

**Part 2A of Form ADV: *Firm Brochure***



**LaSalle St. Investment Advisors, LLC**

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This brochure provides information about the qualifications and business practices of LaSalle St. Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 630-600-0430 or [nickp@lasalle-st.com](mailto:nickp@lasalle-st.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.

Additional information about LaSalle St. Investment Advisors, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 109701.

LaSalle St. Investment Advisors, LLC is a registered investment advisor. Registration of an investment advisor does not imply any level of skill or training.

## **Item 2    Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 03/21/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

<b>Item 3</b>	<b>Table of Contents</b>	<b>Page</b>
Item 1	Cover Page	1
Item 2	Material Changes	2
Item 3	Table of Contents	3
Item 4	Advisory Business	4
Item 5	Fees and Compensation	8
Item 6	Performance-Based Fees and Side-By-Side Management	14
Item 7	Types of Clients	14
Item 8	Methods of Analysis, Investment Strategies and Risk of Loss	14
Item 9	Disciplinary Information	25
Item 10	Other Financial Industry Activities and Affiliations	26
Item 11	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	29
Item 12	Brokerage Practices	31
Item 13	Review of Accounts	33
Item 14	Client Referrals and Other Compensation	34
Item 15	Custody	35
Item 16	Investment Discretion	35
Item 17	Voting Client Securities	35
Item 18	Financial Information	35

## **Item 4    Advisory Business**

LaSalle St. Investment Advisors, LLC is a SEC-registered investment adviser with its principal place of business located in Illinois. LaSalle St. Investment Advisors, LLC began conducting business in 1999. We provide personalized fee-based financial planning and investment management to individuals, trusts, estates, pensions, charitable organizations and small businesses amongst others. After a thorough consultation, your Investment Advisor Representative will provide you with advice which may include: determination of financial objectives, cash flow management, tax planning, investment management, asset allocation, education funding, retirement planning and estate planning.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- McDermott Holdings I, LP, Sole Owner/Manager

LaSalle St. Investment Advisors, LLC offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL AND MODEL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment strategy and create and manage a portfolio based on that strategy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary or non-discretionary basis. Account supervision is guided by the client's stated objectives (i.e., capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities

- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

These are the programs that are listed within our ISS:

**LaSalle St. Asset Management Program:** The LAMP program provides non-discretionary investment management of client portfolios in accordance with the client investment objectives. All investments are discussed with the client before order execution. LaSalle St. Investment Advisors, LLC may also provide advice on non-investment matters on an unsolicited basis for which LaSalle St. Investment Advisors, LLC shall not receive additional compensation over the disclosed fee.

**Managed:** LaSalle St. Investment Advisors, LLC provides investment supervisory services as defined as giving continuous advice to clients or making investment decisions on behalf of clients, based upon the defined objectives, individual characteristics and needs of the client.

The firm will provide its advisory services through a managed fee arrangement. The managed fee charged by the firm will include the design and management of the client portfolio. Fees are negotiated from time to time based on size of account, related business, and length of relationship. Although the firm will not have custody of any client funds or securities, the charges incurred through the use of a custodian will not be included within the managed fee.

The primary investment vehicles used in the management of client accounts are no-load mutual funds, equities, fixed income, annuities, options and index funds. The Investment Advisor Representative uses personal interviews to gain an in-depth understanding of the client's investment objectives and individual needs.

**Income Portfolio Strategies:** This program determines if a client should invest into bonds alone or a portfolio allocation of bonds and dividend paying stocks (or no-load mutual funds). An extensive discussion is conducted to gain insight into the client's investment experience and his/her current appetite for common stock or equity risk. As a result, a client's portfolio may be classified as "conservative", "income", "balanced", "growth" or "aggressive". Investments opportunities are assigned to each client consistent with the circumstances, preferences and objectives of each client.

This program believes the client should receive a "total investment return" consisting of interest, dividends and where possible, capital gains. A useful strategy is to buy a bond at a

discount to maturity value, collect accruing interest and sell the bond should a reasonable capital gain develop. The gross proceeds are then deployed into another similar opportunity. The compounding effect of a strategy that seeks to collect both income and capital gains may enhance the net total investment return over a period of time.

**Portfolio Analytics:** This program combines both fundamental and quantitative investment techniques in an effort aimed at identifying investments which have superior long-term prospects, but at the same time avoiding participation in downward trends in those investments. Under this program, the registrant provides continuous investment advice and selects investments based upon the individual investment objectives of the client. It selects investments suitable for the client from among equities, fixed income, stock options and mutual funds. The primary focus is on individual securities. The Investment Advisor Representative uses personal interviews to gain an in-depth understanding of the client's investment objectives and individual needs. Fees for the program are calculated based upon client assets under management.

**Abelian:** The goal of this program is to produce long-term average annual returns similar to those of a broad equity index but with significantly lower volatility and zero correlation to any equity index.

## **QUALIFIED PLAN CONSULTING SERVICES**

This program is designed for plan sponsors, such as 401(k) plans, to invest in mutual funds held with specific custodians who have outside TPA and/or record keepers. The Investment Advisor Representative will educate the plan participants and may offer a variety of services. Investment Advisor Representatives may choose to offer any or all of these services:

*Plan Design and Consulting:* Analysis of employer retirement plan objectives based on its needs, employee demographics and recommendation of appropriate type of plan. Consultation and recommendation on plan design and specifications.

*Selection and Monitoring of Plan Investment Options:* Participation in the selection of the menu of investment choices, including analysis of proposed menu and development of portfolio models.

*Employee Meetings:* Conduct meetings with eligible employees to provide information to such employees about the referred plan and its purpose, education in investing in general and investment choices made available, provided, the Investment Advisor Representative shall not be obligated to conduct such meetings outside the state in which its principal office is located. Such meetings will be at the times and places determined by the Plan Sponsor. The use and content of visual or electronic aids or printed materials will be as determined by LaSalle St. Investment Advisors, LLC.

*Participant Investment Consultant:* Consulting with individual participants as to appropriate investment choices, including assistance in developing custom portfolio models on a participant-by-participant basis.

