services” for minimum account requirements in each Program.

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

### Analysis:

The different methods of analysis used by Comerica Securities, sub-advisors or separate asset managers may include a combination of the following depending on the manager; fundamental analysis, technical analysis, qualitative analysis, and quantitative methods of analysis.

*Fundamental analysis* is a method of evaluating a security in an attempt to determine a securities intrinsic value by examining related economic, financial and other quantitative factors. This includes reviewing, but is not limited to, economic conditions, industry conditions, financial statements and management review.

*Technical analysis* is a method that employs a study of past market data, primarily price and volume movements. Charts and other tools are used to identify patterns that may suggest future potential activity.

*Qualitative analysis* uses subjective judgment based on non-quantifiable information, such as industry cycles, management expertise, strength of available research, and other information that enables one to draw a conclusion as to the “quality” of the security.

*Quantitative analysis* is an assessment of specific measurable data such as debt-to-equity and price-to-earnings ratios, earnings per share, and other financial information on a security that is measurable.

Additional sources of information utilized for providing analysis and formulating investment advice may include, but are not limited to, services such as Bloomberg, Morningstar Analytics, MarketWatch, SEC filings, annual reports, third party research reports, and various financial publications.

In selecting different investments for models that are suitable for a client’s risk tolerance and financial circumstance, a portfolio manager may utilize a combination of the analysis methods described above and/or other sources of information. Regardless of which method is used or research source utilized, there is no guarantee that the investments chosen will not lose value. Any type of analysis is based on past events and only on information that is available and known. All investments, regardless of the analysis methods used, are subject to political, economic, and social conditions that may occur and cause your investments to lose market value. In addition, changes to interest rates, inflation rates, and currency exchange rates can also negatively affect the value of your investments. Any type of analysis can only predict how and when these changes may occur and there is no guarantee of accuracy in the analysis that may be the basis for certain types of investments in your portfolio.

**Investment Strategies:**

Comerica Securities utilizes strategies that revolve around the building of an asset allocation model that is appropriate to the client's objectives. In some cases, a specific allocation or completion strategy will be constructed with specific asset classes as may be appropriate for meeting the client's objectives. Investment strategies are generally long-term in nature however; short term trading strategies may be utilized in certain situations as deemed necessary by the portfolio manager. When a short term strategy is being followed, there will likely be more frequent trading of the account which can affect the performance of the account, particularly through increased brokerage and tax costs.

**Risk of Loss:**

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized (the securities were not sold to "lock in" the profit). As you know, stock, bond and other financial markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We will do our very best in the management of your assets; however, we cannot guarantee any level of performance or that you will not experience a loss of your account assets.

**Item 9 – Disciplinary Information**

On January 5, 2009, Comerica Securities was censured and fined \$750,000 by the Financial Industry Regulatory Agency ("FINRA") for the following:

Comerica Securities used materials with customer and prospective customers that were not fair and balanced and did not provide a sound basis for evaluating the facts in regard to purchases of Auction Rate Securities ("ARS"). The materials used by the firm failed to adequately disclose the risks of investing in ARS, including the risk that ARS auctions could fail, that investments in ARS could become illiquid, and that customers might be unable to obtain access to funds invested in ARS for substantial periods of time. The firm's materials made inappropriate comparisons between ARS and other materially different investments. The firm failed to establish and maintain procedures reasonably designed to ensure that it marketed and sold ARS in compliance with federal securities laws and applicable NASD and MSRB rules. The firm failed to provide adequate training to its registered representatives regarding ARS and other investments. The firm failed to establish and maintain procedures reasonably designed to ensure that marketing and sale of ARS materials complied with the appropriate disclosure standards in NASD rules 2210, 2211, and MSRB rule G-21.

On August 8, 2007, Comerica Securities was censured and fined \$7,500 by FINRA for the following:

NASD rule 6230(a) - respondent member failed to report to the trade reporting and compliance engine (TRACE) transactions in trace-eligible securities executed on a business day during trace system hours within 30 minutes of the time of execution.

