



March 26, 2012

FIRM BROCHURE

(Part 2A of Form ADV)

This brochure discloses information about business practices and qualifications of our Firm. If you have any questions about the Firm or this brochure, call Charles W. Hayes or email him at chayes@hayescpa.com. 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.

Material changes since the last annual update: There are no material changes since our last update.

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ITEM 4 ADVISORY BUSINESS

Hayes & Associates Accountancy Corporation is a California Professional Corporation that provides tax, financial planning and investment management services to individuals, companies, trusts, estates, and retirement plans. The Company is 100% owned by Charles W. Hayes.

We manage portfolios of actively managed mutual funds. Each portfolio is individually tailored to meet the individual client's long-term personal financial objectives and within his or her risk tolerance. In rare cases individual securities are recommended. The client commits to a long-term asset allocation plan and can be as involved or uninvolved as they may wish. In any event, we discuss transactions before they are made.

We do not offer "Wrap-fee" programs.

Assets under management as of March 31, 2011 were \$37,900,000 of which \$35,800,000 were discretionary.

ITEM 5 FEES AND COMPENSATION

We are a "Fee-Only" Firm wherein we are compensated directly and only by the client. We do not receive commissions, forwarding fees, or any other form of compensation for recommended products, and therefore we have no incentive to select one investment over another. Such fees are based on assets under management, on hourly fees, or as a flat fee depending on the type of service rendered.

Fees for assets under management are 1% on the first million dollars (with a minimum of \$5,000), 0.8% on the next \$1,000,000 and 0.6% on assets in excess of \$2,000,000. Such fees are computed quarterly and paid in advance. Other arrangements may be negotiated with larger or smaller accounts, or with retirement accounts having limited investment choices, or with bundled services including investment management, on-going financial and estate planning, and tax preparation.

s are usually negotiated with the client in connection with such services as estate and financial planning. Hourly fees are usually charged for tax planning and preparation services, management advisory services and other traditional accounting services. Hourly rates range from \$100 to \$450 and are based upon several factors including experience of the advisor, nature and complexity of the service and other intangible considerations. Such fees may entail a prepaid retainer not to exceed value of services to be performed in the ensuing three months.

We use TD Ameritrade for custody and discount brokerage service. Clients may incur brokerage and transaction costs. All mutual funds have internal operating expenses which are debited from the fund and therefore paid by the client. Any fees charged by any mutual fund are the client's responsibility and are in addition to fees charged by Hayes & Associates. By primarily recommending "no-load" mutual funds and as a "fee-only" advisor, we avoid conflicts of interests with the client. Clients have the option of acquiring the same investments through other brokers or agents not affiliated with us.

Except as otherwise provided by agreement, refunds of fees for hourly or fixed fee arrangements are based upon the pro-rata completion of the task.

Investment management clients have the option of paying their fees directly to us or having their fees deducted from their brokerage accounts.

ITEM 6 PERFORMANCE-BASED FEES

We do not have any type of performance-based fee arrangements.

ITEM 7 TYPES OF CLIENTS

We provide services to individuals, pension and profit sharing plans, trusts, estates, charities, and other business entities. We assist in the formation of private foundations and charitable trusts and succession plans for businesses and trusts.

ITEM 8 METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS

With rare exceptions, Hayes & Associates invests almost exclusively in mutual funds and in all events readily marketable securities. We do not recommend partnerships for real estate, oil and gas, or other “tax shelter” ventures.

All recommendations are based on analysis of available investments matched to the client’s position and need. The investment strategy developed is based on cyclical economic analysis, fundamental and technical analyses, as well as analysis of charts of economic data for trends and trend changes.

Sources of information used in evaluating an investment strategy included insurance and financial data reporting services, corporate rating services, SEC reports and filings, research material prepared by in-house and outside sources, annual reports and prospectuses, published information in financial periodicals, timing services, and a wide variety of privately circulated financial newsletters.

Our strategies to accomplish client goals vary by client. Normally the strategy is based in building financial security through long-term purchases emphasizing time-valued rate of return over various economic cycles. For some clients short term purchases are recommended such as margin purchases. Timing for purchase and sale of various investments is recommended to clients. While we have not heretofore recommended investments in non-liquid assets including real estate and limited partnerships, they may be advised only when adequate protection of earnings and other assets are in place, cash and liquidity requirements have been met, and a prudent ratio exists between debt and net worth.

Investing in marketable securities is risky because the securities markets fluctuate in value. These fluctuations may be due to earnings and to political, economic or general market circumstances. Other factors may affect a single company or industry, but not the broader market. Because of this, the portfolios we recommend may decline in value for which a client must be prepared for. Since our portfolios consists of six to ten mutual funds, the client is assured of diversity over 100’s of securities, industries, and security types with varying degrees of risk.

We generally purchase and hold the same securities recommended to clients. There is no conflict of interest as the securities are widely-held and traded on public exchanges.

ITEM 9 DISCIPLINARY INFORMATION

Hayes & Associates and its employees have never been involved in any kind of disciplinary proceeding in any court, or with the SEC or with any other federal, state or professional authority.

ITEM 10 OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Hayes & Associates Accountancy Corporation is strictly an independent CPA and investment management company and has no affiliations with other firms, brokers, or individuals.

ITEM 11 CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

As a CPA/PFS our code of ethics encompasses fiduciary responsibilities to the client and to the public. The Prudent Investment Practices describes our duties to act with the utmost integrity and good faith on behalf of the client. A copy of the Code is available upon request.

We invest primarily in readily tradable mutual funds, and do not act as agents or brokers effecting investment or insurance transactions for compensation. Nor, do we recommend investments in which we or a related person have a material financial interest.