*Assisting Employees in Completion of Forms:* Conferring with employees to assist them in completing enrollment forms, investment election forms and designation of beneficiary forms.

*Forwarding Forms to Plan Service Providers:* Assuring that each eligible employee completes the appropriate forms, and collecting such forms from participants and forwarding them to the appropriate providers that require them.

*Regular Contact with Plan Sponsor:* Making contact by phone or personal visit with each Plan Sponsor on a recurring and regular basis to provide ongoing assurance of the Investment Advisor Representative's continued interest in the Plan Sponsor's needs with respect to the Plan.

*Meeting with Board of Directors:* Meeting with the Plan Sponsor's board of directors (or other governing body) as requested regarding the Plan.

*Evaluation of Plan Effectiveness:* Providing analysis of the Plan's effectiveness in achieving the Plan Sponsor's goals and purposes of the Plan.

### **THIRD-PARTY MONEY MANAGERS**

We also offer advisory management services to our clients through our Selection and Monitoring of Third-Party Money Managers programs.

Under the supervision of LaSalle St. Investment Advisors, LLC principals, properly qualified Investment Advisor Representatives offer portfolio consulting services to clients. The primary activities conducted under these programs are portfolio design (asset allocation) and investment manager searches provided for clients on a fee basis. In most instances, the actual management of client funds will be handled by outside investment advisory organizations that shall have discretion over the individual investments made on behalf of client accounts.

### **FINANCIAL PLANNING**

We provide financial planning services. Financial planning is a comprehensive evaluation of a client's current and future financial state by using currently known variables to predict future cash flows, asset values and withdrawal plans. Through the financial planning process, all questions, information and analysis are considered as they impact and are impacted by the entire financial and life situation of the client. Clients purchasing this service receive a written report which provides the client with a detailed financial plan designed to assist the client achieve his or her financial goals and objectives.

In general, the financial plan can address any or all of the following areas:

- **PERSONAL:** We review family records, budgeting, personal liability, estate information and financial goals.
- **TAX & CASH FLOW:** We analyze the client's income tax and spending and planning for past, current and future years; then illustrate the impact of various investments on the client's current income tax and future tax liability.
- **INVESTMENTS:** We analyze investment alternatives and their effect on the client's portfolio.
- **INSURANCE:** We review existing policies to ensure proper coverage for life, health, disability, long-term care, liability, home and automobile.
- **RETIREMENT:** We analyze current strategies and investment plans to help the client

achieve his or her retirement goals.

- **DEATH & DISABILITY:** We review the client's cash needs at death, income needs of surviving dependents, estate planning and disability income.
- **ESTATE:** We assist the client in assessing and developing long-term strategies, including as appropriate, living trusts, wills, review estate tax, powers of attorney, asset protection plans, nursing homes, Medicaid and elder law.

We gather required information through in-depth personal interviews. Information gathered includes the client's current financial status, tax status, future goals, returns objectives and attitudes towards risk. Should the client choose to implement the recommendations contained in the plan, we suggest the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of financial plan recommendations is entirely at the client's discretion.

We also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning and business planning.

Typically the financial plan is presented to the client within six months of the contract date, provided that all information needed to prepare the financial plan has been promptly provided.

Financial Planning recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. All recommendations are of a generic nature.

### **ADVISORY REFERRAL SERVICES**

LaSalle St. Investment Advisors, LLC acts as a solicitor on behalf of various independent registered investment advisers. Based on a client's individual circumstances and needs, we will assist the client in determining which independent adviser's portfolio management services are appropriate for that client. Factors considered in making this determination, including account size, risk tolerance, and a client's investment experience, are discussed during our consultation with the client. LaSalle St. Investment Advisors, LLC will ensure that all federal and/or state specific requirements governing solicitation activities are met.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2011, we were actively managing \$80,308,908.63 of clients' assets on a discretionary basis plus \$379,228,970.25 of clients' assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

### **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL AND MODEL PORTFOLIO MANAGEMENT FEES**

The annualized fee for Investment Supervisory Services will be charged as a percentage of assets under management, according to the following schedules:

#### **LAMP and Managed**

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
\$0 - \$250,000	2.50%
\$250,001 - \$500,000	2.25%



\$500,001 - \$1,000,000	2.00%
\$1,000,001 - \$2,000,000	1.80%
\$2,000,001 - \$5,000,000	1.60%
\$5,000,001 - \$10,000,000	1.40%
\$10,000,001 and over	Negotiated

The fee will be charged monthly, in advance, and calculated based on the average daily balance of the account over the billing period including additional amounts invested and accrued interest. All assets in any form in the client's account are considered in determining the portfolio value, including cash balances and money market assets. The fee to be charged will be displayed on the statement. The fee will be directly debited from the account.

However, LaSalle St. Investment Advisors, LLC maintains a few unique accounts that are charged quarterly, in advance, based upon the asset value of the accounts on the third Friday of the ending quarter and/or charged quarterly, in advance, based upon the ending value of the quarter. The fee charged will be displayed on the statement. The fee will be directly debited from the account.

#### Ticket Charges for Securities Transactions:

General Securities & Mutual Funds - \$15.00/trade  
Options - \$15.00/trade + \$1.00/contract

This charge includes execution charges, exchange fees, and postage and handling. This charge is over and above any charges assessed as fees. The above referenced fees shall be compensation of all services provided but will not cover certain charges, such as transfer fees, margin interest, IRA fees, check writing service fees, and those fees mandated by law with respect to execution of transactions, such as SEC fees.

#### IPS

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 - \$100,000	2.00%
\$100,001 - \$250,000	1.50%
\$250,001 - \$500,000	1.25%
\$500,001 - \$1,000,000	1.00%
\$1,000,001 - \$2,000,000	0.80%
\$2,000,001 - \$5,000,000	0.65%
\$5,000,001 - \$10,000,000	0.50%
\$10,000,001 and over	Negotiated

The fee will be charged monthly, in advance, and calculated based on the average daily balance of the account over the billing period including additional amounts invested and accrued interest. All assets in any form in the client's account are considered in determining the portfolio value, including cash balances and money market assets. The fee to be charged will be displayed on the statement. The fee will be directly debited from the account.

