

Item 1 – Cover Page
CPAI Co.
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Date of Brochure: March 1, 2012

This brochure provides information about the qualifications and business practices of CPAI, Co. If you have any questions about the contents of this brochure, please contact Polly Peters at 316-682-5148 or at ppeters@centralplainsadvisors.com information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about CPAI Co.. is also available on the Internet at www.adviserinfo.sec.gov. You can view our firm's information on this website by searching for CPAI Co.. You may search for information by using the firm's CRD number. The CRD number for CPAI Co.. is **107222**.

*Registration as an investment advisor does not imply a certain level of skill or training.

Item 2 – Material Changes

Recently, regulators passed rule amendments regarding the disclosure document that CPAI Co.. provides to clients. This Disclosure Brochure dated March 1, 2012 is a new document prepared according to the new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous Form ADV Part II and Schedule F did not require. In the future, this item will discuss only specific material changes that are made to the Disclosure Brochure and provide readers with a summary of such changes. We will also reference the date of the last annual update of the brochure.

In the past our firm has offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new rules, we will ensure that you receive a summary of any material changes to this and subsequent Disclosure Brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer a copy of the most current Disclosure Brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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Item 4 – Advisory Business

General Description of Advisory Firm

CPAI Co.. is registered or properly exempt from registration in the states where we conduct business. Our Firm is a Corporation formed under the laws of the State of Kansas and headquartered in Wichita, Kansas.

The Firm is owned by Polly Peters. Details of education and business background are provided at Item 19 of this Disclosure Brochure.

CPAI Co.. been registered as an investment advisor since 1991.

Through CPAI Co., we offer and consider ourselves to specialize in providing institutional quality fixed income and dollar currency management to individuals, as well as to institutional capital.

Clients are advised that the investment recommendations and advice offered by CPAI Co.. do not constitute legal or accounting advice. Therefore, you should coordinate and discuss the impact of financial advice with your attorney and/or accountant. Clients are advised that it is necessary to inform CPAI Co.. promptly with respect to any changes in their financial situation, investment goals and objectives. Failure to notify CPAI Co.. of any such changes could result in investment recommendations not meeting the needs of the client.

Description of Primary Advisory Services

A. Portfolio Management

CPAI Co.. provides investment supervisory services defined as giving continuous investment advice to a client (or making investments for the client) based on the specific investment programs of the Firm.

Through this service, we offer participation in our programs to individual clients.

We run a fee-based advisory program offering various discretionary investment programs using mutual funds and individually selected bonds depending upon the specific program option selected by the client.

The various programs are as follows:

Bison Bond I – Bond Mutual Fund Program

Long Only. Program where the client uses CPAI Co.. selected mutual funds.

Bison Bond II – Bond Mutual Fund Program

Long and Short. Program where the client uses CPAI Co.. selected mutual funds.

Bison Bond III – Bond and Precious Metals Program

Long Only. Program where the client uses CPAI Co.. selected mutual funds.

Bison Bond IV – Bond and Precious Metals Program

Long and Short. Program where the client uses CPAI Co.. selected mutual funds.

Bison Dollar V – Dollar Program

Long and Short. Program where the client uses CPAI Co.. selected mutual funds for short and long on the dollar.

Bison Equity VI – Market Based Management

Provides long-term capital appreciation with added emphasis on the protection of capital during unfavorable market conditions. Uses a variety of asset classes.

Bison Multi Asset VII – Risk Management

Program where the client uses advisor selected mutual funds and exchange traded funds in the small company stocks, value stocks, and price recognition stocks asset classes as well as fixed income.

CPAI Manager I – Bond Mutual Fund Program

Program where the client selects mutual funds.

CPAI Manager II – Name Changed to Bison Bond I**Fixed Income Ladders – Laddered Bond Program**

Program where the client uses CPAI Co.. selected corporate, foreign, emerging market, municipal, government, and zero-coupon government bonds of varying maturities.

CPAI Co.'s services consist of allocating client investments in various types of mutual funds and individual issues preferred by CPAI, Co.. Ownership and registration always remain in the client's name. CPAI Co.. will not have custody of any client's cash or securities.

CPAI, Co., as Agent and Attorney-in-fact for its clients, shall have the power, without prior consultation or notice, to make investment exchanges that CPAI Co.. determines are in the client's best interest. The exchange options are determined by program selected.

