

SEC Registration No.: 801-55717

**FLORIDA INVESTMENT ADVISORS, INC.  
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TAMPA, FL 33606  
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**This brochure provides clients with information about Florida Investment Advisors, Inc. and the Separately Managed Account Command Program that should be considered before becoming a client of the Separately Managed Account Program. This information has not been approved or verified by any governmental authority.**

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## **I. SERVICE AND FEE SCHEDULE**

Florida Investment Advisors, Inc., (hereafter referred to as "FIA" or the "Company") offers the Separately Managed Account Command Program (the "Managed Account Program"), sponsored by FIA for which Lockwood Advisors, Inc. ("Lockwood") supports specific management functions. The Managed Account Program is designed to assist clients, both individuals and institutions (such as banks, pensions, trusts, charitable organizations, and others) in selecting one or more investment management firms ("the Manager(s)") to manage the client account portfolio for a convenient single "wrap" fee.

It is the responsibility of the Company to select any specific Manager offered through Lockwood that the Company determines is most appropriate to provide investment management services to the client or to designate its own proprietary portfolio management options, where applicable and as approved by Lockwood. The Company acknowledges that Lockwood will not offer any recommendations as to the Managers to be included in the Managed Account Program. FIA is responsible for supporting all client questions relating to the Managed Account Program.

FIA acknowledges and agrees that it is the primary investment advisor on client accounts and sponsor of the Managed Account Program. As the sponsor, FIA accepts full and complete responsibility for performing the following functions pursuant to Rule 3a-4 of the Investment Company Act of 1940 ("the Act"): 1) obtaining certain financial information from the client, including, but not limited to, the client's financial objectives and risk tolerance; 2) assisting the client in the formulation of its investment objectives; 3) providing the client with the necessary paperwork to open accounts; 4) contacting the clients, at least annually, to determine if the client's financial situation has changed or if the client wishes to impose restrictions on which securities may be held in the account; and 5) maintaining reasonable availability of qualified persons to consult with clients.

Clients give discretionary authority to the Company, which will thus have the authority to enter orders, transfer funds, hire and fire Managers, and otherwise transmit instructions, including billing and payment of parties and agents.

Lockwood will act as general administrator of the client account, which shall include the charging and collection of account fees, and the processing, pursuant to sponsor instructions, of deposits to and withdrawals from the account.

The delivery of clearing, custody, statements and confirms will be provided by Lockwood, through a clearing and custody arrangement with Lockwood's affiliate broker-dealer, Pershing, LLC ("Pershing"). Transaction services will be provided by FIA, as a dually-registered broker-dealer, or a financial institution designated by FIA.

Neither FIA nor Manager(s) are obligated to take any action with respect to the voting of proxies, except as regards to ERISA accounts as noted below. Client may delegate, in writing, the voting of proxies to the hired Managers. If the client is a retirement plan subject to ERISA, the Manager will be responsible for voting proxies and reporting such

votes to the plan, unless client expressly retains that right. The Managed Account Program includes the following:

- a. Investor Profile Analysis. FIA consults with the client to obtain detailed financial information and other pertinent data on a Client Information Worksheet and Risk Tolerance Questionnaire to enable the client to determine the appropriate investment guidelines, risk tolerance and other factors that will assist in ascertaining the suitability of the Managed Account Program. FIA will consult with the client periodically to determine whether any data in the client's Client Information Worksheet needs to be updated and whether any changes should be made to the client's investment guidelines, risk tolerance, or other factors pertaining to the continued suitability of the Managed Account Program for the client. Clients are expected to contact FIA promptly to notify it of any changes to the information the client has provided or any other changes in the client's financial circumstances or investment goals. In addition, clients should feel free to contact FIA with any questions they have about the Managed Account Program .
- b. Manager Selection. An Investment Policy Statement is produced based upon the investor profile analysis and the recommended asset mix, coupled with the appropriate style diversification is presented to the client for approval and/or further comment. FIA then recommends the appropriate Manager for the client based upon the Investment Policy Statement information. FIA, as an available proprietary Manager within the Managed Account Program, or another Manager is selected to diversify and manage the client's portfolio which includes, but is not limited to, stocks, bonds, options, REITs, mutual funds and money market instruments. Investments are determined based upon the client's investment objectives, risk tolerance, net worth, net income and other various suitability factors. Accounts are managed on an individualized basis. Further restrictions and guidelines imposed by clients affect the composition and performance of portfolios. For these reasons, performance of portfolios within the same investment objective may differ.
- c. Discretionary Authority. The Manager selected will direct the investment and reinvestment of the assets in client's account on a discretionary basis in accordance with the information provided by client, including any reasonable investment restrictions imposed by client, and subject to the client meeting the Manager's minimum account size. Each Manager may, at its sole discretion, purchase, sell, exchange, convert and trade securities and other investments within the client portfolio.