#### Ticket Charges for Securities Transactions:

General Securities & Mutual Funds - \$15.00/trade

Options - \$15.00/trade + \$1.00/contract

This charge includes execution charges, exchange fees, and postage and handling. This charge is over and above any charges assessed as fees. The above referenced fees shall be compensation of all services provided but will not cover certain charges, such as transfer fees, margin interest, IRA fees, check writing service fees, and those fees mandated by law with respect to execution of transactions, such as SEC fees.

#### Portfolio Analytics

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 - \$99,999	2.00%
\$100,000 - \$249,999	1.75%
\$250,000 - \$499,999	1.60%
\$500,000 - \$999,999	1.50%
\$1,000,000 and over	1.25%

The fee will be charged monthly, in advance, and calculated based on the average daily balance of the account over the billing period including additional amounts invested and accrued interest. All assets in any form in the client's account are considered in determining the portfolio value, including cash balances and money market assets. The fee to be charged will be displayed on the statement. The fee will be directly debited from the account.

#### Ticket Charges for Securities Transactions:

General Securities & Mutual Funds - \$13.75/trade + \$1.25 postage

Options - \$13.75/trade + \$1.00/contract

This charge includes execution charges and exchange fees. This charge is over and above any charges assessed as fees. The above referenced fees shall be compensation of all services provided but will not cover certain charges, such as transfer fees, margin interest, IRA fees, check writing services fees, and those fees mandated by law with respect to execution of transactions, such as SEC fees.

#### Abelian

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 - \$1,000,000	3.00%
\$1,000,000 and over	Negotiated

The fee will be charged monthly, in advance, and calculated based on the ending balance of the account over the billing periods including additional amounts invested and accrued interest. All assets in any form in the client's account are considered in determining the portfolio value, including cash balances and money market assets. The fee will be deducted directly from the clients account and will be reflected on the statement.

## Ticket Charges for Securities Transactions:

### General Securities - \$0.003/share

This charge includes execution charges, exchange fees, and postage and handling. This charge is over and above any charges assessed as fees. The above referenced fees shall be compensation of all services provided but will not cover certain charges, such as transfer fees, margin interest, IRA fees, check writing service fees, and those fees mandated by law with respect to execution of transactions, such as SEC fees.

**Minimum:** A minimum of \$25,000 of assets under management is required for this service (excluding Abelian, which is \$50,000). This account size may be negotiable under certain circumstances. LaSalle St. Investment Advisors, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

**Limited Negotiability of Advisory Fees:** Although LaSalle St. Investment Advisors, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

### QUALIFIED PLAN CONSULTING FEES

Our fees for Qualified Plan Consulting Services are based on a percentage of assets under advisement, according to the following schedule:

We charge an annual fee for Qualified Plan Consulting Services which ranges from 0.30% to 0.75% of plan assets depending on the services requested and the size of the plan.

The fee will be charged in advance either on a monthly basis or at the beginning of each calendar quarter.

**Limited Negotiability of Advisory Fees:** Although LaSalle St. Investment Advisors, LLC has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

**Minimum:** A minimum of \$25,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. LaSalle St. Investment Advisors, LLC may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

### **THIRD-PARTY MONEY MANAGERS FEES**

Each client shall enter into a fee agreement with the third-party advisor that details the services provided under the agreement as well as the actual fee charged for the described services. The fees charged, method of calculation, and method of payment shall be negotiated on an individual basis. These fees shall reflect the services provided on behalf of the individual client. Our fee is based on a percentage of the client's managed assets, ranging up to 2.40% of the fee charged by the third-party advisor, depending on the size of the account. The client would be assessed the same fee regardless of the payment made to the Investment Advisor Representative. Fees are typically charged quarterly, in advance, and are based upon the market value of the account on the last day of the appropriate period.

### **ADVISORY REFERRAL SERVICES FEES**

We do not enter into an advisory agreement with any client nor do we charge a fee to any client for referrals to other Advisers. Fees for such referrals are paid by the other Advisers as a percentage of the fees the other Advisers receive from the client. Client advisory fees are not increased in any way as a result of our referral of any clients to other Advisers. We typically receive approximately 0.50% of the advisory management fee paid by the client to the other Advisers.

Clients will receive a separate disclosure document describing the fee paid to us by the other Advisers. Clients should refer to the other Advisers' disclosure document for information regarding its fees, billing practices, minimum required investments and termination of advisory agreements.

### **FINANCIAL PLANNING FEES**

LaSalle St. Investment Advisors, LLC's Financial Planning fee will be determined based on the nature of the services being provided and the complexity of each client's circumstances. All fees are agreed upon prior to entering into a contract with any client.

Our Financial Planning fees are calculated and charged on an hourly basis of \$150 per hour. Although the length of time it will take to provide a Financial Plan will depend on each client's personal situation, we will provide an estimate for the total hours at the start of the advisory relationship or our Financial Planning fees are calculated and charged on a fixed fee basis, typically ranging from \$700 to \$2,000, depending on the specific arrangement reached with the client.

Fees for written financial plans may be paid in two installments (half due when the contract is signed and the balance due when the written plan is presented to the client) although in some circumstances, the fee is collected in its entirety upon the signing of the contract. The contract is completed when the written plan is presented to the client typically within six months after signing contracts.

***Financial Planning Fee Offset:*** LaSalle St. Investment Advisors, LLC reserves the discretion to reduce or waive the hourly fee and/or the minimum fixed fee if a financial planning client chooses to engage us for our Investment Supervisory Services.

### **GENERAL INFORMATION**

***Management Personnel:*** Management personnel and other related persons of our firm

could be licensed as registered representatives of a broker-dealer and/or licensed as insurance agents or brokers. In their separate capacity(ies), these individuals are able to implement investment recommendations for advisory clients for separate and typical compensation (i.e., brokerage commissions, 12b-1 fees or other sales-related forms of compensation). This presents a conflict of interest to the extent that these individuals recommend that a client invest in a security which results in a compensation being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to LaSalle St. Investment Advisors, LLC for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or EFTs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer. Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to LaSalle St. Investment Advisors, LLC's minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

***ERISA Accounts:*** LaSalle St. Investment Advisors, LLC is deemed to be a fiduciary to advisory clients pursuant to the Employee Retirement Income and Securities Act ("ERISA"). As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, LaSalle St. Investment Advisors, LLC may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees, or conversely, investment advice about products for which our firm and/or our related persons receive commissions or 12b-1 fees, however, only when such fees are used to offset LaSalle St. Investment Advisors,

LLC's advisory fees.