Our services are provided through accounts maintained at a qualified custodian, such as a registered broker/dealer or qualified custodian that we recommend. You can direct CPAI Co.. to manage an account at a qualified custodian of your own choosing contingent upon our approval. Through this program, CPAI Co.. will be granted discretionary trading authorization on the client's account. Please refer to Item 16 – Investment Discretion for more information.

We recommend the use of the National Financial Services, LLC (NFS) or Fidelity Brokerage Services, LLC (FBS), a registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. See Item 12 – Brokerage Practices of this

document for more details regarding CPAI Co.. arrangement with NFS/FBS. CPAI Co.. shall have limited power of attorney on accounts held through NFS/FBS. Through a limited power of attorney CPAI Co.'s access to NFS/FBS accounts is restricted to implementing trades in the account, deducting advisory fees from the account when authorized by the client, and receiving duplicate statements, confirmations and other documents related to the account. Please refer to Item 15 – Custody for more information.

All programs are managed by Polly Peters and Don Peters except for the Bison Equity VI program which is managed by Bobby Joe Cox, a licensed investment advisor representative of CPAI Co.. Please see below for details.

Executive Officers and Management Personnel:

Polly B. Peters, President and Investment Advisor Representative

Education Background

B.S. Kansas State University, Human Ecology, 1981

Business Background

Freestate Advisors LLC, Advisor Representative, 11/2010 – Present; and

CPAI Co., Owner and Advisor Representative, 08/1996 – Present.

Polly has her Series 65. Polly has been with CPAI, Co. since 1996. She is President, Assistant Portfolio Manager, and Compliance Officer. Her responsibilities also include managing the office. Prior to joining CPAI Co., she owned and operated her own design business from 1991-1996.

Don S. Peters, Chairman of the Board and Investment Advisor Representative

Education Background:

Attended McPherson College in McPherson, Kansas 1947-1949.

Bachelor's Degree in Business, Emporia State University, 1951

Business Background:

Freestate Advisors LLC, Advisor Representative, 11/2010 – Present;

CPAI Co., Owner and Advisor Representative, 01/1991 – 07/2011; and

Peters, Gamm, & West, Partner, 1983-1991.

Don has his Series 65.

Bobby Joe Cox, Investment Advisor Representative

Education Background:

B.A. Wichita State University, Accounting, 1980

Business Background:

EPIC Group, President, 2006 – Present;

CPAI Co., Advisor Representative, 08/2008 – Present;

Stifel Nicolaus, Senior Vice President, 2000-2006; and

Major Wire House, Senior Vice President, 1985-2000.

Joe has been an equity manager for CPAI Co.. since August 21, 2008. Joe is actively engaged in a business other than giving investment advice. He sells products or services

other than investment advice in the form of sophisticated estate planning. He spends 40 hours per week in these activities.

B. Sub-Adviser Services

We have established a relationship with Freestate Advisors LLC (Freestate), an investment advisor registered with the State of Kansas, to act as a sub-advisor in CPAI Co.'s investment management program. In Freestate's capacity as a sub-advisor to CPAI Co., they provide investment recommendations to the CPAI Co. equity portfolio. Freestate's services are "impersonal" in nature which means they provide non-discretionary research, recommendations-only and commentary on equity recommendations to CPAI Co. Freestate will not have any information concerning the investment objectives or financial circumstances of a CPAI Co. client account holder and will not be obligated to or responsible for determining the suitability of any investment advice given or investment decisions made based on individual circumstances and objectives of any CPAI Co. client. CPAI Co. will have sole responsibility for all such individual investment advice.

Freestate does not have discretionary authority over the assets or investment decisions made by or on behalf of any CPAI Co. clients. CPAI Co. will have sole discretion to either accept or reject Freestate's advice. Further, CPAI Co. will have sole discretion for implementing all investment advice. CPAI Co. pays Freestate an on-going annualized fee as a percent of the market value of assets for which they serve as a sub-advisor.

Biographical Information for the Principals of Freestate Advisors LLC:

Tom R. Halvorson, Owner and Investment Advisor Representative

Education Background:

B.A. University of South Dakota, Political Science, 1975

M.B.A. University of Missouri – Kansas City, 1979

Business Background:

Freestate Advisors LLC, Member and Advisor Representative, 01/2008 – Present;

Eventus Consulting LLC, Principal and Owner, 01/2000 – 03/2008

HealthNet, Executive Vice President, Marketing and Corporate Development; Senior Vice President and Chief Financial Officer 06/1994 – 12/1999.