The maximum fee for the above service is as follows:

*Managed Accounts – Equity*

First \$250,000 is billed at 1.75%  
Next \$250,000 is billed at 1.55%

Next \$500,000 is billed at 1.35 %  
Next \$1,000,000 is billed at 1.10%  
Next \$1,000,000 is billed at .95%  
Next \$2,000,000 is billed at .90%  
Above \$5,000,000 is billed at .85%

*Managed Accounts – Fixed Income*

First \$250,000 is billed at 1.50%  
Next \$250,000 is billed at 1.35%  
Next \$500,000 is billed at 1.15 %  
Next \$1,000,000 is billed at 1.00%  
Next \$1,000,000 is billed at .80%  
Next \$2,000,000 is billed at .70%  
Above \$5,000,000 is billed at .65%

FIA will not advise the client or act for the client in any legal proceedings, including bankruptcies, involving securities held or previously held in the Managed Account Program or the issuers of those securities.

As a participant in the Managed Account Program, the client will pay an annualized asset-based fee (“Managed Account Program Fee”) in accordance with the negotiated fee schedule as described above and within the client’s contract with FIA payable quarterly. The fee charged by FIA is based on a percentage of the total aggregate asset value of the account as of the previous quarter end date. The Managed Account Program Fee includes all fees and charges for the services, as applicable and all applicable brokerage charges (a “wrap fee”). The management fee encompasses all transaction-related costs associated with the execution of transactions. The fee does not cover incidental fees such as wire charges or other transaction charges.

The client Agreement shall, be effective for the annual period commencing with the date of its execution, and will thereafter, on each anniversary date, be automatically extended for an additional one year term unless, at least 30 days prior thereto, either party notifies the other of an intent to terminate the Agreement at the expiration of the then existing term. Accounts are refunded the Managed Account Program Fee on a prorated basis for early termination of the contract.

The first payment will be assessed on a pro rata basis in the event the client Agreement is executed at any time other than the first day of the billing cycle. All subsequent payments will be assessed accordingly.

The client authorizes FIA or Lockwood to deduct all applicable fees from the client's account held at an independent qualified custodian. All such fees will be clearly noted on client's statements.

Clients may access their account information online via the Pershing NetExchange client interface.

## **II. INVESTMENT STRATEGY**

FIA provides clients with a schedule of Managers offered through Lockwood, which may be modified from time to time, who are available within the Managed Account Program. The Managers listed on the schedule enter into agreements with Lockwood whereby Lockwood and Pershing will furnish the execution, clearance and administrative services for the managed accounts. The Managers are considered sub-advisers of the client accounts. FIA is the primary investment adviser on all client accounts and maintains the fiduciary responsibility to the client.

FIA offers investment advice through the Managed Account Program by matching clients with the appropriate Manager in accordance with the client's investment objectives, earnings, and risk tolerance, and other relevant financial information collected via the investor profile analysis. Client accounts may be invested in Separately Managed Accounts ("SMAs"), mutual funds, or individual securities as determined by the selected Manager.

FIA assists clients in the selection of Managers using information provided by Lockwood, including, but not limited to, Manager and Portfolio Analytics Reports, Portfolio Tools, and Manager performance data, and cost. Managers are limited to those available through Lockwood. The FIA Investment Committee reviews the Managers periodically to determine which Managers should be included or excluded in the Managed Account Program.

## **III. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

Securities industry regulations require that advisory firms provide their clients with a general description of the advisory firm's Code of Ethics. FIA has adopted a Code of Ethics in compliance with 204A-1 in reference to the firm's controls over personal trading that sets forth the governing ethical standards and principles of the Company. It also describes the Company's policies regarding the protection of confidential information, including the review of the personal securities accounts of certain personnel of the Company for evidence of manipulative trading, trading ahead of clients, insider trading, trading restrictions, training of personnel and recordkeeping. A copy of the Company's Code of Ethics may be obtained by writing to the Company. Associated persons of FIA may also be associated persons of the registered broker-dealer arm of FIA.

FIA or its related persons may buy or sell for themselves investment products or securities recommended to clients. Records will be maintained of all securities bought or

sold by FIA, associated persons or related entities. Such records will be available for client inspection upon request.

Generally, FIA does not vote proxies on behalf of its clients (see Section 1 regarding ERISA accounts). Proxies are sent directly to clients to vote according to their preference.