**Advisory Fees in General:** Clients should note that similar advisory services may (or may not) be available from other registered investment advisers for similar or lower fees.

**Limited Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.

**Trade Errors:** Any trading errors, profit or loss, will be accessed to the Investment Advisor Representative which could be an inherent conflict of interest. Generally, LaSalle St. Investment Advisors, LLC will always make the client whole if there is an Investment Advisor Representative trade error that results in a client loss. The gain, however, in any trade error may be retained by the custodian, the error account of LaSalle St. Securities, LLC, the affiliated broker-dealer, or LaSalle St. Investment Advisors, LLC in order to offset future trade error losses. This is a benefit LaSalle St. Investment Advisors, LLC derives from its trade error policy.

**Fixed Income New Issues:** On an occasional basis, LaSalle St. Securities, LLC, our affiliated broker-dealer, may sell newly-issued fixed income securities on a principal basis to our clients. Any such transactions will be effected in accordance with Section 206(3) of the Investment Adviser's Act of 1940.

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

LaSalle St. Investment Advisors, LLC does not charge performance-based fees.

## **Item 7 Types of Clients**

LaSalle St. Investment Advisors, LLC provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Trusts
- Estates
- Pension and profit sharing plans (other than plan participants)
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### **METHODS OF ANALYSIS**

We use the following methods of analysis in formulating our investment advice and/or managing client assets and we use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations within the following programs:

#### **LASALLE ST. ASSET MANAGEMENT PROGRAM**

This program provides nondiscretionary investment management of client's portfolios in accordance with the client's investment objectives. Interviews are conducted prior to the client entering the program to determine the client's investment objectives and risk tolerance. Clients are made aware that investing in securities involves risk of loss. All investments are discussed with the client before order execution. Investment ideas may be initiated by the client or solicited by the Investment Advisor Representative when they match up to the client's objectives and risk tolerance. LaSalle St. Investment Advisors, LLC may also provide advice on non-investment matters on an unsolicited basis and LaSalle St. Investment Advisors, LLC shall not receive additional compensation over the disclosed fees.

**Margin:** Please see this description under "General Information" below.

**Options:** Please see this description under "General Information" below.

**Risks for All Forms of Analysis:** Please see this description under "General Information" below.

**Risk of Loss:** Please see this description under "General Information" below.

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### **MANAGED PROGRAMS**

#### **DEFINED RISK ANALYTICS**

The core methodology is trend analysis. The implementation of this methodology assists the advisor to identify trends that will be long term in nature. The objective is long term gains. This type of analysis allows the advisor to analyze a broad universe of securities.

The basic investment style is best described as "world sector rotation". The advisor looks for countries or regions of the world that are trending upward. Sectors or subsectors are reviewed to explore those with the strongest technical strength.

Clients are interviewed by the advisor to determine their risk tolerance and time horizon using an in-depth interview process resulting in both a preliminary and final investment policy statement. The advisor using its “world sector rotation” method will invest in Exchange-Traded Funds (ETF’s) individual securities mutual funds, indexed CDs, bonds and/or options. From this menu investments are selected which are appropriate to the needs of the client ranging from conservative to aggressive and from income oriented to growth oriented.

It is understood that there are circumstances, variables and events in the markets that just can’t be foreseen, thus the primary objective for clients is the preservation of their capital regardless of whether they are aggressive, conservative or somewhat in-between. Accordingly, it is not expected that we will either buy at the absolute bottom or sell at the absolute top with the goal to avoid large losses.

#### Key risk management activities

1. With the client, we determine the acceptable level of risk, and invest only in vehicles that are at that level of risk or below. Risk is defined as the volatility of price movement of a particular investment.
2. On each investment, in advance the point at which we should exit the position if wrong is established. For profitable positions we wait until the trend changes and then the position is closed
3. We employ the use of stop orders, option strategies and “short sales against the box” to manage risk and protect the client from large losses.

**Fundamental Analysis:** Please see this description under “General Information” below.

**Technical Analysis:** Please see this description under “General Information” below.

**Stop Loss:** An order that is entered either above or below the market at a given price. At the point that the security trades at the “stop price” the order becomes a market order. The risk of “stops” is that depending on the liquidity in the market of a given security there is the potential that the stop loss order will be executed above or below the stop loss price, this is referred to as slippage.

**Short Sales against the Box:** We borrow shares which we are long and establish a short position that establishes a neutral market position in the security. When we see a pattern of movement we have the option to close our short position if we expect a price advance or close our long position if we expect the price to decline.

**Index CDs:** These are CDs which are issued by FDIC Banking institutions. They are insured as to their principal up to \$250,000. Their interest and premium is linked to some underlying index security, currency or precious metal. Interest is optional depending on the movement of



the underlying structure. In some cases no interest or a limited interest payment would or could be paid. Principal in the CD may have a penalty for early withdrawal.

**Unique Risks of Timing:** Even if the program is correct in determining the direction of a stocks movement, we run the risk of incorrectly determining when price movement will take place (i.e., being right too soon). Although a company is overvalued or undervalued it could conceivably take some time for the price to move; during which you could be vulnerable to interest charges, margin calls and etc.

**Margin Transactions:** Please see this description under “General Information” below.

**Mutual Fund and/ or ETF Analysis:** Please see this description under “General Information” below.

**Options:** Please see this description under “General Information” below.

**Risks for All Forms of Analysis:** Please see this description under “General Information” below.

**Risk of Loss:** Please see this description under “General Information” below.

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## INCOME PORTFOLIO STRATEGIES

The primary focus of Income Portfolio Strategies is to offer investment advisory services on both a discretionary and non-discretionary basis to clients seeking income from their investment portfolio.

