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**3/31/2012**

**FORM ADV PART 2  
BROCHURE**

This brochure provides information about the qualifications and business practices of Dobson Asset Management, Inc.. If you have any questions about the contents of this brochure, please contact us at (503) 417-3481 or [cdobson@earthlink.net](mailto:cdobson@earthlink.net). 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 Dobson Asset Management, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Dobson Asset Management, Inc. is CRD#131077

Dobson Asset Management, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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## Advisory Business

Form ADV Part 2A, Item 4

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

**Notes:** (1) For purposes of this item, your principal owners include the persons you list as owning 25% or more of your firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If you are a publicly held company without a 25% shareholder, simply disclose that you are publicly held. (3) If an individual or company owns 25% or more of your firm through subsidiaries, you must identify the individual or parent company and intermediate subsidiaries. If you are an SEC-registered adviser, you must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries. If you are a state-registered adviser, you must identify all intermediate subsidiaries.

Dobson Asset Management, Inc. exists to provide clients with objective financial and investment advice. We utilize an investment management process that assures decisions are made within a sound framework. We offer stability and experience as part of what we have acquired in our development as planners and advisors.

Dobson Asset Management, Inc. has been in business since 1996. Charles C. Dobson is the principal owner, he has been practicing as an investment advisor since 1983. He received his Certified Financial Planner Designation in 1991. Charles E. Dobson started with the firm in 2010. He became registered as an investment advisor and received his Certified Funds Specialist designation in 2011.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

### **General Business Practices for Individuals**

All financial services by Dobson Asset Management, Inc. are performed on a **Fee-Only basis**. Dobson Asset Management, Inc. is not affiliated with any other firm providing financial services and does not receive commissions or other fees associated with client investments.

**General Financial Planning:** Includes several meetings with the client to review six areas including financial position, insurance needs, investments, taxes, retirement provisions, and estate planning. A written plan of action with specific investment recommendations is provided. There are three key phases to preparing a financial plan. The first is data gathering and goal setting. The second is identification of strengths and areas of concern. The last phase is developing the final plan recommendations.

The fee for general financial planning is determined by the complexities of the client's financial situation and is based on a rate of \$200.00 per hour with a 10 hour minimum. **The range of fees for this service is between \$2,000.00 to \$4,000.00.**

**Specific Goal Financial Planning & Investment Portfolio Design** provides a client with a specifically designed portfolio based on the client's specific goals and their individual risk and reward relationship. The review helps the client to effectively evaluate their ability to achieve a specific goal and compare different investments alternatives. The service is provided through two to three 1 ½ hour meetings. The areas of focus is specific to retirement, education and investment planning only. The fee for service is determined by the number of meetings held. **The fee range for this service is between \$750.00 and \$1,500.00.**

**Investment advice performed on an hourly rate** will be done at \$200.00 per hour. The client can determine the length of time needed to provide the client with the advice they feel they need.

**Investment account set up and administrative services** are available and performed at a rate of \$65.00 per hour. The advisor will give the client an estimate for the time needed to accomplish their work.

**Other general financial consulting services:** In special situations, the advisor will work on an hourly basis when a client wishes to have a specific part of their financial situation reviewed. The client may also want a second opinion or review of an existing plan. **The maximum hourly fee is \$200.00 per hour.** This fee is negotiable if the client has an ongoing advisory relationship.

#### **Investment Account Management for Individuals**

Investment Account Management is an *investment supervisory service*, provided to individuals. Individuals receive investment account management after general financial planning or an investment asset allocation plan has been completed and accepted. For all clients, supervisory services involve assisting the clients on a non-discretionary or discretionary basis (i.e. investment limited power of attorney without custody) to maintain an investment portfolio properly structured and diversified to meet the account holder's needs and objectives. This service includes monitoring and adjusting portfolio allocations and researching the selection of investments. It also includes buy and sell recommendations and certain investment timing techniques that are of a general nature relating to current economic conditions.