Employees and the principal of our firm invest in the same mutual funds recommended to clients. There is no conflict of interest as the securities are widely-held and traded on public exchanges.

ITEM 12 BROKERAGE PRACTICES

Clients wishing to implement our recommendations are free to select any broker they wish and are so informed. For those seeking a recommendation, we recommend TD Ameritrade for custody and execution of their transactions. TD Ameritrade is a discount broker with fees and services competitive with other discount brokers. We are “institutional advisors” with TD Ameritrade that provides services advantageous to us and to the client. TD Ameritrade provides us an electronic platform for trading and for downloading the client’s account activity. For the client, TD Ameritrade has numerous “load” funds wherein the load is waived allowing the client to purchase the funds at 100 cents on the dollar. Further, many trade minimums and fees are waived.

Hayes & Associates does not receive no accepts research or soft dollar benefits from any broker, nor do we consider whether we receive client referrals from a broker in selecting or recommending broker-dealers.

It is possible another broker might offer lower fees for certain mutual fund transactions. There is also the possibility that we are unable to achieve the lowest price on client transactions. We believe, however, that TD Ameritrade offers competitive pricing and service for mutual fund transactions.

ITEM 13 REVIEW OF ACCOUNTS

Each managed account is monitored periodically during the month. The calendar is the triggering factor. Asset allocations are reviewed and made annually, or as required.

In addition to a monthly broker’s statement, we provide quarterly performance statements reviewed in a quarterly meeting with the client or mailed to those out of town.

ITEM 14 CLIENT REFERRALS AND OTHER COMPENSATION

Hayes & Associates neither receives nor pays referral fees. The Company, its staff, and Charles W. Hayes are not sponsors, offerors, or broker-dealers for any product types or specific products recommended. We receive no commissions, no fees, nor any other compensation from any sponsor offering or selling any of the products recommended, and thus are not motivated to recommend products that have a sales commission instead of suitable “no-load” alternatives.

ITEM 15 CUSTODY

We do not maintain custody of client funds except in those cases wherein we act as bill-paying agents. Charles W. Hayes does serve as trustee for a number of trusts and, therefore, has a custodial relationship. In view of this, the Company is audited annually by an independent Certified Public Accountant. The CPA’s report is available upon request.

ITEM 16 INVESTMENT DISCRETION

We manage client accounts on both a discretionary and non-discretionary basis. A typical agreement with our clients provides for limited power of attorney for executing transactions and downloading client account data, and for directly charging their account for quarterly fees.

ITEM 17 VOTING CLIENT SECURITIES

We do not vote client securities.

ITEM 18 FINANCIAL INFORMATION

We do not require prepayment of fees six months or more in advance.

ITEM 19 SUPPLEMENTAL INFORMATION ON PRINCIPAL OWNER

Charles W. Hayes, CPA/PFS, CFP is responsible for determining what investment advice shall be recommended to each client. He also serves as the chief compliance officer. Born in 1944, he is a graduate of San Jose State College with a bachelor degree in accounting and finance. Drafted into the U.S. Army in 1967, he received the Army Commendation Medal and the Third Armored Division Commendation Medal for service as a systems analyst in debugging and cataloging computer programs introduced into the European Command.

In 1969 Hayes was employed by a large local San Jose accounting firm until opening his own office in 1974. While a full time certified public accountant, he also owned and operated a restaurant, real estate holdings, investments in small companies, and investments in the stock market. Having sold his San Jose practice in 1983, he moved to San Diego in 1985 to continue in public accounting as the sole owner of Hayes & Associates Accountancy Corporation.

Hayes is also an active lecturer and writer of professional articles and seminar programs. He holds professional designations of CPA, CFP, and PFS. He is a member of the American Institute of Certified Public Accountants, California Society of Certified Public Accountants, Personal Financial Specialist division of the AICPA, member of the Certified Financial Planner Board of Standards, and a member of the National Association of Personal Financial Planners. He is past president of the Coronado Chamber of Commerce, past treasurer of the Coronado Cays Yacht Club, past treasurer of the Coronado Hospital Foundation, and served on the endowment committee for the Friends of the Coronado Library.

Hayes was selected as one of the Five Star Wealth Managers in San Diego in 2009, and has been selected "Best of Coronado" as CPA and as investment advisor on several occasions.

There are no legal or disciplinary events to report for Charles W. Hayes.

ITEM 20 PROFESSIONAL DESIGNATIONS AND QUALIFICATIONS

American Institute of Certified Public Accountants (AICPA) is a national professional organization of practicing Certified Public Accountants.

Personal Financial Specialist (PFS) is a credential issued by the AICPA requiring a combination of extensive tax experience and a comprehensive knowledge of financial planning. The qualification of requirements are into three areas: education, experience, and exam. The member must have a minimum of 80 hours of financial planning education. He must have at least 3,000 hours of personal financial planning experience in the previous five year; and must successfully complete the Personal Financial Planning exam. In addition to subscription to the AICPA Code of Ethics, the member must limit his practice to "Fee-only" arrangements.

Certified Public Accountant (CPA) is the statutory title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements of certification as a CPA. In California on-going qualification requires a minimum of 80 hours of continuing education.

Certified Financial Planner (CFP) is a designation under the authority of the Certified Financial Planner Board of Standards. Designees must demonstrate competency in financial planning, investment management, insurance planning, retirement planning and estate planning. Candidates must pass a 10-hour exam, demonstrate extensive field work and have a bachelor degree. All designees are required to adhere to the Code of Ethics and Professional Responsibility enforced by Disciplinary Rules and Procedures of the CFP Board.

National Association of Personal Financial Advisors (NAPFA) is the nation's leading organization dedicated to the advancement of Fee-Only comprehensive financial planning. To qualify for membership a candidate must be a CFP and submit a case for peer review.