Mr. Halvorson is a Certified Public Accountant (CPA) licensed to practice as such by the State of Kansas, and is a CERTIFIED FINANCIAL PLANNER™ certificant.

Brett L. Conley, Owner and Investment Advisor Representative

Education Background:

B.S. University of Kansas, Journalism, 1981

M.B.A. University of Kansas, 1985

Business Background:

Freestate Advisors LLC, Member and Advisor Representative, 01/2008 – Present; and

Sprint Nextel, Director of Finance and Vice President of Finance, 04/1996 – 3/2008.

Limits Advice to Certain Types of Investments

CPAI Co.. provides investment advice on the following types of investments.

No-Load (i.e. no trading fee) and Load-Waived (i.e. trading fee waived) Mutual Fund Shares

Exchange-listed securities (i.e. stocks)

Securities traded over-the-counter (i.e. stocks)

Fixed income securities (i.e. bonds)

Closed-End Funds and Exchange Traded Funds (ETFs)

Corporate debt securities (other than commercial paper)

Municipal securities

Variable life insurance

Variable annuities

United States government securities

Options contracts on securities and commodities

CPAI Co.. does not provide advice on interests in partnerships investing in real estate or oil and gas interests.

When providing Asset Management Services, the Firm will typically invest clients in one or more of the programs listed previously. Unless specifically requested by the client, the Firm does not recommend nor use insurance-based investment vehicles such as variable life insurance or variable annuities. It is not CPAI Co.'s typical investment strategy to attempt to time the market but we may increase cash holdings as deemed appropriate, based on your risk tolerance and our expectations of market behavior. (Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)

Client Assets Managed by CPAI Co..

The amount of clients assets managed by CPAI Co.. totaled \$21,721,000 as of January 31, 2012. Please refer to Item 16 – Investment Discretion.

C. Tailoring Advisory Services and Client-Imposed Restrictions

CPAI, Co. does not tailor their advisory service to the needs of individual clients. We have specific programs in place and the client chooses the program in which to be invested.

Clients may not impose restrictions upon investing in securities or types of securities.

Item 5 – Fees and Compensation

Fees for CPAI, Co.'s Programs

CPAI Co.'s services are provided for an annual fee which is based on the fair market value of assets under management. We use the following fee schedules:

Bison BOND I, II, III, IV, V / CPAI MANAGER MANAGEMENT FEES

\$ 25,000 to \$99,999 at 2.00%

\$ 100,000 to \$299,999 at 1.75%

\$ 300,000 to \$699,999 at 1.50%

\$ 700,000 to \$999,999 at 1.25%

\$ 1,000,000 to \$5,000,000 at 1.00%

Bison EQUITY VI MANAGEMENT FEES

\$ 50,000.00 to \$3,000,000.00 at 2.00%

Over \$3,000,000 is negotiable.

LARGE INSTITUTIONAL BOND MANAGEMENT FEES

First \$ 5,000,000 at 1.00%

Next \$ 5,000,000 at 0.75%

Over \$ 10,000,000 at 0.50%

Fees are payable quarterly in advance (except clients in New Hampshire whose fees will be deducted at the beginning of the quarter, placed in an escrow account, and then the account will be swept at the end of each quarter) based on the closing fair market value of the account at the end of each prior calendar quarter. Fees will be calculated solely by the above schedule; there is no minimum fee.

Fees for CPAI Co.'s services are divided and billed quarterly in advance based on the total assets under management at the beginning of the quarter. The initial and final fee charged under an agreement for services shall be pro-rated based on the number of days services are provided in the initial and final quarters. Fees are generally deducted directly from the client's account. Clients must provide the qualified custodian with written authorization to have fees deducted from the account and paid to CPAI Co.. The Firm shall send a bill to the custodian detailing the amount of the fee to be deducted from the client's account and paid to CPAI Co.. In addition, the Firm will deliver a statement to the client showing the amount of the fee, the value of the client's assets upon which the fee was based and the specific manner in which the fee was calculated. It shall be CPAI Co.. and the client's responsibility to verify the accuracy of the fee calculation and the custodian will not determine whether the fee is properly calculated. Please refer to Item 15 – Custody for more information.