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

1. Comerica Securities is a registered broker-dealer in securities. Our broker-dealer activities produce approximately 95% of our revenues.
2. Neither Comerica Securities nor any of its management persons are registered as a futures commission merchant, commodity pool operator or a commodity trading advisor.
3. Comerica Securities is a subsidiary of Comerica Bank which is a wholly-owned subsidiary of Comerica Incorporated, a financial services company headquartered in Dallas, Texas. Through common control and ownership, Comerica Securities is an affiliate with Wilson, Kemp & Associates, Inc., which is also an investment adviser (SEC File No. 801-15182). Comerica Securities is also an affiliate, through common control and ownership, with World Asset Management, Inc. (“WAM”), a SEC registered investment adviser (SEC File No. 801-67327). WAM and Wilson Kemp’s principal business address is 255 East Brown Street, Suite 250, Birmingham, MI 48009.

WAM serves as the sub-adviser to the Munder S&P 500 Index Fund. Munder Funds are one of the fund families maintained on the Comerica Securities approved mutual fund list. Because WAM receives sub-advisory fees from Munder funds and Comerica Securities may select or recommend one or more Munder funds in any of its investment programs that allow, or are designed for mutual fund products, there is the potential for Comerica Securities to have an incentive to recommend or place Munder funds in client portfolios and therefore, an inherent conflict of interest exists with this relationship. To address this conflict, Munder is one of approximately 30 fund families approved for use in our investment advisory programs. The firm does not promote Munder Funds over any other fund family on the approved list and Financial Consultants do not receive any additional compensation for using Munder funds in their client accounts.

Comerica Securities also uses two custodians, Pershing LLC, a non-affiliated company, and Comerica Bank, which is an affiliate. This relationship creates a potential conflict to use the Program with Comerica Bank as custodian because of our affiliation. However, Comerica Securities does not endorse one custodian over another with our Financial Consultants. As



described in this brochure, the Financial Consultant will only recommend a particular Program after compiling pertinent financial and demographic information from the client in order to determine which Program may be best suited to the clients' needs. The Financial Consultant does not receive any type of incentive, financial or otherwise, to place their client with a Program that uses Comerica Bank as custodian.

All Financial Consultants providing investment advisory services are also registered representatives of Comerica Securities broker-dealer, which creates an inherent conflict of interest. Financial Consultants are paid on a commission basis for trades in their broker-dealer client accounts. Trading and account management in the commission-based accounts may be in direct conflict to trades that may be recommended in your advisory account. Commission-based brokerage accounts may also receive trade execution prices that are higher or lower than your execution prices. While these inherent conflicts exist, your Financial Consultant continues to have a fiduciary obligation to you as your advisor and must comply with all provisions outlined in the Comerica Securities Code of Ethics.

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

A. Comerica Securities has adopted a Code of Ethics that complies with SEC Rule 204A-1. This Code governs the personal securities trading activities of Comerica Securities' "Supervised Persons", which include any manager, employee or other person who provides investment advice on behalf of Comerica Securities and who is subject to supervision and control by Comerica Securities. The Code recognizes that all Supervised Persons owe a fiduciary duty to the clients of Comerica Securities, including a duty to conduct their personal securities transactions in a manner that does not interfere with the transactions of a client or otherwise take unfair advantage of the relationship with a client.

Our Code includes the following:

- Specific principles of conduct
- Prohibitions on:
  - Insider trading (if we are in possession of material, non-public information);
  - Rumor mongering;
  - The acceptance of gifts and entertainment that exceed our policy standards;
- Reporting of gifts and business entertainment;
- Reporting all personal securities transactions (what we call "reportable securities" as mandated by regulation);
- Pre-clearance for certain securities transactions by a Supervised Person,

- On an annual basis, we require all employees to re-certify to our Code

### ***Comerica Privacy Policy***

Comerica has always placed a high priority on protecting the personal information you provide us. We collect and may use personal information such as:

- Information that we receive from you on applications, forms, online, or other correspondence, such as your name, address, phone number, e-mail address, assets and income.
- Information about your transactions with us, such as account balance, location of transactions, parties to transactions, and payment history.
- Information that we receive from others that you have authorized us to obtain such as credit reports.
- Information provided by your browser when you visit our Web sites and your browser interacts with us.

