

Item 1 – Cover Page

Great American Advisors[®], Inc.

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March 29, 2012

This Brochure provides information about the qualifications and business practices of Great American Advisors[®], Inc. If you have any questions about the contents of this Brochure, please contact us at 800-216-3354. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Great American Advisors[®], Inc. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Great American Advisors[®], Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

This is an amendment filing relating to the Part 2A of our Form ADV. This filing is made as of March 29, 2012.

Great American Advisors filed an update to this brochure on December 22, 2011. The only material changes that have been made to the brochure since the filing of the December 22, 2011 are summarized below:

- Change type of registration from being a SEC Registered Investment Advisor to being an Ohio Registered Investment Advisor also registered in a small number of other states.
- Item 4 – Updated the assets under advisement to \$20,598,278 as of March 26, 2012.
- Item 5 – Expanded the descriptions of Fees and Compensation to provide better clarity. Also described who controls and benefits from each type of fee and under what conditions, if any, each type of fee might be negotiable. Also added additional disclosure of potential Conflicts of Interest.
- Item 8 – Revised descriptions of Methods of Analysis to provide better clarity about the selection of mutual funds to be included in the program. Added discussion about the risks associated with mutual fund investing. Also added discussion about the risks associated with target-risk portfolios.
- Item 9 – Added information regarding GAA's recent Acceptance, Waiver and Consent to a FINRA fine and sanction related to excessive mark-ups in certain bond trades.
- Item 10 – Increased the descriptions of other business activities involving the firm or its affiliates and the potential Conflicts of Interest that those other activities may pose.
- Item 11 – Expanded the discussion of potential Conflicts of Interest and discussed whether or not the firm or its representatives could benefit from participating in client transactions, following the same investment decisions for their own benefit, or not following the same advice given to clients.
- Item 12 – Added description of the process utilized in selecting the Custodian and Broker Dealer involved in the Program. Specifically declared that GAA would not

serve as Broker Dealer to execute transactions for any employer plan that receives investment advisory services from GAA. Stated that the Program does not allow self-directed brokerage.

- Item 13 – Added descriptions of the contents of the annual and quarterly reports provided by GAA to the employer plan sponsors in the Program..
- Item 14 – Added disclosures of potential Conflicts of Interest that may arise due to the use of Solicitors in delivery of services to the employer plans sponsors and their plan participants.
- Item 19 – Added disclosure of the multiple roles and registrations carried by GAA’s executives and the potential for Conflicts of Interest. Repeated the discussion of GAA’s affiliates and other business activities form Section 10.

When we make updates to this Disclosure Brochure, we will either send you a copy or offer to send you a copy (either by electronic means or in hard copy form).

Our Disclosure Brochure may be requested by contacting Peter Nerone, Chief Compliance Officer, at 800-216-3354, extension 11525 or pnerone@gafri.com. Our Brochure is also available on our web site www.gaadvisors.com, also free of charge.

Interested parties may find additional information about Great American Advisors®, Inc. by visiting the SEC’s web site, www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Great American Advisors®, Inc. who are registered, or are required to be registered, as investment adviser representatives of Great American Advisors®, Inc.

Item 3 -Table of Contents

Item 1 – Cover Page.....	i
Item 2 – Material Changes	ii
Item 3 -Table of Contents.....	iv
Item 4 – Advisory Business	1
Item 5 – Fees and Compensation	2
Item 6 – Performance-Based Fees and Side-By-Side Management.....	6
Item 7 – Types of Clients	6
Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss	6
Item 9 – Disciplinary Information	10
Item 10 – Other Financial Industry Activities and Affiliations.....	11
Item 11 – Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	13
Item 12 – Brokerage Practices	14
Item 13 – Review of Accounts	15
Item 14 – Client Referrals and Other Compensation	15
Item 15 – Custody	16
Item 16 – Investment Discretion	16
Item 17 – Voting Client Securities	16
Item 18 – Financial Information.....	17
Item 19 – Requirements for State-Registered Advisers.....	17
Brochure Supplement(s)	

Item 4 – Advisory Business

Great American Advisors, Inc. (“GAA”) has been operating as a Registered Investment Advisor since 2000. GAA is also a registered broker-dealer and member of the Financial Industry Regulatory Authority (“FINRA”). GAA is also an insurance agency. Interested parties may refer to Item 10 – Other Financial Industry Activities and Affiliations for further information.

GAA is a wholly-owned subsidiary of Great American Financial Resources, Inc. and is affiliated with Great American Insurance Company, AFC Holding Company, American Financial Corporation and American Financial Group, Inc. American Financial Group, Inc. is a publicly traded corporation (NYSE: AFG).

GAA offers professional investment advice to employer sponsored group retirement plans through its Great American Fund Connection Program (“The Program”).

Investment Adviser Representatives of other registered investment advisor firms may solicit business for GAA by referring potential employer customers to GAA. GAA refers to those other firms as “Solicitors”. In addition to referring GAA’s services to Employers or plan trustees, these Solicitors provide several onsite services including enrollment assistance, investment education, periodic meetings with employers and professional guidance to employers and employees.