Upon discretion of CPAI Co., clients may pay fees directly to CPAI Co.. For clients that pay directly, payment is due upon the client's receipt of a billing statement from CPAI Co.. The qualified custodian will send client statements, at least quarterly, showing all disbursements for the account including the amount of the advisory fee, if deducted directly from the account.

Brokerage commissions and/or transaction ticket fees charged by the qualified custodian will be billed directly to the client. CPAI Co.. will not receive any portion of such commissions or fees from the custodian or client. In addition, clients may incur certain charges imposed by third parties other than CPAI Co.. in connection with investments made through the account, including but not limited to, mutual fund sales loads, 12b-1 fees and surrender charges, variable annuity fees and surrender charges, and IRA and qualified retirement plan fees. Descriptions of these fees and

expenses are available in each investment company security's prospectus. Management fees charged by CPAI Co.. are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to clients. In order to avoid conflicts of interest in providing investment advice to clients, CPAI Co.. does not accept and never receives any fees from a third-party in connection with investments made through the account.

CPAI Co..'s services and fee arrangements will be described in the Client Service Agreement which all clients must sign prior to services being provided.

It should be noted that lower fees for comparable management or account review services may be available from other sources.

Either party may terminate the Client Service Agreement at any time. If services are terminated within five (5) business days of executing the agreement, services will be terminated without penalty and a refund of any fees paid in advance shall be provided. If services are terminated after the initial five day period, CPAI Co.. shall provide a refund pro-rated based on the number of days elapsed in the quarter. In the event a client terminates services, termination shall be effective from the time CPAI Co.. receives written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final refund of any advisory fees due. There will be no penalty charge upon termination. In the event CPAI Co.. terminates the relationship, the agreement will be terminated on the fifth (5th) day after written notification is delivered to the client or such time as may be mutually agreed upon, also subject to the settlement of transactions in progress and the final refund of any advisory fees due.

FIXED INCOME LADDERS MANAGEMENT FEES

From \$200,000 to \$499,999 at 0.90%

From \$500,000 to \$999,999 at 0.80%

From \$1,000,000 to 1,499,999 at 0.70%

From \$1,500,000 to \$1,999,999 at 0.60%

Above \$2,000,000 at 0.50%

Fees shall be payable quarterly, in advance, based on the closing value of the account at the end of each prior calendar quarter. Fees will be calculated solely by the above schedule; there is no minimum fee.

Fees are not negotiable. The first quarterly fee will be due upon signing and acceptance of Client Service Agreement by the parties and will be pro-rated based on the days remaining in the current quarterly period. The first quarterly fee will be refunded in full, if termination is requested by the client within five (5) business days of the date of Client Service Agreement. CPAI Co..'s right to receive compensation shall terminate upon the effective date of termination of Client Service Agreement. Failure to pay fees when due shall give CPAI Co.. the right to terminate our Client Service Agreement. Upon termination of the Agreement, no fees shall be refunded to the client.

The above fees do not include additional fees that may be incurred with the custodian. CPAI Co.. must provide the Client with a bill specifying the amount of the fee, the value of the Client's account upon which the fee is calculated and the manner in which the fee is calculated. Clients may also pay CPAI Co.. directly upon presentation of the Firm's bill. The Firm will send a copy of the invoice for fees to the custodian or trustee at the same time a copy is sent to the client. The custodian will send statements to the client at least quarterly showing all disbursements for the custodian account, including the amount of the advisory fees paid. If fees are to be paid directly from the client's account held by the custodian or trustee, the Client will have to give written authorization to CPAI, Co.,

Inc.. Client Agreements can be terminated by either party upon 5 days written notice. A client may be required to provide the mutual fund company written authorization permitting fees to be paid directly to the Firm. However, at the time of fee payment, CPAI Co.. must provide the client with a bill specifying the amount of the fee, the value of the client's account upon which the fee is calculated and the manner in which the fee is calculated. Clients may also pay CPAI Co.. directly upon presentation of the Firm's bill. Please refer to Item 15 – Custody for more information.

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

Item 6 of the Form ADV Part 2 instructions is not applicable to this Disclosure Brochure because CPAI Co.. **does not charge or accept performance-based fees** which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

Item 7 – Types of Clients

CPAI Co.. generally provides investment advice to the following types of clients:

Individuals

High-Net Worth Individuals

Trusts, estates, or charitable organizations

Minimum Investment Amounts Required

All clients are required to enter into a written investment advisory agreement prior to the establishment of an investment advisor relationship.