#### **Advisory Services for Business & Non Profit Organizations**

**Developing an investment policy statement** includes several meetings with the organization to review five steps in the investment management process. A detailed investment policy is written after developing an asset allocation study and performing a structured money manager search process. The fee for developing an investment policy is determined by using a rate of \$200.00 per hour with a 10 hour minimum. **The range of fees for this service is between \$2,000.00 to \$4,000.00.**

**Other Business financial consulting services.** The advisor will work on an hourly basis when designing retirement plans for organizations. The plan designs are specific to SEP's Simples, 401-K's and other defined contribution plans. **The maximum hourly fee is \$200.00 per hour.** This fee is negotiable if the client has an ongoing financial advisory relationship with the advisor.

**Investment account set up and administrative services** are available for business organizations and performed at a rate of \$65.00 per hour. The advisor will give the client an estimate for the time needed to accomplish their work.

**Investment Account Management** is an *investment supervisory service*, provided to organizations. Organizations receive investment account management after the development of an investment policy and, an asset allocation plan has been completed and accepted. For all clients supervisory services involve assisting the clients on a non-discretionary or discretionary basis (i.e. investment limited power of attorney without custody) to maintain an investment portfolio properly structured and diversified to meet the account holder's needs and objectives. This service includes monitoring and adjusting portfolio allocations and researching the selection of investments.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

Individuals receive investment account management after general financial planning or an investment asset allocation plan has been completed and accepted. For all clients, supervisory services involve assisting the clients on a non-discretionary or discretionary basis (i.e. investment limited power of attorney without custody) to maintain an investment portfolio properly structured and diversified to meet the account holder's needs and objectives. This service includes monitoring and adjusting portfolio allocations and researching the selection of investments. It also includes buy and sell recommendations and certain investment timing techniques that are of a general nature relating to current economic conditions.

D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

This item is not applicable.

E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.

**Note:** Your method for computing the amount of "client assets you manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A. However, if you choose to use a different method to compute "client assets you manage," you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your "as of" date must not be more than 90 days before the date you last updated your brochure in response to this [Item 4.E](#).

As of December 31, 2011 the amount of assets managed on a Discretionary & Non Discretionary basis were:

Discretionary: \$46,793,173

Non Discretionary: \$67,253,511

## **Fees and Compensation**

Form ADV Part 2A, Item 5

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

**Note:** If you are an SEC-registered adviser, you do not need to include this information in a brochure that is delivered only to qualified purchasers as defined in section [2\(a\)\(51\)\(A\) of the Investment Company Act of 1940](#).

**The Fee for Investment Account Management for individuals is a percentage of assets under the following schedule:**

Annual fee on the first \$500,000 managed	.60 of a %
Annual fee on the next \$500,000 managed	.40 of a %
Annual fee on values greater than \$1,000,000	.30 of a %

A general financial planning client can negotiate a fixed fee for the rendering of the investment supervisory service and the advisor will use the above schedule to determine this fee. These clients will also receive an annual financial plan review. The fees above are annual and are to be paid on a quarterly basis, for the previous three month period. The client can terminate the service at any time and all fees paid are non refundable. Clients who terminate between quarters are not obligated to pay any prorate portion of the fee not paid.

These fees can be negotiated on a client by client basis.

**The fee for Investment Supervisory Services for Business & Non Profit Organizations is a percentage of assets under the following schedule:**

Annual fee on the first \$1,500,000 managed	.60 of %
Annual fee on the next \$1,500,000 managed	.40 of a %
Annual fee on values greater than \$3,000,000	.30 of a %

**The fee for general financial planning** is determined by the complexities of the client's financial situation and is based on a rate of \$200.00 per hour with a 10 hour minimum. **The range of fees for this service is between \$2,000.00 to \$4,000.00.**

**The fee for specific goal financial planning & investment portfolio design service** is determined by the number of meetings held. **The fee range for this service is between \$750.00 and \$1,500.00.**

**Investment advice performed on an hourly rate** will be done at **\$200.00** per hour. The client can determine the length of time needed to provide the client with the advice they feel they need.