The Solicitors are compensated from the Representative Services Fees collected from the employers, their plan assets, or the assets of the individual participants in accordance with Schedule A of the Investment Services Agreement of the employer plan with GAA. The activities of the Solicitors are described in general terms within the Investment Services Agreement. Each Solicitor associated with each employer plan is specifically identified in a Solicitation of Disclosure Form and Acknowledgement of Receipt document executed by the employer plan and Solicitor.

The Program offers to participants of each employer plan a mutual fund platform designed for use with group retirement plans. GAA establishes a limited list of mutual funds (“Core Funds”) for participants to use in allocating their assets within the employer plan. The list of Core Funds selected by GAA within the Program will generally cover most major equity and fixed-income asset classes. GAA may accommodate certain employer plan requests to modify the list of Core Funds made available to their participants.

GAA regularly monitors the list of Core Funds and may periodically modify the list if it believes that such changes would be beneficial to the participants of the employer plans.

GAA will promptly notify the designated contact of each employer plan of any changes being made and the reason for those changes. GAA may also offer investment consulting services respective to the development and maintenance of some Target Risk Portfolios within the Program. The Target Risk Portfolios include a variety of funds from the list of Core Funds and may also include some specialty funds that are not otherwise available to participants that self-direct their investment allocation. The purpose of such Target Risk Portfolios is to assist Participants in making strategic asset allocation decisions. GAA will monitor the Target Risk Portfolios and adjust the allocations on a discretionary basis in an effort to meet the stated Target Risk Portfolios investment objective.

Participants may elect to direct retirement contributions to either the selected mutual funds from the list of Core Funds, or to one of the Target Risk Portfolios. Participants may not elect to direct retirement contributions to both the selected mutual funds and to Target Risk Portfolios concurrently. Participants may change their future contributions to or from the selected mutual funds or Target Risk Portfolios at any time.

As of March 26, 2012, GAA managed \$20,598,278 in assets on a discretionary basis.

Item 5 – Fees and Compensation

The Program is specifically designed for employer-sponsored retirement plans that are, or closely resemble, defined contribution plans as defined by the Internal Revenue Service. The fees are documented on the Schedule A of the Investment Services Agreement each employer plan has with GAA and may be revised by mutual consent while the Investment Services Agreement is in place. The fee schedule for the employer plan is applied uniformly to all participants within the plan. The majority of the employer plans currently using the Program authorize the fees to be deducted from participant accounts by the Custodian for the plan.

The types of fees included in each plan typically are;

- 1) Fees based upon a percentage of assets,
- 2) Fixed, period fees for each Participant account,
- 3) Specific fees for processing withdrawals, loans or other ancillary services, and
- 4) Fees deducted for Third-party Administrative Services contracted by the employer plan.

Asset-Based Fees are charged for the following services:

- **Custodial Fee** – This fee is charged by the Custodian, MG Trust Company for its services to the employer plans. GAA does not receive any portion of this fee. The fee is charged at an annual rate of 0.06% and applied quarterly based on assets valued at the close on the final day of the preceding calendar quarter. The employer plan may elect to pay the fee directly but most employer plans elect to have the fee deducted by the Custodian from the employer plan participant accounts. GAA does not know this fee to be negotiable.

The Custodian is responsible for selecting and compensating a Broker Dealer to execute trades for the employer plans. The Custodian uses its affiliate, Matrix Settlement and Clearance Services, Inc. as the Broker Dealer. The Custodian's use of its affiliate Broker Dealer may constitute a potential conflict of interest. GAA believes that the expenses charged by the Broker Dealer, either directly to the employer plan or indirectly par the Custodian are fair and reasonable.

GAA is not affiliated with the Custodian and does not exercise any control over the Custodian's selection of the Broker Dealer. Although GAA is also registered as a Broker Dealer GAA does not and will not serve as a Broker Dealer to an employer plan that has an active Investment Services Agreement with GAA.

Although the Custodial Fee is charged by the Custodian, GAA still discloses the fee on the Schedule A of the Investment Services Agreement between GAA and the employer plan and in this brochure as a convenience to the employer plan.

- **Investment Services Fee** – The Investment Services Fee is charged by GAA at an annual rate of 0.44% and applied quarterly based on the first \$5,000,000 of plan assets valued at the close on the final day of preceding calendar quarter. If plan assets exceed \$5,000,000 the incremental annual rate is reduced to 0.39% on the next \$15,000,000 of plan assets, and to an incremental annual rate of 0.34% on plan assets in excess of \$20,000,000. Some employers engage multiple plans in Investment Services Agreements with GAA. In such cases the assets of all such plans of the same employer are taken in the aggregate for purposes of applying this stepped rate formula for the Investment Services Fee. This fee is not negotiable.

GAA charges this fee for providing investment advice to the employer plan, monitoring fund performance and other account services for the employer plans and their participants.

Each employer plan may elect to pay the Investment Services Fee directly to GAA but most elect to have the Custodian collect the Investment Services Fee for GAA by deducting it from each individual participant account based on the effective average rate that would result from applying the stepped formula described above to all employer plan assets.

- Representative Services Fee – This fee is charged by GAA for providing enrollment assistance and investment education to the employer plan participants and conducting periodic meetings with employer representatives. Each employer plan negotiates with GAA to set the Representative Services Fee at a fair rate based on such factors as number of potential participants, location, work environment, average wage, turnover rates, etc.