Client assets must have a value of \$25,000 or more in order to open an account for the CPAI Co..'s Programs. Exceptions may be available at our discretion.

Client assets must have a value of \$200,000 or more in order to open a Fixed Income Ladders account.

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

CPAI Co.. uses the following methods of analysis in formulating investment strategies and advice.

Fundamental Analysis - A method of evaluating financial assets by attempting to measure their intrinsic value by examining related economic, financial and other qualitative and quantitative factors.

Fundamental analysis attempts to study everything that can affect the value of financial assets, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the asset's current price in hopes of providing valuable information about the attractiveness of the asset as an investment (for example, underpriced = buy, overpriced = sell or short). Fundamental analysis relies on economic data (for example, cash flow, growth prospects, and profitability) to evaluate a security's intrinsic economic value. Although most analysts use fundamental analysis to value stocks, this method of analysis can be used for a wide variety of financial assets.

One risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. In addition, even when fundamental analysis is correct about the pricing of an asset, financial markets often ignore fundamentals for long periods. For example, fundamental analysis may correctly conclude that a financial asset is priced far above its intrinsic economic value, and a decision is made to avoid investing in the asset. Even though the fundamental analysis may ultimately be proven correct, the market price of the investment asset may continue to increase in spite of the conclusion by fundamental analysis that the asset is mispriced, and such mispricing can persist for long periods of time. As long as the asset remains mispriced by the market, the decision to refrain from investing will appear incorrect, since investment gains could have been realized. Similarly, fundamental analysis may indicate that an asset is underpriced and is therefore an attractive investment. If the market does not behave in a manner which validates the fundamental analysis (i.e. price declines rather than increasing as indicated by the fundamental analysis), investments losses are likely to occur. In summary, it is not possible to know with any certainty how financial markets will evaluate and price the fundamentals of any financial asset.

Technical Analysis - A method of evaluating securities and financial markets by reviewing statistics and trends generated from market activity, such as past prices, trading volume and volatility. Our Firm uses technical analysis to provide additional information useful in understanding market conditions and risk. Technical analysis does not attempt to measure a security's intrinsic value, but instead uses charts, statistical analysis and other tools to identify patterns and trends that can suggest future activity. Technical analysis is based on the belief that trends in financial assets and markets can provide useful information about future movements and market risk.

Technical analysis is also subjective in that it relies on proper interpretation of price, trading volume and volatility data. While we believe our methods provide information useful in understanding financial market activity, the risk always exists that the conclusions we may draw from these methods will prove to be incorrect since the future is an unknown.

Investment Strategies

Our Investment Objective

1. Provide institutional quality fixed income and dollar currency management to individuals, as well as to institutional capital.
2. Manage in such a manner as to achieve well above average returns for our clients.

Our Investment Style

1. Interest Rate Anticipation. Based upon the economic fundamentals, we forecast future interest rates and make the appropriate investment moves based on that forecast. We also employ technical tools in order to enhance shorter-term returns. These fundamentals are designed to achieve higher returns.
2. In doing so, we adhere to the following principals:
 1. Never take excess credit risks (A-quality bonds or better when purchased)
 2. Accept market risk (volatility)
 3. Always manage for total return

Statement of Conviction

We believe interest rates can be reasonably projected by the proper interpretation of the correct economic model. Historical empirical evidence reveals that the highest-ranking model is Austrian. We

have used this dynamic model for years, and it has worked exceedingly well. Of course, past performance is no guarantee of future results.

Risk of Loss

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, public mutual funds, bonds, and private investment funds) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated when investing in securities through our investment management program.

- **Equity (stock) market risk** – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- **Company Risk.** When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- **Fixed Income Risk.** When investing in bonds, there is the risk that issuers will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk. There is also interest rate risk associated with fixed income investments. The value of a fixed-income investment moves in the opposite direction of interest rates. Therefore, if interest rates rise, the value of fixed-income investments will decline and losses would be realized if the investment were sold.
- **Options Risk.** Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.

- **ETF and Mutual Fund Risk** – When our firm invests in a an ETF or mutual fund, it will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- **Management Risk** – Your investment with our Firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

Item 9 – Disciplinary Information

This item is not applicable to our brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2 instructions that are material to a client's or prospective client's evaluation of our business or integrity.