**Investment account set up and administrative services** are available and performed at a rate of **\$65.00** per hour. The advisor will give the client an estimate for the time needed to accomplish their work.

**Advisory Services for Business & Non Profit Organizations:**

**Developing an investment policy statement:** The range of fees for this service is between **\$2,000.00 to \$4,000.**

**Other Business financial consulting services:** The maximum hourly fee is **\$200.00** per hour.

**B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.**

Clients are able to choose whether they have their fees deducted from their accounts directly, or if they receive a bill and pay from their own funds. Clients also can choose whether they are billed quarterly or semi-annually.

**C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.**

In conjunction with the fees paid for our advisory services, clients may also pay fees, which could include, brokerage fees, transactions fees, custodial fees, and mutual fund and exchange traded fund expenses.

**D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.**

These items are not applicable.

**E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items [5.E.1](#), [5.E.2](#), [5.E.3](#) and [5.E.4](#).**

1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

These items are not applicable.

2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

These items are not applicable.

3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

These items are not applicable.

4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

**Note:** If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer registration requirements of the [Securities Exchange Act of 1934](#) and any applicable state securities statutes.

These items are not applicable.

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

Form ADV Part 2A, Item 6

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

This item is not applicable.



## ***Types of Clients***

Form ADV Part 2A, Item 7

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Dobson Asset Management, Inc. provides investment advice for individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, as well as corporations or business entities. We have no requirements for opening or maintaining an account.

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

Form ADV Part 2A, Item 8

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

**A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.**

This Advisor uses fundamental methods of security analysis to determine appropriate investments for clients. We use Asset Allocation to determine the portfolio structure and rely on periodicals, newspapers, annual reports, prospectuses, and subscriptions to information services to gather information.

The Investment Strategies, used to implement any advice given to clients, include; Long Term Purchases, securities held for at least a year, and Short Term Purchases, securities sold within a year.

**B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.**

All of our Investment Strategies involve risk of loss, and a client must be prepared to bear such losses prior to implementing any of our advice.

**C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.**

Most of our investment strategies are implemented by investing in Mutual Funds, Exchange Traded Funds, and publicly traded common stock. None of these investments are guaranteed, and all involve a risk of loss.

## Disciplinary Information

Form ADV Part 2A, Item 9

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a client's or prospective client's evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a client's or prospective client's evaluation.

**A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person**

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

This item is not applicable.

2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

This item is not applicable.

3. was found to have been involved in a violation of an investment-related statute or regulation; or

This item is not applicable.

4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

This item is not applicable

**B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person**

1. was found to have caused an investment-related business to lose its authorization to do business; or

This item is not applicable.

2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;

This item is not applicable.

(b) barring or suspending your firm's or a management person's association with an investment-related business;

This item is not applicable.

(c) otherwise significantly limiting your firm's or a management person's investment-related activities; or

This item is not applicable.

(d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

This item is not applicable.

C. A self-regulatory organization (SRO) proceeding in which your firm or a management person

This item is not applicable.

1. was found to have caused an investment-related business to lose its authorization to do business; or

This item is not applicable.

2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership;

(ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

**Note:** You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving your firm or a management person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the person involved in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See [SEC rule 204-2\(a\)\(14\)\(iii\)](#).

This item is not applicable.

## Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

This item is not applicable.

B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

This item is not applicable.

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

This item is not applicable.

D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

This item is not applicable.

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

Form ADV Part 2A, Item 11

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to [SEC rule 204A-1](#) or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.

Our firm has established, maintains and enforces a written code of ethics that includes: a standard of business conduct that is required of all supervised persons as well as a standard of fiduciary obligations; provisions requiring all supervised persons to comply with applicable federal laws; provisions that require all access persons to report, and review their personal securities transactions and holdings periodically; provisions requiring supervised persons to report any violation of the code of ethics promptly to the chief compliance officer or, provided the chief compliance officer also receives reports of all violations, to other persons designated in the code of ethics; and, provisions requiring each supervised person receives a copy of the code of ethics and any amendments, and requiring all supervised persons to provide a written acknowledgement of their receipt of the code and any amendments.