#### **IV. COMPARISON COST OF SERVICE**

The Managed Account Program may cost clients more or less than purchasing such services separately depending on the frequency of trading in the client's accounts, commissions charged at other broker/dealers for similar products, and fees charged for like services by other broker/dealers. Generally, accounts that trade frequently benefit more from the "wrap fee" than those accounts with less turnover since commission charges are included in the overall Managed Account Program Fee.

#### **V. NATURE OF FEES**

Under the Managed Account Program, the client will pay a single fee, based on the amount of assets under management, for investment advice and all transaction related costs associated with executing transactions for the client (except for incidental costs such as wire fees or bank charges).

The client grants FIA the authority to receive quarterly payments directly from the client's account held by a qualified independent custodian. The fee will then be split between FIA, Lockwood, and the selected Manager(s). Upon client's request, FIA shall provide an accounting of the manner in which a particular fee has been calculated. The annual management fee shall be determined in advance on a calendar quarterly period and shall be paid directly from the client's cash account balance. When an account is opened, such fee will be determined for the remainder of the then current quarterly period and will be based upon the value of the client's initial investment in the account. Thereafter, the fee will be determined promptly after commencement of each calendar quarterly period, based upon the value of the account as of the last business day of the preceding calendar quarter.

If the relationship between FIA and a client is terminated prior to the end of a calendar quarter, any unearned fee will be refunded on a pro rata basis. The investment advisory relationship between FIA and each of its clients may be terminated by either party upon 30 days written notice. A full refund will be provided should the agreement be terminated within 5 business days of the initial contract signing.

#### **VI. ADDITIONAL COMPENSATION**

FIA has a policy of not allocating brokerage business in return for products or services other than brokerage or research services as described by the SEC's most recent interpretations of the safe harbor provisions of Section 28(e) of the Securities Exchange

Act of 1934. FIA may, from time to time, receive services and products which serve both research and non-research functions. In such event, FIA makes a good faith determination of the anticipated research and non-research use of the product or service and allocates brokerage only with respect to the research component.

FIA sponsors other wrap fee programs in addition to the Command Program. It receives compensation as sponsor of those programs, similar to the type of compensation received for the Managed Account Program. Brochures for the other FIA sponsored wrap fee programs (Mutual Fund Allocation Program and Enhanced Management Account) may be obtained by contacting FIA and requesting a copy of the brochure for each program.

Participants in the Managed Account Program may receive the benefit of research paid for through transactions placed by other FIA accounts not participating in the Managed Account Program. This scenario will only apply to those clients utilizing the proprietary management services of FIA within the Managed Account Program.

Individual employees of The Bank of Tampa, an affiliate of FIA, who are directly responsible for bringing a client to FIA, receive compensation from FIA. Such agreements will comply with the requirements set out in Rule 206(4)-3 of the Investment Advisers Act of 1940 for such solicitor relationships, including the requirement that the relationship between the solicitor and the investment adviser be disclosed to the client at the time of the solicitation or referral. Referral fees are a percentage of the annual management fees earned by FIA on referred accounts and represent no additional expenses to the clients.

An individual recommending the Managed Account Program to a client that receives compensation as a result of the client's participation in the Managed Account Program may have a financial incentive to make such recommendation. The individual may receive compensation that otherwise would not be received had the client participated in other programs offered by FIA or paid separately for investment advice, brokerage, and other services.

FIA also receives compensation for investment management services as a sub-advisor for another investment management firm. Sub-advisor management fees received are a percentage of the annual management fees earned by the primary investment manager to the accounts that FIA performs investment management services and represent no additional expenses to the clients.

Independent (non-employee) solicitors who are directly responsible for bringing a client to the Company may receive compensation from the Company in addition to the reimbursement of expenses and meals. FIA has a referral arrangement with G&O Financial Services, Inc. whereby it receives a portion of the quarterly management fee paid to FIA.

Solicitor agreements will comply with the requirements set out in Rule 206(4)-3 of the Investment Advisers Act of 1940, including the requirement that the relationship between the solicitor and the Company be disclosed to the client at the time of the solicitation or referral. Compensation to such individuals represents no additional expense to the client.



In any such case, applicable state laws may require independent solicitors to become either licensed as representatives of FIA or registered as an independent investment adviser. Currently, the state of Florida does not have this requirement. The client will be requested to acknowledge this arrangement prior to acceptance of the client's funds.