Item 10 – Other Financial Industry Activities and Affiliations

CPAI Co.. is an independent investment advisory firm and only provides investment advisory services. The Firm is not engaged in any other business activities and offers no services other than those described in this Disclosure Brochure. We do not have any arrangements whereby we recommend (or refer) clients to a third-party investment advisor.

CPAI Co.. **is not and does not** have a related company that is a (1) broker/dealer, municipal securities dealer, government securities dealer or broker, (2) investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), (3) futures commission merchant, commodity pool operator, or commodity trading advisor, (4) banking or thrift institution, (5) accountant or accounting firm, (6) lawyer or law firm, (7) insurance company or agency, (8) pension consultant, (9) real estate broker or dealer, or (10) sponsor or syndicator of limited partnerships.

Freestate Advisors LLC

During 2011, it is anticipated that Freestate will begin the process of acquiring client accounts managed by CPAI Co.. Selected client accounts managed by CPAI, Co. and the investment advisory agreement between the clients and CPAI Co.. will be assigned to Freestate.

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

Code of Ethics Summary

CPAI Co.. has established a Code of Ethics that will apply to all of its associated persons. It is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. CPAI Co.. has a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for the Firm's

Code of Ethics which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures. CPAI Co.. requires all of its supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with the Firm's Code of Ethics. CPAI Co.. has the responsibility to make sure that the interests of all clients are placed ahead of the Firm or its supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. CPAI Co.. and its supervised persons must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of the Firm's Code of Ethics. However, if a client or a potential client wishes to review the Firm's Code of Ethics in its entirety, a copy will be provided promptly upon request.

Affiliate and Employee Personal Securities Transactions Disclosure

CPAI Co.. or its associated persons may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of CPAI Co.. that all persons associated in any manner with the firm must place the interests of our clients ahead of their own when implementing personal investments. CPAI Co.. and its associated persons shall not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, from information obtained as a result of his/her employment unless the information is also available to the investing public upon reasonable inquiry. In order to minimize this conflict of interest, securities recommended by CPAI Co.. are widely held and publicly traded. As stated in our Code of Ethics section above, we have implemented policies and procedures reasonably designed to monitor the personal trading activities of our personnel.

Item 12 – Brokerage Practices

Clients are under no obligation to act on the financial advisory recommendations of CPAI Co.. Clients wishing to implement the advice of the Firm are free to select any broker/dealer or investment advisor they wish and are so informed.

The primary factor in suggesting a broker/dealer is that the services of the broker/dealer are provided in a cost-effective manner. Best execution of client transactions is an obligation CPAI Co.. takes seriously and is a catalyst in the decision of suggesting a broker/dealer. While quality of execution at the best price is an important determinant, best execution does not necessarily mean lowest price and it is not the sole consideration. The trading process of any broker/dealer suggested by CPAI Co.. must be efficient, seamless, and straight-forward. Overall custodial support services, trade correction services, and statement preparation are some of the other factors considered when suggesting a broker/dealer. In order to avoid conflicts of interest in providing investment advice to clients, the Firm **does not** have any "soft dollar" arrangements with any third party. Soft dollar arrangements are those in which economic benefits are provided to an advisory firm (example computers, software, research, travel, seminars, etc.) in return for directing client securities transactions to the third party.

Please note that costs associated with using brokerage platforms we recommend may be higher than other brokerage platforms and therefore more expensive to you. We cannot guarantee you will receive the best execution possible through a broker/dealer we select.

Client Directed Brokerage Arrangements

While CPAI Co.. recommends broker/dealers, clients are free to select any broker/dealer of their own choosing. When a client directs the use of a particular broker/dealer or other custodian, CPAI Co.. may not be able to obtain the best prices and execution for the transaction. Clients who direct the use of a particular broker/dealer or custodian may receive less favorable prices than would otherwise be the case if clients had not designated a particular broker/dealer or custodian. Further, clients with directed brokerage arrangements will not be able to participate in aggregate trades (i.e. block trades) and directed trades may be placed by CPAI Co.. after effecting non-directed trades.

CPAI, Co.'s Programs

For clients that wish to have the associated persons of CPAI Co.. implement its advice through the Firm's programs, the Firm will recommend that clients establish brokerage accounts through the Fidelity Institutional Wealth Services platform ("FIWS"). Accounts will be held at National Financial Services, LLC (NFS) or Fidelity Brokerage Services, LLC (FBS). Both NFS and FBS are registered broker/dealers and serve as the client's qualified custodian.