The Representative Services Fee is disclosed under a separate column on Schedule A of the Investment Services Agreement between each employer plan and GAA. The Representative Services Fee may include a stepped rate formula similar to that described under the Investment Services Fee, above. The maximum incremental annual rate for the Representative Services Fee is 1.00%. The Representative Services Fee is applied quarterly based on assets valued at the close on the final day of the preceding calendar quarter. Each employer plan may elect to pay the Representative Services Fee directly to GAA but most elect to have the Custodian collect the Representative Services Fee for GAA by deducting it from each individual participant account.

GAA and the employer plan may mutually agree to use the Investment Adviser Representatives of separate Registered Investment Advisors to provide the services covered under the Representative Services Fee described above. Such Investment Adviser Representatives and their Registered Investment Advisor firms are referred to as “Solicitors” in GAA’s Investment Services Agreement with the employer plan as well as in this brochure. The employer plan, the Solicitor and GAA will evidence their mutual agreement on a Solicitor Disclosure Statement and Acknowledgment of Receipt document. GAA will share a percentage of the Representative Services Fee with the Solicitor in accordance with the terms of that document.

GAA recognizes that the use of Solicitors in the delivery of services to the plans and their participants may create some conflicts of interest. The Solicitor may have or seek other business relationships with the employers or participants. Such other business relationships may even include selling and servicing products issued by affiliates of GAA. GAA does not encourage such other business activity but does not control the behavior of the Solicitors.

Recordkeeping Fees are generally charged at an annual rate of \$15 per participant and collected in quarterly installments. Aspire Financial Services Inc. serves as the Record-keeper and is the ultimate recipient of this fee. As a convenience to both Aspire Financial Services Inc. and the employer plan GAA discloses the Recordkeeping Fee on Schedule A of the Investment Services Agreement. The Recordkeeping Fee charged to the employer plan is negotiable with GAA. In plans that have favorable participation rates and convenient enrollment opportunities GAA may agree to reduce the Recordkeeping Fee charged to the employer plan by paying the difference directly to Aspire Financial Services Inc. from its general operating funds.

Each employer plan may elect to pay the Recordkeeping Fee directly or to have the Custodian collect the Recordkeeping Fee by deducting it from each individual participant account for Aspire Financial Services, Inc. Most employer plans currently in the Program elect to have the Custodian deduct the Recordkeeping Fee for the participant accounts.

Transaction Fees and other ancillary service fees are described on Schedule A of the Investment Services Agreement. These fees are charged by the Custodian and deducted from Participant accounts for on a per occurrence basis for processing loans, distributions, etc. MG Trust Company serves as the Custodian and is the recipient of these fees. GAA discloses the Transaction Fees on Schedule A of the Investment Services Agreement as a convenience to the employer plan and MG Trust Company. MG Trust Company may share a portion of these fees with the record-keeper, Aspire Financial Services, Inc. GAA does not receive any portion of these fees and does not believe them to be negotiable.

Third-Party Administrator Fees – These fees are independently negotiated between each employer plan and its chosen Third-Party Administrator, if any. The employer plan may elect to have those fees collected its participants in the Program in the course of collecting other fees, as described above. In such an event the fees would be disclosed on Schedule A of the Investment Services Agreement but GAA does not share in these types of fees.

In addition to the fees charged by the Custodian and GAA, the mutual funds included in the Program have their own fees and expenses that are explained in the mutual fund's

prospectus. All funds in the Program are traded at Net Asset Value. When GAA selects a mutual fund to include in the program it seeks to use the share class of that fund with the lowest available expense ratio and seeks to avoid 12b-1 fees and contingent deferred sales charges. GAA credits back to the plans all 12b-1 fees, revenue sharing or other service fees if paid by a fund or its distributor to GAA.

For information regarding brokerage fees, please see Item 12 – Brokerage Services.

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

GAA does not collect performance based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). GAA does not participate in any Side-by-Side Management activity and does not collect any such fees.

Item 7 – Types of Clients

GAA provides investment advisory services to Employer-sponsored, qualified and non-qualified retirement plans.

At its discretion, GAA may impose a minimum dollar value of assets or other conditions for the Program. Generally, GAA requires annual flow of \$250,000 in Participant contributions for start-up employer sponsored retirement plans entering the Program and \$500,000 in plan assets for transfers of an employer sponsored retirement plan into the Program.

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

GAA's general philosophy is to provide Employer Plans with a broad range of investment options (list of "Core Funds"). The list of Core Funds consists of registered, open-end mutual funds. An open-end mutual fund is an investment company that buys a portfolio of securities selected by a professional investment manager to meet the objectives stated in the fund's prospectus. Mutual fund investors buy shares in the fund that represent beneficial ownership in each of the securities owned by the fund. An open-end mutual fund stands ready to buy back its shares at their current net asset value, which is the total market value of the fund's investment portfolio, minus its liabilities, divided by the number of shares outstanding. Open-end mutual funds continuously offer new shares to investors.

Employer-sponsored retirement plans and their participants (“Investors”) should note that mutual fund investing involves risks, including possible loss of principal, and may not be suitable for everybody. Before investing in any of the mutual funds included in the Program, investors should carefully read the fund’s prospectus and/or summary prospectus and carefully consider the fund’s investment objectives, risks, charges and expenses. For this and more complete information about each fund, Investors may contact GAA’s Home Office, the Solicitor representative involved in servicing the employer plan, or the fund family by calling its phone center or visiting its websites.