An extensive client interview is conducted to gain insight into the client’s investment experience, their time horizon and their tolerance/appetite for risk. Each portfolio is individual in its construction though many portfolios may share similar holdings.

IPS believes their clients should receive a “total investment return” consisting of interest, dividends and where possible capital gains. The compounding effect of a strategy that seeks to collect both income and capital gains may enhance the net total investment return over time. A client’s portfolio may be classified as “conservative income balanced growth or aggressive.

A universe of Exchange Traded Bonds, Dividend paying stocks, ETFs and mutual funds are reviewed to select candidates for a portfolio’s construction. Fundamental analysis is used to construct this universe. Once candidates are reviewed an in-depth technical analysis is applied to find the ones that reflect the highest probability for price appreciation. Margin may be used by certain accounts but is typically not used to leverage accounts but rather to facilitate access to cash or exercise certain option strategies.

Some equity strategies may look to capture short term capital appreciation when equities advance in price to value boost the “total investment return”.

Income and capital preservation are the cornerstones of “Income Portfolio Strategies” and remain its primary focus.

**Fundamental Analysis:** Please see this description under “General Information” below.

**Technical Analysis:** Please see this description under “General Information” below.

**Margin Transactions:** Please see this description under “General Information” below.

**Mutual Fund and/ or ETF Analysis:** Please see this description under “General Information” below.

**Options:** Please see this description under “General Information” below.

**Short-term purchases:** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time. We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Risks for All Forms of Analysis:** Please see this description under “General Information” below.

**Risk of Loss:** Please see this description under “General Information” below.

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## PORTFOLIO ANALYTICS PROGRAM

The Portfolio Analytics Program was designed and implemented in 2001. A summation of the five groups currently offered is described below.

The Investment Advisor Representative will meet with clients to discuss the structure of the various portfolios. The discussions will go over how to best diversify the portfolios to meet the client’s long term goals. Each portfolio selection is designed to capture returns within different asset classes. Each portfolio has a different risk profile. Through discussions and consultation with the client the Investment Advisor Representative will decide which portfolio and the percentage of assets to be devoted to each portfolio and upon construction the client will agree to same. The discussions regarding these portfolios (i.e., selection of investment

percentage allocation, risk parameters for each investment and etc.) are made by the Investment Advisor Representative. The Investment Advisor Representative will follow a set of rules that vary among the different portfolios as to the selection criteria, allocation and risk management. All decisions are applied equally to each client based on a percentage of their assets within each portfolio.

**Income Portfolio:** This portfolio is run to produce maximum current yield with lowered risk. The portfolio invests in a variety of end publicly listed funds as well as selected individual high yielding stocks.

**Fidelity Sector Funds:** This portfolio invests in the Fidelity Sector funds exclusively utilizing the 42 sectors available through Fidelity Funds Group. Its objective is to match or exceed the return of the S&P 500 by rotating among the best performing sectors within this fund family.

**Growth Fund:** This portfolio is the most aggressive with an emphasis on high growth Small and MidCap stocks. Even though the stocks in this Portfolio are the most aggressive all the principles of position sizing, reallocation, fundamental, quantitative and risk/reward analysis are applied to reduce the risk to this group.

**Value Fund:** This portfolio is focused on stocks with value characteristics in the Large and MidCap area of the Stock Market. The objective is to provide a total return (growth and income) with securities that are considered undervalued.

**Rydex and Profunds Funds:** This portfolio uses the various sector funds available through these fund families as well as the leveraged funds both long and short that can produce more volatile returns on various sectors chosen. This portfolio can also produce positive returns during market declines by utilizing the leveraged sport funds available.

**Fundamental Analysis:** Please see this description under “General Information” below.

**Quantitative Analysis:** Please see this description under “General Information” below.

**Allocation/Position Sizing:** A form of allocating investible assets into certain securities bonds or funds based on risk tolerance and sector analysis. There may be times when a client’s allocation may vary from a projected allocation in a portfolio group. This may be as a result of a client’s deposit or withdrawal of funds from an account. At such time, timely readjustments to allocations will be made to bring the components of the portfolio back into alignment with the proper position sizing and the client’s best interests in mind.

**Risk/Reward Analysis:** This is a proprietary mathematical system that attempts to reflect the optimum time to make purchases and sales within a portfolio. Like any system based on mathematical assumptions, there could be less than optimum results if the assumptions used in the formula are wrong.

**Risks for All Forms of Analysis:** Please see this description under “General Information” below.

**Risk of Loss:** Please see this description under “General Information” below.

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### **ABELIAN MANAGED PROGRAM**

This program is designed to be a component of an overall portfolio. Depending on the clients risk tolerance a starting allocation of between 10 to 25% of the client's portfolio is suggested. The goal of this program is to produce Long-Term average annual returns similar to those of a broad equity index but with significantly lower volatility and a near zero correlation to any equity index. Using a highly sophisticated and fully automated quantitative algorithm the Abelian Managed Programs seeks to identify and exploit transient insufficiencies in the prices of a broad selection of the most liquid exchange traded funds (ETF's).

Currently this universes examines 100 of the most liquid ETF's. The number of ETF's that are actually traded is determined on the amount of capital deployed in the program. Beyond the securities (ETF's) the selection process considers the following characterizes: Diversification, expected performance and liquidity.

The program will take long and short positions as it identifies transient inefficiencies in price on an inter day basis, taking advantage of both rising and falling markets. Under normal conditions, no positions are held overnight and the accounts are fully in cash at the end of the day. Trade duration ranges from a few minutes to several hours.

All trades within the program are “Average Priced”. Trades are aggregated; all buys and sells are placed into one large buy and sell for each day. This trade is then allocated to each account in direct proportion to the percentage of the total assets under management that the account represents. This methodology ensures that all clients receive identical fill prices for every trade and all accounts achieve the same result regardless of size.

Through its innovative model the Abelian Managed Program is designed to limit daily losses to 1% of the account; through this cannot be guaranteed. This is accomplished through a combination of dynamic entry and exit logic which adapts in real time to changes in market volatility and an innovative model for determining positions size which proactively manages the maximum daily loss without impeding the entry/exit model in any way.