While there is no direct linkage (except in certain circumstances) between the investment advice given to clients and CPAI Co..'s participation in the FIWS program, economic benefits are received by the Firm which would not be received if the Firm did not give investment advice to clients.

These benefits include: A dedicated trade desk that services FIWS participants exclusively, a dedicated service group and an account services manager dedicated to CPAI Co..'s accounts, access to a real-time order matching system, electronic download of trades, balances and position information, access, for a fee, to an electronic interface with FIWS's software, duplicate and batched client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements) availability of third-party research and technology through "soft dollar" arrangements, a quarterly newsletter, access to Fidelity mutual funds, access to WealthCentral.AdvisorChannel.com (internet access to statements, confirmation and transfer of asset status), access to over 350 mutual fund families and 4500 mutual funds not affiliated with Fidelity, of which over 2,000 have no transaction fees.

The benefits received through participation in the FIWS program do not depend upon the amount of transactions directed to or amount of assets managed through Fidelity.

Handling of Trade Errors

CPAI Co.. has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is the policy of CPAI Co.. to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, the client may not be able to receive any gains generated as a result of the error correction. In all situations where the client

does not cause the trade error, the client will be made whole and any loss resulting from the trade error will be absorbed by CPAI Co.. If the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain. CPAI Co.. may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons). CPAI Co.. will never benefit or profit from trade errors.

Block Trading Policy

CPAI Co.. does not perform block trading.

Item 13 – Review of Accounts

Account Reviews and Reviewers

Account reviews are provided in connection with Portfolio Management Services upon request of the client. CPAI Co.. is responsible for day to day reallocation and ongoing trading services for accounts in which the Firm is considered the manager and has been granted trading authorization.

CPAI Co.. shall periodically contact the client to determine if updates or additional financial planning services are needed. However, clients are expected to inform the Firm of any changes in the client's situation or when additional services and updates are needed.

Don Peters and Polly Peters provide investment management, client service, and administration services for CPAI Co..'s programs. Bobby Joe Cox, Tom Halvorson and Brett Conley assist as necessary with CPAI Co..'s programs, but Don and Polly have primary responsibility for managing accounts through that program.

Statements and Reports

Clients will receive statements, at least quarterly, from the qualified custodian at which their accounts are maintained. In addition, clients may elect to receive quarterly or on-demand position and performance reports from CPAI Co... Such reports are written and there is no additional fee for this service.

From time to time, we will provide newsletters or other general communication which are always free of charge to all clients. In addition, any newsletters are available to the general public through CPAI Co..'s website. Newsletters, if published, cover general financial topics. Newsletters may discuss specific investments or market trends, but are impersonal in nature.

Item 14 – Client Referrals and Other Compensation

Client Referrals

CPAI, Co. does not make or receive client referrals.

Other Compensation

CPAI, Co. does not receive any other compensation.

Item 15 – Custody

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented. CPAI Co.. is deemed to have custody of client funds and securities whenever CPAI Co.. is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody CPAI Co.. will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which CPAI Co.. is deemed to have custody, the firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from CPAI Co.. When clients have questions about their account statements, they should contact CPAI Co.. or the qualified custodian preparing the statement.

When fees are deducted from an account, CPAI Co.. is responsible for calculating the fee and delivering instructions to the custodian. At the same time CPAI Co.. instructs the custodian to deduct fees from the client's account, CPAI Co.. will send the client an invoice itemizing the fee. Itemization shall include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

Item 16 – Investment Discretion

Through its asset management services and upon receiving written authorization from a client, CPAI Co.. will maintain trading authorization over client accounts. Upon receiving written authorization from the client in our agreement for services, CPAI Co.. may implement trades on a **discretionary** basis. When discretionary authority is granted, CPAI Co.. will have the authority to determine the type of securities and the amount of securities that can be bought or sold for the client's portfolio without obtaining the client's consent for each transaction.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our Firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

Item 17 – Voting Client Securities

CPAI Co.. will not vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, we have determined that taking on the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our firm. Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us.

Item 18 – Financial Information

This item is not applicable to this brochure. CPAI Co.. does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, CPAI Co.. has not been the subject of a bankruptcy petition at any time.

Item 19 – Requirements for State Registered Advisors

Executive Officers and Management Personnel:

Polly B. Peters, President and Investment Advisor Representative

Education Background

B.S. Kansas State University, Human Ecology, 1981

Business Background

Freestate Advisors LLC, Advisor Representative, 11/2010 – Present; and

CPAI Co., Owner and Advisor Representative, 08/1996 – Present.