By selecting the list of Core Funds GAA seeks to cover a broad spectrum of investment objectives with varying degrees of risk and return potential. This is accomplished in a manner that allows for participants to construct and maintain a diverse investment portfolio which matches their individual investment time horizon and risk profile.

The variety of mutual fund investment categories include:

- A) Funds that invest primarily in stocks of corporations with market capitalizations of \$8 billion or more,
- B) Funds that invest primarily in stocks of corporations with market capitalizations of at least \$1 billion but less than \$8 billion,
- C) Funds that invest primarily in stocks of corporations with market capitalizations of less than \$1 billion,
- D) Funds that invest primarily in stocks of multi-national, international or foreign corporations,
- E) Funds that invest in the stocks or bonds of corporations that engage in ‘socially-responsible’ business practices,
- F) Funds that invest primarily in bonds that mature in 5 years or less,
- G) Funds that invest primarily in bonds that will mature in 5 to 10 years,
- H) Funds that invest primarily in bonds that will mature in 10 to 30 years,
- I) Funds that seek to strike a balance between two or more of the stock and bond focuses described above, or
- J) Money Market Funds that seek to maintain a \$1.00 per share net asset value while investing primarily in a variety of fixed-income instruments with maturities between 30 to 90 days. Where the retirement plan type permits and the employer-sponsor of the plan approves a Stable Value Fund may be included in lieu of the Money Market fund. Stable value funds are

non-registered or 'bank collective' funds only available to certain retirement plan types. Stable Value funds may be considered to have greater risk than a money Market fund.

In addition to the list of Core Funds GAA may include a variety of Target Maturity funds. A target maturity fund includes an evolving mix of investments designed to reduce the risk of price fluctuation and yield volatility as it approaches its targeted maturity date. In general the percentage of a target maturity fund's assets invested in stocks will decrease and the percentage of its assets invested in bonds will increase as the fund approaches its target maturity date.

In each plan GAA may manage up to five Target-Risk Portfolios, ranging from conservative to aggressive. These portfolios are constructed by GAA primarily from the list of Core Funds already in the plan and may include certain specialty funds that are not otherwise available within the plan. The Target-Risk Portfolios are managed to targeted risk and return characteristics based on modern portfolio theory and the efficient frontier concept. These portfolios are not 'fund of funds' and are not actively managed toward a specific date. Instead they are managed to a risk tolerance consistent with the participant's investment style and attitude toward volatility. In other words, an aggressive portfolio will constantly remain an aggressive portfolio. The portfolio allocations are strategic in nature and re-balanced periodically based on asset class tolerance levels.

Some of the specialty fund styles that may be included in the Target Risk Portfolios include:

Natural Resource Fund – Seeks long term capital appreciation by investing in companies that operate within the natural resource sector. Natural resource industries include oil, gas, energy, precious metals, paper and other "hard asset" commodities. Companies involved in this sector are subject to additional risks including broad price fluctuations and high volatility.

Emerging Market Fund – This option invests in the financial markets of developing countries. For the most part, these countries are in Eastern Europe, Africa, the Middle East, Latin America, the Far East and Asia. A developing country is characterized as being vulnerable to political and economic instability, having low average per-capita incomes, and of being in the process of building its industrial and commercial base. Foreign investing and emerging markets pose special risks and high volatility.

Real Estate – Seeks long term capital appreciation and income by investing in real-estate related companies, including REITS, real estate development and management companies and homebuilders. Managers primarily invest in commercial real estate such as apartments, offices, storage facilities, etc. Real estate investments pose unique investment risk and offer correlations that differ from traditional equity investments.

GAA recognizes that no single fund family (or fund manager) can offer historically high performing mutual funds in every category, nor can any one fund manager outperform its peers and benchmark every year. Therefore GAA makes fund selections based on its evaluation of a broad universe of funds. Considerations involved in the selection process ; include historical performance, yield volatility, expense ratio, platform eligibility, size, management tenure, etc. GAA monitors and evaluates the funds in the Program on a regular basis, but no less than annually. In general, GAA will consider whether fund adhered to its stated objectives and well that fund performed relative to its peers and an appropriate benchmark.

Measuring and evaluating investment managers requires both quantitative and qualitative analysis. Due to the inevitability of market fluctuations GAA takes into consideration several calendar quarters when evaluating the fund selections for the program and tends to “stay the course” with funds that make good qualitative sense even though short-term quantitative measures may be disappointing.

Investors should note, however, that most relevant data analyzed by GAA represents past performance and should not be considered indicative of future returns. There are no guarantees that investment objectives will be met or that the funds will increase in value.

When GAA selects a fund to include in the program it seeks to use the share class with the lowest available expense ratio. All funds included in the Program are traded at Net Asset Value (“NAV”). If a selected fund pays to GAA 12b-1 fees, revenue sharing or other service fees, GAA will credit those fees back to plan participants, lowering their net fund expenses.

GAA analyzes information from a variety of sources to select mutual funds and create Target Risk Portfolios. GAA uses research material from outside vendors, financial newspapers and magazines, annual reports, corporate rating services, prospectuses, filings with the SEC, company press releases, and strategic analytical software when analyzing mutual fund selections.