**Quantitative Analysis:** Please see this description under “General Information” below.

**Mutual Fund and/or ETF Analysis:** Please see this description under “General Information” below.

**Risks for All Forms of Analysis:** Please see this description under “General Information” below.

**Risk of Loss:** Please see this description under “General Information” below.

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## GENERAL INFORMATION

**Fundamental Analysis:** This program attempts to measure the intrinsic value of a security by looking at economic and financial factors, including the overall economy, industry conditions, financial conditions and the management of the company, to determine if the company is underpriced, indicating a good time to buy, or overpriced, indicating a good time to sell. Our use of fundamental analysis does not attempt to anticipate market movement. This presents a potential risk as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in our evaluation of the stock.

**Margin Transactions:** Stocks for your portfolio may be purchased with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

A risk in margin is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a “margin call”, and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

We do recommend, where appropriate, that a client establish a margin account with the client’s broker. One possible scenario is if we are selling one stock and purchasing another stock with the proceeds, we can use the margin account to make certain that you are not left out of the purchase if we have difficulty completing the sale. Margin may be required for certain option transactions also.

**Mutual Fund and/or ETF Analysis:** We look at the experience and track record of the manager of the mutual fund or ETF in an attempt to determine if that manager has demonstrated an ability to invest over a period of time and in different economic conditions. We also look at the underlying assets in a mutual fund or ETF in an attempt to determine if there is significant overlap in the underlying investments held in another fund(s) in the client’s portfolio. We also monitor the funds or ETFs in an attempt to determine if they are continuing to follow their stated investment strategy.

A risk of mutual fund and /or ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A manager who has been successful may not be able to replicate that success in the future. In addition, as we do not control the

underlying investments in a fund or ETF, managers of different funds held by the client may purchase the same security, increasing the risk to the client if the security were to fall in value. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

**Options:** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires

We will use options to speculate on the possibility of a sharp price swing. We will also use options to “hedge” a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio

We use “covered calls”, in which we sell an option on security you own, in this strategy, you receive a fee for making the option available and the person purchasing the option has the right to be the security from you at an agreed-upon price.

We use a “spreading strategy”, in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

**Quantitative Analysis:** Uses mathematical models in an attempt to obtain more accurate measurements of a securities quantifiable date, such as the value of a share price or earnings per share and predict changes to that data.

A risk in using quantitative analysis is that the models used may be based on assumptions that prove to be incorrect.

**Risks for All Forms of Analysis:** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

**Risk of Loss:** Security investments are not guaranteed and you may lose money on your investments in the strategies you employ. Clients are asked to help the Investment Advisor Representative understand their risk tolerance. Clients must also be aware that losses do take place and must be willing to bear such losses.

**Technical Analysis:** We analyze past market movements and apply that analysis to be present in an attempt to recognize recurring patterns of investor behavior. In general it examines patterns of movement that could indicate changes in or continuation of stock price trends. The focus is on price movements of a security. Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of market movement.

## **Item 9    Disciplinary Information**

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

The following are disciplinary events relating to our firm and/or our management personnel:

LaSalle St. Investment Advisors, LLC agreed to a consent order regarding the failure to register properly an investment advisor representative in the State of Rhode Island. The failure was caused by an administrative error. LaSalle St. Investment Advisors, LLC promptly insured the representative was properly registered. LaSalle St. Investment Advisors, LLC refunded two clients \$305.54 in investment advisory fees and paid a fine of \$8000.

In his supervisory capacity as a registered principal of Linsco Private Ledger Corp., Matthew Nall (2528568) signed the names of at least five (5) clients of a former agent of LPL to certain documents without their authorization. As a result, Mr. Nall was ordered to pay a monetary fine of \$1,500.00 and withdraw his registration from the State of Illinois for a period of two years. He was also fined \$1,500 and agreed to a reprimand and censure of his conduct from the State of Indiana. He was also fined \$5,000 and suspended from association with any NASD member in any capacity for 60 days. The suspension in any capacity was in effect from September 5, 2006 through November 3, 2006.

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

The majority of Management personnel and Investment Advisor Representatives of LaSalle St. Investment Advisors, LLC are separately licensed as registered representatives of LaSalle St. Securities, LLC, an affiliated broker-dealer. There is an inherent conflict of interest in LaSalle St. Investment Advisors, LLC recommending that its advisory clients establish accounts at LaSalle St. Securities, LLC and direct compensation to an affiliate. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation such as 12b-1 fees for the sale of investment company products, concessions on fixed income new issues, and variable annuity concessions in their capacities as registered representatives of LaSalle St. Securities, LLC, which could be an inherent conflict of interest.

While LaSalle St. Investment Advisors, LLC and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Certain members of our firm's management are separately licensed as insurance agents of various insurance companies. In that capacity, these individuals provide insurance contracts through such company(ies). The services delivered by the insurance company are distinct from those provided by our firm and are provided for separate compensation. There are no referral fee arrangements between our firm and the insurance companies.

Certain members of our firm's management are separately licensed as investment adviser representatives of Tilden, Loucks & Woodnorth, LLC, an affiliated registered investment advisor. In that capacity, these individuals provide advisory services through Tilden, Loucks & Woodnorth, LLC. The advisory services delivered by Tilden, Loucks & Woodnorth, LLC are distinct from those provided by our firm and are provided for separate compensation. There are no referral fee arrangements between our firm and Tilden, Loucks & Woodnorth, LLC.

John Berger, a Managing Member of our firm, is the Managing Member and an advisory representative of John G Berger Registered Investment Advisor, an unaffiliated registered investment adviser. There are no referral arrangements between our firm and John G Berger Registered Investment Advisor. No LaSalle St. Investment Advisors, LLC client is obligated to use the advisory services of John G Berger Registered Investment Advisor, as no John G Berger Registered Investment Advisor advisory client is obligated to use our advisory services.

Jay Carstensen, a Managing Member of our firm, is the Managing Member and an advisory representative of C.J.C and Associates LLC, an unaffiliated registered investment adviser. There are no referral arrangements between our firm and C.J.C and Associates LLC. No LaSalle St. Investment Advisors, LLC client is obligated to use the advisory services of C.J.C and Associates LLC, as no C.J.C and Associates LLC advisory client is obligated to use our advisory services.