## **VII. CONDITIONS FOR MANAGING ACCOUNTS**

The Managed Account Program charges a minimum annual account management fee of \$1,000, and FIA advises clients to commit their account contributions for a period of not less than three years. FIA recommends a long-term investment strategy for its clients, but does not impose any redemption fees for accounts held less than three years.

Managers may determine not to accept a client account based upon specific criteria, such as, account size, asset type, or client restrictions. In that case, Manager must notify Lockwood within two days of receipt of the client account information. Lockwood then must immediately notify FIA. At that time, FIA will assist the client in selecting a substitute Manager appropriate to their needs.

Lockwood is not involved in the selection of Managers for any specific client account and has no liability or responsibility with respect to the performance of any Manager.

## **VIII. REVIEW OF ACCOUNTS**

Accounts are reviewed at least semi-annually by the Company and regularly by the selected Manager. At the Company level, reviews will be done by Michael R Dreyer, FIA's President, Kirk D. Lutrell, CFA, Sr Portfolio Manager, and Andrey S. Niantchev, Sr Portfolio Manager, in addition to other members of the Investment Committee. As experienced securities analysts and money managers, Mr. Dreyer and Mr. Lutrell will conduct each review in accordance with industry fiduciary standards. At least annually, in-person meetings are requested in order to review the Investment Policy Statement with the client to verify all financial information and stated investment objectives are correct and up-to-date.

Managers review client accounts regularly as part of their investment management process.

The timing and nature of account reviews are dictated by a variety of factors, including contributions or withdrawals of cash from an account; a substantial change in the market value of assets under management; a client's request for tax-loss selling; a client's request for information regarding the performance or structure of an account; the performance of an account; interest rate changes; changes in the list of securities approved for purchase for a particular objective; changes necessary to rebalance the portfolio to maintain client objectives and desired asset mix; and requirements imposed by court order or regulatory degree (if applicable).

Each client is furnished by the applicable securities broker through whom a trade is placed, within three business days following completion of each purchase or sale transaction, a confirmation slip identifying the transaction. The Company allows the client to waive the receipt of transaction confirmations if they choose. Additionally, brokerage statements will be forwarded by Lockwood or Pershing to the client, the Company, and client's Manager for each month in which activity occurs in client's account. Quarterly account statements will be forwarded by Lockwood or Pershing to client, the Company and client's Manager, regardless of whether there has been any activity in client's account.

## **IX. MANAGER COMMUNICATIONS**

The Company will contact the clients, at least annually and will be available to client on an ongoing basis to receive instructions and to communicate to Lockwood any changes in client's financial situation or investment objectives. Clients are advised to contact FIA, not the Manager, if they have any questions or concerns regarding their account or are in need of portfolio assistance.

## **X. EDUCATION AND BUSINESS STANDARDS**

Each FIA employee who determines or furnishes investment advice to clients is expected to hold a degree from a four year college or university in an academic subject or group of subjects that will enhance his or her ability to analyze investments and to furnish investment advisory services, or to have worked no fewer than five years in one or more positions related to the investment advisory services industry.

FIA will also require individuals to be properly licensed and registered, unless exempted, in states in which such individuals are conducting investment advisory business.

## **XI. INVESTMENT ADVISOR REPRESENTATIVES/MANAGERS**

Name: Michael R Dreyer

Date of Birth: 1957

Education:

Florida State University  
Tallahassee, Fl

BA in Accounting

University of South Florida  
Tampa, Fl

MBA

Business Background:

Florida Investment Advisors, Inc.  
Pres./Prin

04/12 - Present

The Bank of Tampa  
Sr Vice President Trust Services 01/12 – 04/12

SunTrust Investment Services  
Vice President 10/10 – 01/12

The Teague Financial Group  
Affiliated with Northwestern Mutual Investment Services  
Director of Estate & Business Succession 12/04 – 10/10

Grant Thorton  
Sr Manager of Family Wealth Management 01/03 – 10/04

PricewaterhouseCoopers LLP  
Sr Manager of Personal financial Services Group 06/93 – 01/03

Name: **Kirk D. Lutrell**

Date of Birth: 1966

Education:

Texas A & M University  
College Station, TX 1991 - BA  
Physics/Philosophy

Southern Methodist University  
Dallas, TX 1997 - MBA  
Finance

Business Background:

Florida Investment Advisors, Inc.  
Sr Portfolio Manager 03/00 - Present

Name: **Andrey S. Niantchev**

Date of Birth: 1976

Education:

The University of Tampa  
Tampa, FL 1998 - BS  
Finance

The University of Tampa  
Tampa, FL 2000 - MBA  
Business Administration

Business Background:

Florida Investment Advisors, Inc.  
Sr Portfolio Manager 01/04 - Present

## **XII. CONFLICTS OF INTEREST**

FIA is also a general securities Broker/Dealer effectively registered with the Securities and Exchange Commission, Financial Industry Regulatory Authority and various state regulatory agencies. In this capacity, FIA is involved in the sale of various types of securities, including, but not limited to, stocks, bonds and mutual funds. Associated persons of the Company spend approximately 50% of their time selling securities and managing securities business and 50% of their time providing investment advice.