In addition to the risks associated with investing in any individual mutual fund investors should consider the risks associated with adhering to a specific Target Risk Portfolio. In constructing the Target Risk Portfolios GAA generally uses investment strategies that seek consistency over time. GAA does not attempt to time the market. The Aggressive Target Risk Portfolio will remain in an aggressive allocation strategy even though the short-term market trend may indicate that an aggressive allocation may incur heavy losses. Likewise the Conservative Target Risk Portfolio will remain in a conservative allocation strategy even though the short-term market trend may indicate that a more aggressive allocation might result in higher yields. Investors should also note that the process that GAA employs to select the mutual funds and allocation strategies is not an exact science. The process

involves a degree of intuition and guess work with ample opportunity for error. There are no guarantees that the Target Risk Portfolios would perform well over time.

GAA and its affiliates (see Item 10, Other Financial Industry Activities and Affiliations) do not manage any proprietary mutual funds. The funds included in the Program are offered through mutual fund families and distributors that are independently owned and operated.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of GAA or the integrity of GAA's management.

In 2004, GAA paid a \$2,500.00 fine to the State of Florida. The fine was related to GAA's registration as an investment adviser in Florida. During 2003 Florida updated regulations related to investment advisers. The updated regulation required GAA to make an electronic filing. The State of Florida claims that they sent notification of the required filing to all investment adviser firms. GAA did not receive the notification and did not make the required filing. After GAA became aware of the new requirement, the filing was submitted. GAA agreed to pay the fine in order to continue registration in Florida.

On September 12, 2011, Defendant, Great American Advisors, inc. ("GAA") admitted to violating certain rules of the Virginia state corporation commission ("rules(s)"). The allegations stemmed from GAA's prior association with former agent, Leland O. Stevens. Mr. Stevens admitted to effecting private securities transactions in securities issued by Queen Shoals, LLC and Select Fund, LLC that were not recorded on GAA's books or records. The issuers are now known to have purported a "Ponzi-scheme" fraud on the investing public in multiple state jurisdictions. It was alleged that GAA failed to exercise diligent supervision over the activities of Mr. Stevens, among other things, in violation of Rules 21 VAC 5-20-260 a&b. GAA admitted that it failed to review/retain correspondence with respect to Mr. Stevens' business at the firm, in violation of Rule 21 VAC 5-20-240, per SEC Rule 17a-4 b 4. GAA admitted another violation of Rule 21 VAC 5-20-240 for failing to secure the firm's records upon Mr. Stevens' termination so that it could retain closed, client files for the appropriate period of time, pursuant to SEC Rule 17a-4 c. It was further alleged, and admitted by GAA, that GAA failed to conduct an annual review of Mr. Stevens' business affairs in 2007, in violation of Rule 21 VAC 5-20-260 e 2 and report an arbitration matter to the commission, in violation of 21 VAC 5-20-230 a 1. This situation was related solely to the "Selling Away" activities of Leland Otto Stevens, a former registered representative of the firm. Mr. Stevens sold interests in the Select Fund LLC and Queen Shoals LLC which were

deemed to be unregistered securities. Prior to the commission's investigation, upon learning of Mr. Stevens activities, GAA opened an internal investigation into Mr. Stevens' Selling Away activities and subsequently terminated Mr. Stevens for violations of the firm's Written Supervisory Procedures. Though GAA disagrees with the commissions' findings in some cases, GAA admitted to allegations of; 1) Failing to conduct a physical branch office inspection of Stevens' office in 2007; 2) Failing to maintain books and records; and 3) Failing to notify the commission of a pending arbitration. GAA neither admits nor denies any other allegations related to the commission's investigation.

GAA was ordered to pay a \$10,000 monetary fine. GAA was also ordered to pay \$10,000 to defray the cost of the investigation in addition to other agreed upon amendments to the firm's policies and procedures.

On 01/26/2012 the Financial Industry Regulatory Authority (FINRA) accepted a Letter of Acceptance Waiver and Consent that Great American Advisors, Inc. (GAA) had submitted on 12/15/2011 in response to the findings of FINRA STAR #20090198393. FINRA had conducted a review involving several bond trades executed by GAA for its customers between 01/01/2009 and 03/31/2009. FINRA found the principal mark-up added to the price of those bonds by GAA on 11 individual transactions to be excessive. FINRA asserted that GAA failed to sell such bonds at a price that was fair, taking into consideration all relevant circumstances, including market conditions with respect to each bond at the time of the transaction, the expense involved and that the firm was entitled to a profit. FINRA concluded that GAA's conduct in the 11 transactions constituted separate and distinct violations of FINRA Rule 2010, NASD Rule 2440 and IM-2440.

Although GAA had already issued refunds totaling \$2,767.81 for the 11 transactions that originally had an excessive mark-up GAA also submitted to FINRA a Letter of Acceptance, Waiver and Consent (AWC) to a censure and monetary fine of \$12,000.00. FINRA acceptance of the AWC on 1/26/2012 and GAA promptly paid the fine.