Gina Gallo and Dale Russell, Managing Members of our firm, are the Managing Members and are advisory representatives of Gallo & Russell, Inc., an unaffiliated registered investment adviser. There are no referral arrangements between our firm and Gallo & Russell, Inc.. No LaSalle St. Investment Advisors, LLC client is obligated to use the advisory services of Gallo



& Russell, Inc., as no Gallo & Russell, Inc. advisory client is obligated to use our advisory services.

Ron Olson and Karen Olson, Managing Members of our firm, are the Managing Members and are advisory representatives of Olson Asset Management Inc, an unaffiliated registered investment adviser. There are no referral arrangements between our firm and Olson Asset Management Inc. No LaSalle St. Investment Advisors, LLC client is obligated to use the advisory services of Olson Asset Management Inc, as no Olson Asset Management Inc advisory client is obligated to use our advisory services.

Juliette Romeo and Dan Stybr, Managing Members of our firm, are the Managing Members and are advisory representatives of Stybr & Associates, an unaffiliated registered investment adviser. There are no referral arrangements between our firm and Stybr & Associates. No LaSalle St. Investment Advisors, LLC client is obligated to use the advisory services of Stybr & Associates, as no Stybr & Associates advisory client is obligated to use our advisory services.

Dan O'Halloran, a Managing Member of our firm, is the Managing Members and an advisory representatives of Chicago Capital Management Advisors, LLC, an unaffiliated registered investment adviser. There are no referral arrangements between our firm and Chicago Capital Management Advisors, LLC. No LaSalle St. Investment Advisors, LLC client is obligated to use the advisory services of Chicago Capital Management Advisors, LLC, as no Chicago Capital Management Advisors, LLC advisory client is obligated to use our advisory services.

Larry Vandeventer, a Managing Member of our firm, is the Managing Member and an advisory representative of Vandeventer & Company, an unaffiliated registered investment adviser. There are no referral arrangements between our firm and Vandeventer & Company. No LaSalle St. Investment Advisors, LLC client is obligated to use the advisory services of Vandeventer & Company, as no Vandeventer & Company advisory client is obligated to use our advisory services.

As required, any affiliated investment advisers are specifically disclosed in Section 7.A. on Schedule D of Form ADV, Part 1. (Part 1 of our Form ADV can be accessed by following the directions provided on the Cover Page of this Firm Brochure).

Clients may decide to elect that the same securities or investment products may be purchased at other unaffiliated broker-dealers.

As previously disclosed in Item 5, the affiliated broker-dealer, LaSalle St. Securities, LLC may also receive a commission for the execution of a transaction and this commission does not reduce the fee generated by the account.

Clients should be aware that the receipt of additional compensation by LaSalle St. Investment Advisors, LLC and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. LaSalle St. Investment Advisors, LLC endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to

our firm's advisory fees;

- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.
- we disclose to clients the existence of all material conflicts of interest, including the potential for us or our employees to earn compensation from the referral of clients to other registered investment advisers; and

As previously disclosed, we recommend the services of various registered investment advisers to its clients. In exchange for this recommendation, we receive a referral fee from the selected investment adviser. The fee received by us is typically a percentage of the fee charged by that investment adviser to the referred client. The portion of the advisory fee paid to us does not increase the total advisory fee paid to the selected investment adviser by the client. We do not charge the client any fees for these referrals. We will only recommend advisers that pay us a referral fee.

We are aware of the special considerations required under Rule 206(4)-3 of the Investment Advisers Act of 1940. As such, all appropriate disclosure shall be made and all applicable Federal and State laws will be observed.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

LaSalle St. Investment Advisors, LLC and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Our code also provides for oversight, enforcement

and recordkeeping provisions.

LaSalle St. Investment Advisors, LLC's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [nickp@lasalle-st.com](mailto:nickp@lasalle-st.com), or by calling us at 630-600-0430.

LaSalle St. Investment Advisors, LLC or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm or the individual(s) to our advisory clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory clients. On an occasional basis, LaSalle St. Securities, LLC, our affiliated broker-dealer, may sell newly-issued fixed income securities on a principal basis to our clients.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security that one of our advisory clients has also performed a transaction in and receive a better price, if there is a relationship between them. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.

We may aggregate our employee trades with client transactions where possible and when compliant with our duty to seek best execution for our clients. In these instances, participating clients will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. In the instances where there is a partial fill of a particular batched order, we will allocate all purchases pro-rata, with each account paying the average price. Our employee accounts will be included in the pro-rata allocation.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

1. No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
2. No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing public.

3. It is the expressed policy of our firm that no person employed by us may purchase or sell any security that one of our advisory clients has also performed a transaction in and receive a better price, if there is a relationship between them. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
4. No employee of LaSalle St. Investment Advisors, LLC is allowed to make a transaction in a "recommended security" for their personal or related accounts, until the recommendation is adequately disseminated to their clients.
5. All transactions and accounts of the employees of LaSalle St. Investment Advisors, LLC are reviewed by a principal of LaSalle St. Investment Advisors, LLC to ensure that they are not in conflict with the interests of clients.
6. Our firm does not allow for any IPO, private placement investments or limited offerings by related persons of the firm.
7. We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
8. We have established procedures for the maintenance of all required books and records.
9. All clients are fully informed that related persons may receive separate commission compensation when effecting transactions during the implementation process.
10. Clients can decline to implement any advice rendered, except in situations where our firm is granted discretionary authority.
11. All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
12. We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
13. We have established policies requiring the reporting of Code of Ethics violations to our senior management.
14. Any individual who violates any of the above restrictions may be subject to termination.

As disclosed in the preceding section of this Brochure (Item 10), related persons of our firm are separately registered as securities representatives of a broker-dealer, investment adviser representatives of another registered investment adviser, and/or licensed as an insurance agent/broker of various insurance companies. Please refer to Item 10 for a detailed explanation of these relationships and important conflict of interest disclosures.