As a registered broker-dealer, FIA may effect securities transactions for advisory clients. Securities transactions effected for those clients participating in the Managed Account Program are executed by the broker-dealer arm of FIA.

FIA is a wholly owned subsidiary of the Tampa Bay Banking Company ("TBC"), a Florida corporation qualified with the Federal Reserve Bank of Atlanta as a bank holding company. TBC owns 100% of the outstanding shares of capital stock issued by The Bank of Tampa, a Florida chartered commercial bank maintaining approximately \$750 million in customer deposits (the "Bank"), as well as 100% of the shares issued by FIA. Consequently, FIA and the Bank have an affiliation as members of the same consolidated group of TBC corporations. FIA will act as an investment manager to The Bank of Tampa.

Luis Garcia is a Director and control person for G & O Financial Services Inc. and is also a Director for FIA. In addition he is a CPA/Owner of Garcia & Ortiz, PA, an accounting firm. Some clients of FIA may also be clients of Garcia & Ortiz, PA.

The Managed Account Program may cost clients more or less than purchasing the included services separately, so FIA may have a financial incentive to recommend participation in the Managed Account Program.

## **XIII. PERFORMANCE CALCULATIONS**

Managed Account Program client performance is monitored periodically by the FIA Investment Committee which meets weekly to review sample client accounts. Accounts are reviewed to determine if the securities and positions are appropriate based upon the Managed Account Program objectives as well as individual client objectives.

As sponsor of the Managed Account Program, FIA provides all brokerage services, unless directed otherwise by the client. FIA and Lockwood both use Pershing, LLC ("Pershing") for clearing and settlement of all transactions. Lockwood provides performance information on participating portfolio managers. It has access to several third party databases of money manager performance.

Pricing feeds are received daily from Pershing for all Managed Account Program securities. FIA has access to the Lockwood portfolio accounting system that values all securities positions and client accounts based upon the pricing feeds obtained through Pershing. Generally, the securities are all liquid, listed securities with readily available market prices. If for some reason, a price was not available, or a security was deemed illiquid, the FIA Investment Committee would fair-value the security according to industry fair-value determination standards.

Quarterly performance statements are generated via the Advent portfolio accounting system, FIA's internal portfolio accounting system, and sent to all clients participating in the Managed Account Program. FIA follows standard industry fiduciary standards in calculating performance and reviews the performance data as part of its routine account review process.

Clients with specific portfolio restrictions or limitations on their account may receive performance either higher or lower than those accounts with no restrictions or limitations.

#### **XIV. ADDITIONAL DISCLOSURES**

Each Managed Account Program client will grant FIA and the Manager(s) authority to exercise discretion in effecting transactions for the client's account. The Manager decides what securities to buy and sell for each account, and in what quantity, consistent with each client's investment objectives. Since the fee paid by the client covers all transaction-related costs, the client will not pay separate commissions for purchases or sales of securities for the client's account unless the client directs FIA to execute transactions in securities with a broker-dealer other than FIA. Because all transaction related fees are paid for out of the "wrap fee", FIA anticipates that it will fulfill its duty to obtain best price and execution of client orders by effecting those transactions itself, as broker. If FIA effects a transaction for a client through another broker, the net purchase or sale price reflected on the confirmations of such trades may reflect brokerage commissions or dealer "mark-ups" or "mark-downs" outside the scope of the "wrap fee".

FIA provides a variety of services to clients as a broker-dealer for which it is compensated. FIA usually acts as broker in transactions for clients. FIA generally does not maintain an inventory of securities and therefore usually does not buy and sell securities for its own account. However, FIA will maintain records of all securities purchased and sold by FIA, its associated persons, and related entities, which will be available for client inspection upon reasonable request.

FIA may purchase or sell the same security for a number of clients at the same time. Because of market fluctuations among clients, the prices obtained on such transactions within a single day may vary. In such a case, to more fairly allocate those market

fluctuations among clients, transactions in the same security for a number of customers may be "batched".

In these circumstances, the confirmations and statements for each client's transaction may show that the transaction was effected at a price equal to the average execution price for all transactions included in the batched trade.