The information described above may be shared within the Comerica family and with selected parties outside the Comerica family. This sharing is carefully limited for business purposes and our commitment is to continue to protect your right to privacy, even beyond the laws and regulations that protect you. Our Privacy Notice fully describes the policies, safeguards, and guidelines we follow to protect your privacy. The notice is provided at the time you establish an account and annually thereafter.

A copy of our Adviser's Code of Ethics and/or Privacy Policy will be provided to any client or prospective client who requests one, without charge. If you would like to obtain a copy of the Comerica Securities Inc. Code of Ethics, please contact the Comerica Securities Chief Compliance Officer, in writing at; Comerica Securities Inc., MC 3137, 201 West Fort Street, Detroit, MI 48226 or by calling 313-222-7402 with your request.

Comerica Securities does not recommend clients buy or sell any security in which our firm, or any related person, has a material financial interest.

**B.** From time to time, employees of Comerica Securities and related persons of Comerica Securities, which are banking subsidiaries of Comerica, Incorporated, may purchase or sell securities for their own accounts which Comerica Securities may recommend to its clients. However, Comerica Securities and related persons have established internal trading policies that are designed to prevent the timing of transactions influencing the market prices at which trades are made on behalf of Comerica Securities clients.

C. From time to time, Financial Consultants of Comerica Securities may buy or sell securities for themselves at the same time as clients. When trading for themselves, Financial Consultants will always transact client trades before their own when similar securities are bought or sold. The Comerica Securities Code of Ethics addresses this issue and other fiduciary provisions that all Financial Consultants must comply with.

## **Item 12 – Brokerage Practices**

### **A. General Considerations – Selecting Brokers for Client transactions and commission charges**

Comerica Securities, as a dually registered broker-dealer and investment adviser, derives the majority of our revenue from broker-dealer activities. As a broker-dealer, we have a clearing agreement with Pershing LLC to execute trades for the firm for both broker-dealer commission accounts and for our advisory accounts utilizing Pershing as custodian. For all accounts in the Managed Portfolio Solutions Program, trade execution services are provided by Pershing, LLC.

As all trades are directed to Pershing in the Managed Portfolio Solutions Program, clients may not receive the benefit of the lowest trade price then available for any particular transactions. Please refer to the “Best Execution Policy” section below for additional information on Comerica Securities best execution practices.

For a description of the broker/dealer selection practice for trades executed on behalf of clients in the Wealth Management Solutions Program, refer to Item 12A.1 section entitled, “Soft Dollar Practices”.

#### ***Best Execution Policy***

“Best Execution” means that Comerica Securities will execute securities transactions for clients in such a manner that the client’s total costs or proceeds in the transaction are the most favorable under the circumstances. In assessing whether this standard is met, Comerica Securities will conduct periodic reviews of brokers utilized for executing trades to include, but not limited to, the broker-dealer's execution services and quality, trading expertise, any research services provided, accuracy of execution, fairness in resolving disputes, order handling capacity, financial responsibility, commission rates, and responsiveness of the broker-dealer.

In addition to factors outlined above, Comerica Securities will conduct periodic reviews of trade executions that will include order flow metrics from executing brokers. This review will include information such as, but not limited to, average speed of order execution, average difference

between the national best bid and offer at the time of order receipt, and the total dollar value of price improvements received on executed orders.

For accounts utilizing sub-advisors or separately managed accounts, please refer to their Form ADV for additional information on their trading policies.

## **Research and Other Soft Dollar Benefits**

### ***1. Soft Dollar Practices***

With respect to the Wealth Management Solutions Program, Comerica Securities uses the services of the Trust Department of Comerica Bank as custodian of the accounts for recordkeeping services. For most (not externally managed SMA accounts) WMS accounts, client investment advice is provided by Comerica Securities with Comerica Asset Management, (“CAM”), as sub-advisor. CAM provides model strategies for the WMS and FORAY accounts on the platform. The Trust Department of Comerica Bank utilizes the execution services of SEI Investments Inc. (“SEI”) as its broker for all equity trades in connection with the WMS UMA accounts and FORAY Index accounts. The decision to utilize this preferred broker is based upon the service provided to WMS clients of Comerica Securities, CAM and the Trust Department of Comerica Bank. While it is possible that clients may pay higher commissions or transaction fees through SEI, CAM and Comerica Bank have determined that SEI currently offers the best overall value to them and their clients in the WMS accounts for the brokerage and technology it provides.