Item 10 – Other Financial Industry Activities and Affiliations

GAA is also a registered broker-dealer and member of the Financial Industry Regulatory Authority (FINRA). GAA's broker-dealer CRD Number is 36451. GAA is licensed as an insurance agency in many states. In states where GAA is not directly licensed as an insurance agency it coordinates insurance marketing activity with an affiliate, AAG Insurance Agency, Inc. GAA and AAG Insurance Agency, Inc. share common management and each is a wholly-owned subsidiary of Great American Financial Resources, Inc.

As a broker-dealer and insurance agency GAA serves as the Principal Underwriter and Distributor for the variable annuity products issued by its affiliate, Annuity Investors Life

Insurance Company (AILIC). AILIC is an affiliate of GAA and is also a wholly-owned subsidiary of Great American Financial Resources, Inc. GAA and AILIC enter into selling agreement contracts with other broker-dealers to allow the registered representatives of those contracted broker dealers to sell the AILIC products.

GAA's registered representatives and investment advisor representatives are all salaried employees of GAA's parent company, Great American Financial Resources, Inc. or one of its affiliates. They serve in the back office of GAA or in a sales support or customer service role with one of the affiliate insurance companies. GAA's registered representatives do not engage in personal production as a registered representative or insurance agent. While engaged as an investment advisor representative of GAA they would not serve as the representative of record on any broker dealer relationship with GAA's advisory customers nor would they be the agent or representative of record on the sale of any AILIC variable annuity.

GAA recognizes that its role as a broker dealer and its affiliation with the insurance companies may pose a conflict of interest with its advisory business. GAA further recognizes that its insurance agency activity may also pose a conflict of interest with its advisory business. Peter Nerone, President and Chief Compliance Officer of GAA is the only active insurance agent associated with GAA's insurance agency licenses and AAG Insurance Agency, Inc.'s insurance licenses. These insurance agency licenses are used only in GAA's role as Distributor and Principal Underwriter of AILIC's variable annuity products.

Great American Financial Resources, Inc. has other subsidiary insurance companies; including Great American Life Insurance Company, United Teachers Associates and Loyal American Life Insurance Company. These companies may be referred to collectively as "GAA insurance company affiliates."

Great American Financial Resources, Inc. is collectively owned by Great American Insurance Company (a property and casualty insurance company), AFC Holding Company, American Financial Corporation and American Financial group, Inc. All the companies mentioned above are considered to be wholly-owned and operated by American Financial Group, Inc., a publicly traded corporation (NYSE: AFG).

GAA serves in an investment advisor role to the employer plans and their participants involved in the Great American Fund Connection program. GAA does not offer any other investment advisory program and does not serve as a broker-dealer or insurance agency to any of the employer plans or participants involved in the Program. GAA's use of Solicitors for enrollment, education or other services to the employer plans may also be licensed to sell and service products issued by GAA's insurance company affiliates, possibly including variable annuities issued by AILIC. This may constitute a conflict of interest.

Employer plans and their participants should exercise caution in authorizing another firm to serve them as a Solicitor and request disclosure of any potential conflicts of interest.

The employer-sponsors of the plans or some of their participants may also be customers of other subsidiaries of AFG and that may also pose a potential conflict of interest.

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

The GAA Code of Ethics is based on the principal that GAA owes a fiduciary duty to the clients for whom it serves as an advisor. This code is to protect the interests of both clients and advisors by demanding that advisory personnel perform their duties with complete propriety and do not take advantage of their position. Accordingly, GAA personnel must avoid activities, interests and relationships that might interfere or appear to interfere with making decisions in the best interest of our advisory clients. GAA expects its IARs to act with integrity and honesty, promoting the highest standards of client service.

The following Code of Ethics are standard business practice when representing GAA and while servicing its clients:

- Obtain proper licenses and appointments before engaging in any form of solicitation on behalf of GAA.
- Present accurately and fully the conditions and terms of any advisory product or service you are offering.
- Be thoroughly familiar with the approved investment products, any applicable regulations, and continue to maintain a high level of professional competence through ongoing training and education.
- Recommend investment products that are appropriate and suitable to the client's needs, not basing a decision on any self interest or gain.
- Communicate all relevant information and accurately complete all applications to ensure full disclosure and a fair evaluation to the proposed client. Maintain client satisfaction by responding promptly to any service request.

The Great American Fund Connection (“Program”) is the only advisory program offered by GAA. The Program only serves employer-sponsored, defined contribution type retirement plans. The Program only uses open-end mutual funds (with the possible exception of a stable value fund instead of a money market fund). The Program seeks to use the least expensive share class of each included fund. In general the investment advisor representatives or registered representatives (“Representatives”) of GAA would not be eligible to purchase the same share class of a fund used in the Program unless it was

through their employer's sponsored retirement plan. Representatives of GAA would not have the capacity to influence the pricing or performance of the funds in the Program through buying or selling for their own account and they would not benefit from timing their own buy or sell orders based on the activity within the Program. GAA notes however, that it does not control whether or not its Representatives buy or sell the same funds as those employed in the Program. Therefore it may be said that GAA's Representatives might not follow the advice that they give to their customers. Whether or not GAA's Representatives follow their own advice may also be considered to pose a conflict of interest.

A complete copy of GAA's Code of Ethics is available upon request by any client or potential client.

