

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

**Alpha Investment Advisors, Inc.**

3 Saddle Way  
Walpole, MA 02081

Telephone: 508-668-2664

Email: Eugene F. Balerna, Jr. CIMA®, at [ebalerna@alphaadvisors.com](mailto:ebalerna@alphaadvisors.com)

Web Address: [www.alphaadvisors.com](http://www.alphaadvisors.com)

August 15, 2012

This brochure provides information about the qualifications and business practices of Alpha Investment Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 508-668-2664 or Eugene F. Balerna, Jr., CIMA®, at [ebalerna@alphaadvisors.com](mailto:ebalerna@alphaadvisors.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 Alpha Investment Advisors, Inc. 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 131645.

Registration does not imply a certain level of skill or training.

## **Item 2     Material Changes**

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated August 15, 2012, is our new disclosure document prepared according to the SEC's and States requirements and rules. This document has been updated since it was last published on March 27, 2012. There have been no material changes to the advisor or its operations since it was last published.

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 fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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#### **Item 4     Advisory Business**

Alpha Investment Advisors, Inc. is a state-registered investment adviser with its principal place of business located in Massachusetts. Alpha Investment Advisors, Inc. began conducting business in January 2000.

Eugene F. Balerna, Jr., CIMA® is the firm's principal shareholder (i.e., individual or entity controlling 25% or more of this entity).

**Alpha Investment Advisors, Inc. offers the following advisory services to our clients:**

#### **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL 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 the client's particular circumstances are established, we develop the client's personal investment policy. We create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we may 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 basis. Account supervision is guided by the client's stated objectives (i.e., maximum 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. Any restrictions must be agreed to in writing by the client and the firm.

Once the client's portfolio has been established, we review the portfolio on at least a monthly basis, and as necessary rebalance the portfolio, based on the client's individual needs.

Our investment decisions are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

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

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

Interests in partnerships investing in hedge funds and hedge fund of funds

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

### **SELECTION AND MONITORING OF THIRD-PARTY MONEY MANAGERS**

We also offer advisory management services to our clients through our Selection and Monitoring of Third-Party Money Managers programs (hereinafter, "Programs").

Our firm provides the client with an asset allocation strategy developed through personal discussions in which goals and objectives based on the client's particular circumstances are established.

Based on the client's individual circumstances and needs, we will then perform manager searches of various unaffiliated registered investment advisers to identify which registered investment adviser's portfolio management style is appropriate for that client. Factors considered in making this determination include account size, risk tolerance, the opinion of each client and the investment philosophy of the selected registered investment adviser. Clients should refer to the selected registered investment adviser's Firm Brochure or other disclosure document for a full description of the services offered. We are available to meet with clients on a regular basis, or as determined by the client, to review the account.

Once we determine the most appropriate investment adviser(s) for the client, the client executes an investment advisory agreement with each third-party money manager(s).

We monitor the performance of the selected registered investment adviser(s). If we determine that a particular selected registered investment adviser(s) is not providing sufficient management services to the client, or is not managing the client's portfolio in a manner consistent with the client's objectives, we may suggest that the client contract with a different registered investment adviser and/or program sponsor. We also retain the authority from the client to terminate a third-party money manager for performance or other reasons. Under this scenario, our firm will then assist the client in selecting a new registered investment adviser and/or program. However, any move to a new registered investment adviser and/or program is solely at the discretion of the client.

### **CONSULTING SERVICES**

Clients can also receive investment advice on a more focused basis. This may include advice on specific areas of concern such as estate planning, retirement planning, or any other topic

or topics. We also provide specific consultation and administrative services regarding investment and financial concerns of the client.

Consulting recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company. Unless specified at the time the advice is provided, all recommendations are of a generic nature.

### **Assets Under Management (AUM)**

**Alpha Investment Advisors has the following assets under management**

<b>Discretionary AUM:</b>	<b>\$2,356,732</b>
<b>Non-Discretionary AUM:</b>	<b>\$0.00</b>
<b>Date Calculated:</b>	<b>June 25, 2012</b>

### **Item 5 Fees and Compensation**

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

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management and generally range from 1.35% to 0.80%.