CAM, as sub-advisor to the WMS accounts, has available to them through SEI, certain research products and services of the type commonly known as “soft dollar arrangements”. The research provided to Comerica Asset Management and Comerica Bank includes research reports on companies, industries and securities, economic and financial data, financial publications and other research services. The research provided is both proprietary to SEI or may be provided by third party brokers and analysts for which SEI is directed and responsible to pay on behalf of Comerica Asset Management and Comerica Bank.

The research services provided to Comerica Asset Management and Comerica Bank are intended to be used by the portfolio managers and overlay managers of the Comerica Securities WMS accounts. The types of products and services acquired by Comerica Asset Management and Comerica Bank with our client brokerage commissions in the WMS accounts include, but are not limited to:

- Market News and Research from sources such as Barra Analytics, Bloomberg, Decision Economics, Dow Jones & Company, Folio Dynamix, Informa Solutions, Lipper, Morningstar, Standard & Poors, Thomson Financial, and Value Line.

- Quote Services from the New York Stock Exchange, Thomson Financial – Municipal Market Data, and Options Price Reporting Agency.
- Investment performance data from Informa Solutions/Investment Scorecard.
- Proxy services from Institutional Shareholder Services/Risk Metrics.

Such information, however, may not be useful to all WMS accounts and may not be equally distributed based the amount of commissions that may be paid by each account in the Program. (Accounts in the Managed Portfolio Solutions Program do not pay trade commissions and therefore, do not receive these soft dollar benefits). The purpose of this sharing of research information is to avoid duplicative charges for research provided by broker/dealers. The use of soft dollars for these products and services results in a cost savings to Comerica Securities. Comerica Securities believes that this arrangement is within the safe harbor for soft dollar arrangements provided by Section 28(e) of the Exchange Act of 1934 and that the amount of commission paid is reasonable in relation to the value of the brokerage and research services provided by SEI. Further, Comerica Securities believes that this arrangement satisfies its requirement for best execution.

Our sub-advisor, Comerica Asset Management, utilizes software provided by SunGard and FolioDynamix. External or outside managers in the Wealth Management Solutions Program that manage separate accounts (SMA), interface with the trading systems provided by SunGard. As a result, trades for SMA accounts with outside managers are executed through SunGard Institutional Brokerage Inc. (“SIBI”). For these SMA accounts please refer to the outside managers Form ADV for additional information on their soft dollar practices.

## **2. Brokerage for Client Referrals**

Comerica Securities does not obtain referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. Directed Brokerage**

Comerica Securities is a registered broker/dealer, and all trades for its investment advisor accounts held in custody at Pershing LLC are placed through Pershing LLC, our clearing firm. Wealth Management Solutions UMA, Comerica Managed SMA and FORAY Index Program account trades are placed by the Trust Department of Comerica Bank through SEI Investments Incorporated. Additionally, some fixed-income trades for the Wealth Management Solutions Program may be placed through Comerica Securities and executed through Pershing LLC or placed with Munder Capital Management for execution. Wealth Management Solutions externally managed SMA Program account trades are placed through SunGard Institutional Brokerage. As all trades are directed to Pershing, SEI, SunGard or Munder, clients may not receive the benefit of the lowest trade price then available for any particular transactions. As a

result, this practice may cost you more money in form of transaction costs. Comerica Securities does not allow clients to choose the broker/dealer for any transaction.

## **B. Aggregation and Allocation of Transactions**

Trades executed for accounts in the Personal Portfolio Advisory program are typically placed on an account by account basis. Trades are not aggregated by Comerica Securities when placed for execution through Pershing LLC. However, Pershing may aggregate trades when providing execution services to our clients to achieve best execution. Since trades are not aggregated, client accounts trading the same securities on the same day, may receive different prices. For accounts that trade mutual funds, such as accounts in the Alpha Fund Advisory Program, trade aggregation does not garner any client benefit and clients all receive the same price for the same fund traded on the same day.