Item 12 – Brokerage Practices

GAA recommends that the employer plans participating in the Program appoint MG Trust Company as the Custodian to take possession of the mutual fund positions in their plan. If the employer plan accepts GAA's recommendation it would enter into a written Custodial Agreement with MG Trust Company. GAA is not affiliated with MG Trust Company but has certain system interfaces and working relationships with MG Trust Company that facilitate administering the Program. MG Trust Company is responsible for selecting the broker-dealer to execute the fund transactions for the Program. MG Trust Company currently uses its affiliate, Matrix Settlement and Clearance Services as the broker dealer for the Program.

The Custodian compensates the broker dealer with a portion of the Custodial Fee collected from the Employer Plans. Employer plans and their participants are not charged commissions in addition to advisory fees with respect to the Program. The Program does not include any self-directed brokerage options. The Program only uses open-end mutual funds (with the possible substitution of a stable value fund in lieu of a money market fund). All transactions are executed at the fund's Net Asset Value calculated in accordance with that fund's prospectus, generally at the close of the markets on the day of the trade. GAA discloses the Custodial Fee and Transaction Fee formulas on Schedule A of the Investment Services Agreement with each employer plan. Refer to Section 5 for more discussion about fees.

GAA does not receive any benefit, research or other products, services or soft dollar arrangements from any broker dealer, custodian or fund provider in exchange for inclusion in the Program. GAA does not have any incentive to influence the selection of one broker-dealer over another. Although it may be possible that MG Trust Company would ask GAA to

serve as the broker dealer for the Program GAA would decline such a request. GAA will not serve as the broker dealer while also providing investment advisory services.

In the event that GAA determines it would be beneficial to the employer plans to replace MG Trust Company with a different Custodian GAA would notify the employer plans of its recommendation and offer the employer plan the opportunity to review its options. In the event that the appointment of a successor custodian becomes necessary for the continuation of services GAA may appoint a successor Custodian provided it serve at least 30 days advance written notice to the employer plans.

Item 13 – Review of Accounts

GAA provides an annual report to each employer plan's designated trustee and offers a copy to each Solicitor Investment Advisor Representative that assists with that plan. The annual report includes the following; A) demographic review of participation levels and contribution levels within the plan, B) annual summary of transactions in each fund within the plan, C) Morningstar standard one-page summary report for each fund within the plan, D) various Zephyr Style Advisor graphics showing specific data for each fund along with rankings of return, risk and expense data among other funds in the same category, and E) a review of the Target Risk Portfolios included in the plan. GAA also delivers items D and E (see above) on a quarterly basis. GAA strongly recommends that Solicitor Investment Advisor Representatives meet with Employers on an annual basis either in-person or via telephone.

Item 14 – Client Referrals and Other Compensation

GAA is not compensated or provided economic benefit by anyone who is not a client in relation to the services GAA provides.

GAA does not compensate anyone solely for the introduction of a potential client. GAA does utilize Solicitor arrangements to assist in the delivery of onsite services to an employer plan; including enrollment assistance, investment education, account services and periodic meetings with employers. The employer plan consents in writing to the use of the Solicitor by executing a Solicitor Disclosure and Acknowledgment of Receipt. When GAA engages a Solicitor to assist with certain services to an employer plan GAA will share a portion of the Representative Services Fee (see Section 5, above) with the Solicitor. The sharing of the Representative Fee with a Solicitor is considered to be a form of compensation for referrals.

The use of Solicitors may constitute a conflict of interest. Employer plan sponsors and their participants should discuss the potential conflicts of interest with the Solicitor prior to accepting any services the Solicitor may provide.

Item 15 – Custody

The Custodian will maintain the custody of plan assets. In certain situations, Employers may send contributions through GAA instead of directly to the Custodian. In such situations, GAA may have temporary custody of the contributions to assist in the processing and delivery of the contributions to the Custodian (MG Trust Company).

Employers will be provided an annual plan statement. In addition, Employers will be provided online, 24/7, access to plan assets and individual Participant accounts. Participants will receive quarterly statements from the Custodian that holds and maintains the investment assets. The Custodian may outsource the generation of Participant statements to a qualifying service provider. GAA urges Employers and Participants to carefully review such statements. GAA does not produce any account statements as a part of this Program.

Item 16 – Investment Discretion

GAA will monitor the selected mutual funds and periodically make investment menu changes within the Program when such changes are deemed advisable. The Advisor will promptly notify the Employer of any changes and the reason therefore following implementation. Changes in the selected mutual funds in the Program will be conducted at GAA's discretion.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, GAA does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. The Custodian will deliver proxies to the clients although GAA may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about GAA's financial condition. GAA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State-Registered Advisers

The following individuals serve as Principal Executive Officers of GAA:

- Peter James Nerone, CLU, ChFC, President and Chief Compliance Officer
- Mark Francis Muething, Vice President and Secretary
- Athena Marie Purdon, Treasurer

Peter James Nerone, CLU, ChFC, CRD#1953641, DOB 1959: Mr. Nerone joined the firm in 1994 and currently serves as President and Chief Compliance Officer. He earned the Chartered Financial Consultant (ChFC) and Chartered Life Underwriter (CLU) designation from the Solomon Huebner School of The American College in 1998 after completing 13 courses and exams related to investment management and financial planning. He is Registered Principal having completed the FINRA series 4, 7, 24, 53, 63 and 65 exams. He earned his B. A. in Economics from the University of Cincinnati in 1982. Additional information about Mr. Nerone can be found in the brochure supplement.