Polly has her Series 65. Polly has been with CPAI, Co. since 1996. She is President, Assistant Portfolio Manager, and Compliance Officer. Her responsibilities also include managing the office. Prior to joining CPAI Co., she owned and operated her own design business from 1991-1996.

Don S. Peters, Chairman of the Board and Investment Advisor Representative

Education Background:

Attended McPherson College in McPherson, Kansas 1947-1949.

Bachelor's Degree in Business, Emporia State University, 1951

Business Background:

Freestate Advisors LLC, Advisor Representative, 11/2010 – Present;

CPAI Co., Owner and Advisor Representative, 01/1991 – 07/2011; and

Peters, Gamm, & West, Partner, 1983-1991.

Don has his Series 65.

Bobby Joe Cox, Investment Advisor Representative

Education Background:

B.A. Wichita State University, Accounting, 1980

Business Background:

EPIC Group, President, 2006 – Present;

CPAI Co., Advisor Representative, 08/2008 – Present;
Stifel Nicolaus, Senior Vice President, 2000-2006; and
Major Wire House, Senior Vice President, 1985-2000.

Joe has been an equity manager for CPAI Co. since August 21, 2008. Joe is actively engaged in a business other than giving investment advice. He sells products or services other than investment advice in the form of sophisticated estate planning. He spends 40 hours per week in these activities.

B. CPAI, Co. nor any of its supervised persons engage in any outside business activities, other than Mr. Cox's activities previously disclosed.

C. CPAI, Co. nor any of its supervised persons are compensated for advisory services with performance-based fees.

D. CPAI, Co. has not been the subject of any client arbitrations or similar legal disputes.

E. CPAI Co. does not have any relationships or arrangements with any issuer of securities. Please refer to Item 12 – Brokerage Practices for a description of our brokerage arrangements.

Supervised Persons

Don Peters and Bobby Joe Cox are under the supervision of Polly Peters, President. Confirmations of all trades executed by Bobby Joe Cox and Don Peters are mailed to and reviewed by Polly Peters. Don Peters does not currently execute trades, rather mutually agrees with Polly Peters on them. Bobby Joe Cox reviews the confirmations of trades that are sent to Polly Peters and signs off on them himself, after review by Polly Peters. She can be reached at (316) 682-5148 or (888) 735-2724.

CUSTOMER PRIVACY POLICY NOTICE

Commitment to Your Private Information: CPAI Co.. has developed a policy of protecting the confidentiality and security information we collect about our clients. We do not, and will not, share nonpublic personal information about you ("Information") with outside third parties without your consent, except for the specific purposes described below. This notice has been provided to you to describe the Information we may gather and the situations under which we may need to share it.

Why We Collect and How We Use Information. We limit the collection and use of Information within our firm to only those individuals associated or employed with us that must have Information to provide financial services to you. Such services include maintaining your accounts, processing transaction requests, providing financial advisory services, and other services described in our Form ADV.

How We Gather Information. We get most Information directly from you when you provide us with information from any of the following sources:

Applications or forms (for example: name, address, social security number, birth date, assets, income, financial history)

Transactional activity in your account (for example: trading history and account balances)

Information services and consumer reporting sources (for example: to verify your identity or to assess your credit history)

Other sources with your consent (for example: your insurance professional, attorney, or accountant)

How We Protect Information. Our employees and affiliated persons are required to protect the confidentiality of Information and to comply with our stated policies. They may access Information only when there is an acceptable reason to do so, such as to service your account or provide you with financial services. Employees who violate our Privacy Policy are subject to disciplinary action, up to and including termination from employment with us. We also maintain physical, electronic, and procedural safeguards to protect information, which comply with applicable SEC, state, and federal laws.

Sharing Information with Other Companies Permitted Under Law. We do not disclose Information obtained in the course of our practice except as required or permitted under law. Permitted disclosures include, for instance, providing information to unrelated third parties who need to know such Information in order to assist us with providing services to you. Unrelated third parties may include broker/dealers, mutual fund companies, insurance companies, and the custodian with whom your assets are held. In such situations, we stress the confidential nature of information being shared.

Former Customers. Even if we cease to provide you with financial products or services, our Privacy Policy will continue to apply to you and we will continue to treat your nonpublic information with strict confidentiality.