## **Item 12 Brokerage Practices**

LaSalle St. Investment Advisors, LLC does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

LaSalle St. Investment Advisors, LLC will block trades where possible and when

advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. LaSalle St. Investment Advisors, LLC's block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with LaSalle St. Investment Advisors, LLC, or our firm's order allocation policy.
- 2) The portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable LaSalle St. Investment Advisors, LLC to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro-rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) LaSalle St. Investment Advisors, LLC's client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on LaSalle St. Investment Advisors, LLC's records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.
- 10) No client or account will be favored over another.

National Financial Services, Inc., a unit of Fidelity Institutional Investment Brokerage, Inc., one of the Fidelity companies, will maintain physical custody of funds and securities or, in the alternative, by third-party custodians such as trust or insurance companies.

Monthly brokerage statements and/or quarterly third-party account statements will be received depending upon which is acting as custodian. In addition, certain account charges may be accessed by the custodian, including, but not limited to postage and handling, margin interest, IRA fees, check writing service fees and those fees mandated by law with respect to execution of transactions, such as SEC fees.

Any trading errors, profit or loss, will be accessed to the Investment Advisor Representative which could be an inherent conflict of interest. Generally, LaSalle St. Investment Advisors, LLC will always make the client whole if there is an Investment Advisor Representative trade error that results in a client loss. The gain, however, in any trade error may be retained by the custodian, the error account of LaSalle St. Securities, LLC, the affiliated broker-dealer, or LaSalle St. Investment Advisors, LLC in order to offset future trade error losses. This is a benefit LaSalle St. Investment Advisors, LLC derives from its trade error policy.

For fixed income new issues, LaSalle St. Securities, LLC may split the earned concession with the Investment Advisor Representative/registered representative whose client has purchased the new issue.

In instances where the client has not specified a broker-dealer to execute transactions, LaSalle St. Investment Advisors, LLC will affect all trades through its affiliate LaSalle St. Securities, LLC. At any time the client may elect to change execution to a different broker-dealer upon notice to LaSalle St. Investment Advisors, LLC. The client may be able to reduce commissions by selecting a broker other than LaSalle St. Securities, LLC at the client's discretion. This is an inherent conflict of interest between the client's desire to effect all transactions at the lowest possible costs and LaSalle St. Investment Advisors, LLC's desire to maximize income.

All Clients have separately negotiated commission schedules. This means some clients pay more than others based on negotiations between the client and LaSalle St. Investment Advisors, LLC. These schedules will be used for all trades and may be lowered at the portfolio manager's discretion, which could be an inherent conflict of interest. Generally, LaSalle St. Investment Advisors, LLC will not aggregate client trades due to the nature of its business and the autonomy exercised by its Investment Advisor Representatives. However, if LaSalle St. Investment Advisors, LLC blocks trades, transaction costs will be assessed per capita (i.e. \$15.00 per account) and not pro-rata.

## **Item 13    Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL AND MODEL PORTFOLIO MANAGEMENT**

*REVIEWS:* While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More

frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

The Investment Advisor Representative of the account  
Jay Carstensen – Chief Investment Officer  
Nicholas M Petronella – Chief Compliance Officer  
Dan Schlessner – Chief Financial Officer

### **QUALIFIED PLAN CONSULTING SERVICES**

**REVIEWS:** While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least monthly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by:

The Investment Advisor Representative of the account  
Jay Carstensen – Chief Investment Officer  
Nicholas M Petronella – Chief Compliance Officer  
Dan Schlessner – Chief Financial Officer

### **THIRD-PARTY MONEY MANAGERS**

**REVIEWS:** These client accounts should refer to the independent registered investment adviser's Firm Brochure (or other disclosure document used in lieu of the brochure) for information regarding the nature and frequency of reviews provided by that independent registered investment adviser.

LaSalle St. Investment Advisors, LLC will provide reviews on a quarterly basis.

These accounts are reviewed by:

The Investment Advisor Representative of the account  
Jay Carstensen – Chief Investment Officer  
Nicholas M Petronella – Chief Compliance Officer  
Dan Schlessner – Chief Financial Officer

### **FINANCIAL PLANNING SERVICES**

**REVIEWS:** While reviews may occur at different stages depending on the nature and terms of the specific engagement, typically no formal reviews will be conducted for Financial Planning clients unless otherwise contracted for.

### **GENERAL REVIEW**

The philosophy and orientation of the registrant is to develop and implement allocation strategies for its clients. All professional staff of the registrant are qualified to review an account and recommend an allocation plan. All accounts are monitored on an ongoing basis

and interim reviews are triggered by changes in clients' financial situation, objectives, market movements, for example. Investment Committee, Compliance, or the Investment Advisor Representative is responsible for reviewing accounts.

Monthly brokerage statements and/or quarterly account statements will be received depending upon which is acting as custodian.

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

### **CLIENT REFERRALS**

LaSalle St. Investment Advisors, LLC has entered into an agreement with a solicitor (referring parties) to refer clients to LaSalle St. Investment Advisors, LLC. If a referred client enters into an agreement with LaSalle St. Investment Advisors, LLC, a cash referral fee is paid to the referring party, which is based upon a percentage of the client advisory fees generated.

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

The referral arrangement between any referring party and LaSalle St. Investment Advisors, LLC will not result in any charges to the client in addition to the normal level of advisory fees charged.

Pursuant to Rule 206(4)-3, in addition to LaSalle St. Investment Advisors, LLC 's Disclosure Document, a "Solicitor's Separate Written Disclosure", listing compensation to be paid to solicitors, is provided to the client prior to or at the signing of LaSalle St. Investment Advisors, LLC 's Advisory Agreement.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is



important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

## **Item 16 Investment Discretion**

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

As a matter of firm policy, we do not vote proxies on behalf of clients. Therefore, although our firm may provide investment advisory services relative to client investment assets, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

## **Item 18 Financial Information**

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

As an advisory firm that maintains discretionary authority for client accounts, we are also required to disclose any financial condition that is reasonable likely to impair our ability to meet our contractual obligations. LaSalle St. Investment Advisors, LLC has no financial circumstances to report.

LaSalle St. Investment Advisors, LLC has not been the subject of a bankruptcy petition at any time during the past ten years.