Mark Francis Muething, CRD# 2487310, DOB 1959: B.S.B.A. from Notre Dame University in 1980 and J.D. from the University of Cincinnati in 1984. He was practicing law at Keating, Muething, & Klekamp from 1984 to 1991 when he was appointed Partner. In 1993 he joined Great American Financial Resources, Inc. as Senior Vice President, General Counsel and Secretary. He has served as Vice President and Secretary of GAA since its inception.

Athena Marie Purdon, CFS, CRD# 3262378 DOB 1976: Received B.A. in Economics from the University of Cincinnati in 1998. She began working for GAA as a Securities Specialist in 1999. She was promoted to Treasury Analyst in 2002 and then Assistant Treasurer in 2006. She has obtained his CFS designation from the Institute of Business and Finance. The CFS designation requires that candidates have a bachelor's degree or one year of work experience in financial services. Candidates for the CFS designation must complete a six module self study program, three examinations and one case study in order to receive the designation. She is also the FINRA Registered Financial Operations Principal for GAA.

All Principal Executive Officers of the investment adviser are also registered or associated with the broker-dealer. Nerone and Purdon are registered representatives of GAA. Muething is an associated person with GAA but does not maintain FINRA registrations. Nerone is also a licensed insurance agent and the designated, licensed officer on GAA's and its affiliate, AAG Insurance Agency, Inc.'s insurance agency licenses. The involvement of Nerone, Purdon and Muething in the broker dealer, insurance agency or any other role with affiliates of GAA may pose a conflict of interest to any potential investment advisory client.

No Investment Advisor Representatives or Supervised Persons of GAA are compensated for advisory services with performance based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

No Investment Advisor Representatives or Management Persons have been found liable in any arbitrations or civil, self-regulatory organization or administrative proceeding.

The following paragraphs are repeated from Section 10, above for additional clarity since this Section 19 of Form ADV Part 2A is specific to state-registered investment advisory firms:

GAA is also a registered broker-dealer and member of the Financial Industry Regulatory Authority (FINRA). GAA's broker-dealer CRD Number is 36451. GAA is licensed as an insurance agency in many states. In states where GAA is not directly licensed as an insurance agency it coordinates insurance marketing activity with an affiliate, AAG Insurance Agency, Inc. GAA and AAG Insurance Agency, Inc. share common management and each is a wholly-owned subsidiary of Great American Financial Resources, Inc.

As a broker-dealer and insurance agency GAA serves as the Principal Underwriter and Distributor for the variable annuity products issued by its affiliate, Annuity Investors Life Insurance Company (AILIC). AILIC is an affiliate of GAA and is also a wholly-owned subsidiary of Great American Financial Resources, Inc. GAA and AILIC enter into selling agreement contracts with other broker-dealers to allow the registered representatives of those contracted broker dealers to sell the AILIC products.

GAA's registered representatives and investment advisor representatives are all salaried employees of GAA's parent company, Great American Financial Resources, Inc. or one of its affiliates. They serve in the back office of GAA or in a sales support or customer service role with one of the affiliate insurance companies. GAA's registered representatives do not engage in personal production as a registered representative or insurance agent. While engaged as an investment advisor representative of GAA they would not serve as the representative of record on any broker dealer relationship with GAA's advisory customers nor would they be the agent or representative of record on the sale of any AILIC variable annuity.

GAA recognizes that its role as a broker dealer and its affiliation with the insurance companies may pose a conflict of interest with its advisory business. GAA further recognizes that its insurance agency activity may also pose a conflict of interest with its advisory business. Peter Nerone, President and Chief Compliance Officer of GAA is the only active insurance agent associated with GAA's insurance agency licenses and AAG Insurance Agency, Inc.'s insurance licenses. These insurance agency licenses are used only in GAA's role as Distributor and Principal Underwriter of AILIC's variable annuity products.

Great American Financial Resources, Inc. has other subsidiary insurance companies; including Great American Life Insurance Company, United Teachers Associates and Loyal American Life Insurance Company. These companies may be referred to collectively as "GAA insurance company affiliates."

Great American Financial Resources, Inc. is collectively owned by Great American Insurance Company (a property and casualty insurance company), AFC Holding Company, American Financial Corporation and American Financial group, Inc. All the companies mentioned above are considered to be wholly-owned and operated by American Financial Group, Inc., a publicly traded corporation (NYSE: AFG).

GAA serves in an investment advisor role to the employer plans and their participants involved in the Great American Fund Connection program. GAA does not offer any other investment advisory program and does not serve as a broker-dealer or insurance agency to any of the employer plans or participants involved in the Program. GAA's use of Solicitors for enrollment, education or other services to the employer plans may also be licensed to sell and service products issued by GAA's insurance company affiliates, possibly including variable annuities issued by AILIC. This may constitute a conflict of interest. Employer plans and their participants should exercise caution in authorizing another firm to serve them as a Solicitor and request disclosure of any potential conflicts of interest.

The employer-sponsors of the plans or some of their participants may also be customers of other subsidiaries of AFG and that may also pose a potential conflict of interest.