At any time we will provide a copy of our code of ethics to any client or prospective client upon request.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.

This Advisor or relations will buy Mutual Funds, Exchange Traded Funds, or shares of common stock that are also recommended to clients. The transactions are never large enough to effect client accounts.

C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

This Advisor or relations will buy Mutual Funds, Exchange Traded Funds, or shares of common stock that are also recommended to clients. The transactions are never large enough to effect client accounts.

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

**Note:** The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not "reportable securities" under [SEC rule 204A-1\(e\)\(10\)](#) and similar state rules.

This Advisor or relations will buy Mutual Funds, Exchange Traded Funds, or shares of common stock that are also recommended to clients. The transactions are never large enough to effect client accounts.

## Brokerage Practices

Form ADV Part 2A, Item 12

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.

**Note:** Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

This item is not applicable.

a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

This item is not applicable.

b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favorable execution.

This item is not applicable.

c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

This item is not applicable.

d. Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

This item is not applicable.

e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.

**Note:** This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your description must be more detailed for products or services that do not qualify for the safe harbor in [section 28\(e\) of the Securities Exchange Act of 1934](#), such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.

This item is not applicable.

f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

This item is not applicable.

2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.

This item is not applicable.

b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.

This item is not applicable.

**3. Directed Brokerage.**

a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

This item is not applicable.

b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

**Note:** If your clients only have directed brokerage arrangements subject to most favorable execution of client transactions, you do not need to respond to the last sentence of Item 12.A.3.a. or to the second or third sentences of Item 12.A.3.b.

This item is not applicable.

**B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.**

This item is not applicable.



## **Review of Accounts**

Form ADV Part 2A, Item 13

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

**A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.**

Charles Dobson reviews client's accounts or their financial plans on a periodic basis determined by the client. Many clients receive a quarterly review that consists of Morningstar reports stating gains/losses during the quarter and investment detail reports for each of their holdings.

**B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.**

At any time, clients are able to contact Dobson Asset Management, Inc. if they feel the need to review their accounts or financial plans.

**C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.**

Written quarterly reports are sent to clients who have selected a quarterly review process. The reports include a summary of activity (deposits, withdrawals, fees paid), a summary of investment performance, and a summary of investment positions.

## ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

This item is not applicable.

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

**Note:** If you compensate any person for client referrals, you should consider whether [SEC rule 206\(4\)-3](#) or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.

This item is not applicable.

## ***Custody***

Form ADV Part 2A, Item 15

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

Clients receive statements on a monthly basis from their current custodian. Clients are able to choose who custodies their holdings (ie Charles Schwab, TD Ameritrade, Vanguard, Fidelity, etc.) Clients have been instructed to carefully review these statements for any discrepancies.

### ***Investment Discretion***

Form ADV Part 2A, Item 16

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

We accept discretionary authority to manage client accounts. Clients may request they be contacted before any trades are placed. We assume this authority by having the client execute the Power of Attorney provided by the custodian they select.

## Voting Client Securities

Form ADV Part 2A, Item 17

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to [SEC rule 206\(4\)-6](#). Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

This item is not applicable.

B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

Dobson Asset Management, Inc. does not have the authority to vote client securities. All clients will receive their proxies or solicitations directly from their custodians. Clients at any time can contact Dobson Asset Management, Inc. if they have any questions about a particular solicitation.

## Financial Information

Form ADV Part 2A, Item 18

**THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.**

A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

This item is not applicable.

2. Show parenthetically the market or fair value of securities included at cost.

This item is not applicable

3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to [Article 2 of SEC Regulation S-X](#).

**Note:** If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.

**Note:** If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.

**Exception:** You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in [SEC rule 206\(4\)-2](#) or similar state rules; or (ii) an insurance company.

This item is not applicable.

B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

**Note:** With respect to [Items 18.A](#) and [18.B](#), if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance.

This item is not applicable.

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

If you are registering or are registered with one or more state securities authorities, you must respond to the following additional Item.

This item is not applicable.