For Wealth Management Solutions accounts that are subject to paying commissions on certain trades, our sub-adviser, Comerica Asset Management (CAM), provides trade aggregation for the purposes of receiving the lowest commission rate available. CAM utilizes “Smartleaf” trading software and trades that are entered into the system are released every 30 minutes for execution. Trades will only be blocked within each 30 minute batch to reach the 2,000 share breakpoint on commissions. CAM strives to place all trades for an account only once during the same day and execute model changes at one time, not throughout the day, to maximize the benefit of potential block trades. However, if it becomes necessary to place an additional trade for an account at another time in the day, or on another day, that trade would only be blocked with those trades entered during that 30 minute period and the commission rate would not change based on trades placed outside that batch for the same account.

Sub-advisors and external managers may aggregate client trades with their own trades or trades for other clients. See each manager Form ADV for any policies they may have regarding aggregation of trades.

## **C. Principal Trading**

Comerica Securities will generally act as agent, not principal, when executing transactions for our advisory clients. (A principal trade is when we sell you a security from our own account or buy a security from you to hold in our own account). Principal trades may be subject to a dealer spread (i.e., the difference between the bid and the offer price), which may result in compensation or additional benefit to us. This compensation or additional benefit creates a conflict of interest and may give us an incentive to recommend transactions in securities that we have in our own inventory and that may be otherwise difficult to sell. In the event that we conduct principal trades for our advisory clients, we will obtain your prior written consent before executing a principal trade in your account.

#### **D. Cross Transactions – Agency Cross Transactions**

It is the practice of Comerica Securities not to engage in agency cross transactions for our investment advisory accounts. (An agency cross transaction is when we arrange for one client to buy the same security that is being sold from another clients account). While we do not engage in agency cross transactions, it is not prohibited by our policy. In the event that we conduct agency cross trades for our advisory clients, we will obtain your prior written consent before executing a cross trade in your account.

#### **E. Trading Error Corrections**

It is the policy of Comerica Securities to handle trading errors so that the affected client and all other clients are in the same position as they would have been had the error not occurred, to the extent reasonably practical. In addition, costs associated with correcting the error will generally not be passed on to the client. However, whenever it is determined that the error was a direct result of the client's actions, Comerica Securities may use its discretion to absorb the cost or charge the client directly in whole or in part. If a trade error results in a net gain that is not directly attributable to a client's actions, Comerica Securities has a Trade Error Account to retain such gains to offset any future losses for which the firm is responsible. Client will retain any gains that are attributable to the client's actions. Comerica Securities does not anticipate that the number of such trade errors or the amount of such resulting gains will be material. In addition, costs associated with correcting the errors will not be passed on to the client, whether directly or indirectly and Comerica Securities does not correct errors by using soft dollars.

Promptly following correction of a trading error (including an error that results in a gain for a client), the applicable trader or portfolio manager shall complete a Trading Error Report which collects detailed information about the error including, how it happened, how it was corrected, and the resulting gain or loss. The completed form must then be approved by the applicable department head.

### **Item 13 – Review of Accounts**

Upon acceptance into the program of choice, each account is reviewed by a principal of Comerica Securities. The investment policy statement and investment advisory agreement will be presented to the appropriate principal for review and approval. Upon the principal's approval, the account is officially accepted into the program.

All accounts in programs offered by Comerica Securities are periodically reviewed. Reviews are conducted to ensure conformity to investment policy guidelines; established asset allocation strategies and the stated needs and objectives of each individual client. Accounts are reviewed at

least annually and as market conditions warrant. Factors that may trigger a periodic review include market, economic or political events and changes to a client's personal and financial situation such as retirement, inheritance, divorce and any other significant life events.

Financial Consultants will review client accounts regularly, but at least yearly, to ensure that the accounts are meeting the investment policy guidelines and recommended asset allocation. At this time, Financial Consultants may make recommendations for account rebalancing or reallocation as appropriate. As part of the programs, clients will receive statements at least quarterly and reporting of their account's performance and progress through quarterly performance reports. The quarterly performance reports for advisory accounts are produced by third party vendors and quarterly performance information is not verified for accuracy by Comerica Securities or any other third party.

In order to ensure that the Investment Program continues to meet the clients' objectives, each client is advised on a quarterly basis to provide the Comerica Securities Financial Consultant with updated information regarding the client's financial condition and investment constraints whenever material changes occur. The Financial Consultant will in turn, use this information, or convey this information if applicable, to the program provider or the appropriate asset manager. Appropriate changes will be recommended or made to the account if necessary. Should a client have questions about the management of their account, they are encouraged to contact their Comerica Securities Financial Consultant directly.

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

Comerica Securities has in place a solicitor referral arrangement with affiliates of Comerica Incorporated. Clients may be referred to Comerica Securities by an affiliate of Comerica Inc. pursuant to a written agreement between the Advisor and the Comerica affiliated person.

Comerica Securities maintains written agreements with employees of Comerica Inc. or other Comerica affiliates who may be compensated by Comerica Securities for introducing prospective clients. These employees may receive a portion of the advisory fee charged by Comerica Securities if the prospective client engages in an investment advisory relationship. In accordance with SEC Rule 206(4)-3, the client will be provided with a written disclosure statement describing the referral relationship at the time of the referral.



## **Item 15 – Custody**

Comerica Securities utilizes qualified custodians to hold our clients' funds and securities. Under SEC rules, a qualified custodian can be a bank that is supervised by a federal banking agency or a broker-dealer that is registered with the SEC. Comerica Securities investment advisory accounts in the Managed Portfolio Solutions Program are held in custody with Pershing, LLC, a registered broker-dealer. Investment Advisory accounts in the Wealth Management Solutions Program are held in custody at Comerica Bank. While Comerica Securities does not directly hold any client funds or securities, our affiliation with Comerica Bank deems us to have custody of assets under these programs. As a result of this affiliation, Comerica Securities is required to undergo an annual inspection by an independent public accountant of client accounts held by Comerica Bank.

Your account statements will be sent directly to you from the respective custodian and you should carefully review your statements when they are received.

## **Item 16 – Investment Discretion**

Investment discretion may be utilized by the professional asset managers and/or overlay managers, when applicable, in the Wealth Management Solutions Program. Discretionary authority is granted by the client when the account agreement/Terms and Conditions and IPS are signed. This discretion is a limited power of attorney with respect to the buying and selling of securities within your account.

Accounts in the Alpha Fund Advisory program are also traded on a discretionary basis. There are a limited number of pre-existing accounts in the Managed Portfolio Solutions Personal Portfolio Advisory Program with the Financial Consultant exercising discretion. At this time, Comerica Securities is only opening non-discretionary accounts in the Personal Portfolio Advisory Program. In order for a Financial Consultant (FC) to enroll new clients in the Personal Portfolio Advisory Program, they must have, or be working toward, one of the following; a Certified Financial Planner™ or CFP® designation, Chartered Financial Analyst® or CFA® designation, Accredited Asset Management Specialist<sup>SM</sup> or AAMS® designation, or an Accredited Wealth Management Advisor or AWMA designation. (Additional information on these professional designations is provided in the Comerica Securities Managed Portfolio Solutions Wrap Fee Program Brochure)

Clients may impose restrictions on investing in certain securities within their accounts in accordance with their preferences, beliefs and values. However, if the restriction imposed by the client prevents Comerica Securities, or any other manager, from properly servicing or

maintaining the proper allocation in the account, Comerica Securities, or any other manager, reserves the right to terminate the account relationship.

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

Comerica Securities recognizes that the act of managing equity assets of clients includes the voting of proxies related to these securities. Comerica Securities has adopted and implemented proxy voting policies and procedures reasonably designed to ensure that proxies are voted in the best interests of our clients. Unless you instruct Comerica Securities otherwise, proxy voting for your account(s) will be handled by a third-party company who Comerica Securities, sub-advisor or manager has retained for voting client proxies. Proxy voting for our investment advisory accounts is handled by Glass Lewis & Co. (Glass Lewis). Glass Lewis is a leading, independent provider of global proxy research and voting recommendations. If a client has a proxy-voting policy or has a preference for how a particular proxy should be voted, and instructs us in writing to follow it, we will comply with the client's instructions except when doing so would be contrary to the client's best economic interests or would otherwise be imprudent or illegal. Where a client has delegated the power to vote portfolio securities in his or her account, Comerica Securities or their proxy designee, will vote the proxies in a manner that is in the best interests of the client with a view to enhancing the value of the securities held in the client account.

Clients may, without charge, request a copy of the Proxy Policy or information about how Comerica Securities or our designee voted proxies relating to securities held in their accounts by contacting, in writing, the Chief Compliance Officer, Comerica Securities Inc., MC 3137, 201 West Fort Street, Detroit, MI 48226 or by calling 313-222-7402.

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

Comerica Securities does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure. No financial conditions exist that are likely to reasonably impair our ability to meet any contractual conditions to our clients. Neither Comerica Securities nor its management has been the subject of a bankruptcy petition in the last 10 years.

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

This section is not applicable to Comerica Securities, Inc. as it is an SEC registered investment adviser.

### **Supplemental Brochures (Form ADV Part II)**

At the time you received this brochure, you should have received an “ADV Supplemental Brochure” which contains background information and the business experience of your Financial Consultant. If you did not receive the supplemental brochure, please contact us at 1-800-232-6983.

The following information pertains to the Portfolio Managers for the Alpha Fund Advisory and FORAY Programs. These managers are not employees of Comerica Securities as they are employed by our affiliated sub-advisor, Comerica Asset Management:

Alan J. Ochalek, CFA, CAIA, CIPM  
Vice President – Sr. Portfolio Manager  
255 East Brown Street  
Birmingham, MI 48009  
248-594-5200  
ajochalek@comerica.com

March 30, 2012

*This brochure supplement provides information about Alan J. Ochalek that supplements the Comerica Securities, Inc. Brochure (ADV Part II). You should have received a copy of that brochure. Please contact Alan J. Ochalek if you did not receive our brochure or if you have any questions related to the brochure or this supplement.*

*Additional information about Alan J. Ochalek is available on the SEC’s website at  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

## **Educational Background and Business Experience**

Alan J. Ochalek, CFA, CAIA, CIPM: Born 1951, earned a Bachelor of Arts Degree from Michigan State University and a Masters of Arts Degree from Wayne State University. Alan has been with Comerica Asset Management since 2006. Alan holds the Chartered Financial Analyst® (CFA), Chartered Alternative Investment Analyst (CAIA) and Certificate in Investment Performance Measurement (CIPM) designations.

The Chartered Financial Analyst® designation charter is issued by the CFA Institute. To earn the CFA charter, candidates must hold a bachelor's degree, have four years of qualified investment work experience; become a member of the CFA Institute (the global association of investment professionals that administers the CFA charter), pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis; apply for membership to a local CFA member society; and complete the CFA Program. The CFA Program is a globally recognized, graduate level curriculum that provides the candidate with a foundation for real-world investment analysis and portfolio management skills. It also emphasizes the highest ethical and professional standards. The Program is organized into three levels covering areas such as accounting, economics, ethics, money management and security analysis with each culminating in a six-hour exam. Completing the entire Program is a significant challenge that takes most candidates between two and five years to complete.

The CAIA designation, recognized globally, is administered by the Chartered Alternative Investment Analyst Association and requires a comprehensive understanding of core and advanced concepts regarding alternative investments, structures, and ethical obligations. To qualify for the CAIA designation, finance professionals must complete a self-directed, comprehensive course of study on risk-return attributes of institutional quality alternative assets; pass both the Level I and Level II CAIA examinations at global, proctored testing centers; attest annually to the terms of the Member Agreement; and hold a US bachelor's degree (or equivalent) plus have at least one year of professional experience or have four years of professional experience. Professional experience includes full-time employment in a professional capacity within the regulatory, banking, financial, or related fields. Once a qualified candidate completes the CAIA program, he or she may apply for CAIA membership and the right to use the CAIA designation, providing an opportunity to access ongoing educational opportunities.

The CIPM certification program consists of a “Principles” level and an “Expert” level curriculum. The online self-directed curriculum is offered through the CFA Institute, which is a global association of investment professionals. To earn the certificate, a candidate must enroll and pass two exams, become a regular member of the CIPM Association, and meet professional experience requirements. The two exams test ethical and professional standards, performance

measurement, attribution, and appraisal and the Global Investment Performance Standards (GIPS). The Principles level emphasizes the conceptual foundations of performance measurement, attribution, and appraisal as well as the provisions of the GIPS standards. The Expert level emphasizes performance evaluation and presentation, including application of the appropriate tools and inputs in more complex situations and the GIPS Guidance Statements. There are two exam periods per year, so it is possible to complete the program in one year.

Mr. Ochalek also holds the following licenses:

FINRA - Series 7, 63 and 65

### **Disciplinary History**

No disciplinary history to disclose. Please refer to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) for any reportable disclosures.

### **Other Business Activities**

None.

### **Additional Compensation**

None.

### **Supervision**

Comerica Asset Management (CAM), as sub-advisor to Comerica Securities, has policies and procedures in place regarding the construction of portfolios and due diligence processes for the selection and replacement of fund choices for client accounts. Managers for the sub-advisor are supervised directly by the Chief Investment Officer of CAM and for additional oversight, the sub-advisor managers are members of a committee chaired by the Sr. Vice President of Product Management for Comerica Securities that involves the review of due diligence on the investment choices for client accounts.

Comerica Securities also reviews composite portfolios constructed by CAM against a set of benchmarks and reviews individual client accounts on a periodic basis for activity and performance.

Mr. Ochalek's supervisor is Dennis Johnson, Senior Vice President and Chief Investment Officer of Comerica Asset Management. He can be reached at (248) 594-5200.

The information provided in this brochure supplement pertains to:

Mike M. Skoric, CFA  
Vice President – Sr. Portfolio Manager  
255 East Brown Street  
Birmingham, MI 48009  
248-594-5200  
mmskoric@comerica.com

March 30, 2012

*This brochure supplement provides information about Mike M. Skoric that supplements the Comerica Securities, Inc. Brochure (ADV Part II). You should have received a copy of that brochure. Please contact Mike M. Skoric if you did not receive our brochure or if you have any questions related to the brochure or this supplement.*

*Additional information about Mike M. Skoric is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

## **Educational Background and Business Experience**

Mike M. Skoric, CFA: Born 1967, earned a Bachelor's Degree from Walsh College and a Masters of Business Administration with an International Business concentration from Wayne State University. Mike has been with Comerica Asset Management since 2003. Mike holds the Chartered Financial Analyst<sup>®</sup> (CFA) designation.

The Chartered Financial Analyst<sup>®</sup> designation charter is issued by the CFA Institute. To earn the CFA charter, candidates must hold a bachelor's degree, have four years of qualified investment work experience; become a member of the CFA Institute (the global association of investment professionals that administers the CFA charter), pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis; apply for membership to a local CFA member society; and complete the CFA Program. The CFA Program is a globally recognized, graduate level curriculum that provides the candidate with a foundation for real-world investment analysis and portfolio management skills. It also emphasizes the highest ethical and professional standards. The Program is organized into three levels covering areas such as accounting, economics, ethics, money management and security analysis with each culminating in a six-hour exam. Completing the entire Program is a significant challenge that takes most candidates between two and five years to complete.

Mr. Skoric also holds the following licenses:

FINRA - Series 7 and 63

### **Disciplinary History**

No disciplinary history to disclose. Please refer to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) for any reportable disclosures.

### **Other Business Activities**

None.

### **Additional Compensation**

None.

### **Supervision**

Comerica Asset Management (CAM), as sub-advisor to Comerica Securities, has policies and procedures in place regarding the construction of portfolios and due diligence processes for the selection and replacement of fund choices for client accounts. Managers for the sub-advisor are supervised directly by the Chief Investment Officer of CAM and for additional oversight, the sub-advisor managers are members of a committee chaired by the Sr. Vice President of Product Management for Comerica Securities that involves the review of due diligence on the investment choices for client accounts.

Comerica Securities also reviews composite portfolios constructed by CAM against a set of benchmarks and reviews individual client accounts on a periodic basis for activity and performance.

Mr. Skoric's supervisor is Dennis Johnson, Senior Vice President and Chief Investment Officer of Comerica Asset Management. He can be reached at (248) 594-5200.