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

<b><u>Assets Under Management</u></b>	<b><u>Annual Fee</u></b>
\$0 – \$1,000,000	1.35%
\$1,000,001 - \$3,000,000	1.15%
\$3,000,001 - \$7,000,000	1.00%
\$7,000,001 - \$15,000,000	0.90%
\$15,000,001 - Additional	0.80%

This represents our general fee schedule for these services, however, specific fees may be negotiated with each client. Alpha Investment Advisors, Inc. may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

## PORTFOLIO MANAGEMENT SERVICES FEES

### SELECTION and MONITORING of THIRD-PARTY MONEY MANAGERS FEES

Alpha Investment Advisors, Inc.'s fee for this service does not include the independent investment adviser's fee for that entity's advisory/management services. The independent investment adviser's management fee is disclosed in the independent investment adviser's Firm Brochure or other disclosure document.

This represents our general fee schedule for these services, however, specific fees may be negotiated with each client. Our annual fee for the manager selection programs is charged as a percentage of assets under management, according to the following schedule:

<u>Account Assets</u>	<u>Annual Fee</u>
\$0 – \$1,000,000	1.35%
\$1,000,001 - \$3,000,000	1.15%
\$3,000,001 - \$7,000,000	1.00%
\$7,000,001 - \$15,000,000	0.90%
\$15,000,001 - Additional	0.80%

### CONSULTING SERVICES FEES

Alpha Investment Advisors, Inc.'s Consulting Services fee is determined based on the nature of the services being provided and the complexity of each client's circumstances. These fees are usually based on an hourly rate of \$300 per hour or, alternatively, a fixed fee. All consulting fees are subject to negotiation and are agreed upon prior to entering into an agreement with any client.

### GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of four (4) weeks written notice. Upon termination of any account, any unearned fees will be promptly refunded.

***Mutual Fund Fees:*** All fees paid to Alpha Investment Advisors, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or ETFs 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.

***Third Party Money Manager Fees*** Clients with assets managed by a third party money

manager under our firm's supervision will be charged advisory fees and possibly other program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the third party money manager, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

**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 commissions and transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

**ERISA Accounts:** Alpha Investment Advisors, Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. . 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.

**Limited Negotiability of Advisory Fees:** Although Alpha Investment Advisors, Inc. 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 are 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 is 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.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

**Calculation and Payment of Advisory Fees:** Clients will be charged one-fourth of the Annual Fee on a quarterly basis in arrears. This means that at the end of each calendar quarter, we will calculate the advisory fee for the previous calendar quarter (based on the value of the closing balance) and invoice the Client or the custodian. For fixed income accounts, the advisory fee is calculated on the total value of the account, which includes accrued interest. If the Client has authorized the firm and the custodian to deduct and pay advisory fees directly from the Client's account, the custodian will pay the advisory fee directly to the firm and Client will receive notice of the account values and the fees from the custodian and the firm. In addition to our fee, a similar process will be followed if the client has authorized a third party manager and the custodian pay the third party manager's fees by direct fee deduction.



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

**No Prepayment of Fees:** Under no circumstances do we require or solicit payment of fees in excess of \$500 or more than six months in advance of services rendered.

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

Alpha Investment Advisors, Inc. does not charge performance-based fees.

## **Item 7 Types of Clients**

Alpha Investment Advisors, Inc. provides advisory services to the following types of clients:

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

As previously disclosed in Item 5, our firm may establish 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:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. 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 evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

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.

**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.

## **INVESTMENT STRATEGIES**

We use the following strategies in managing client accounts, provided that such strategies are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (typically a year or less). 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.

**Trading.** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

**Short sales.** We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

**Margin transactions.** We will purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more securities than you would be able

to with your available cash, and allows us to purchase securities without selling other holdings.

**Option writing.** 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 may also sell put and calls as well, or employ other, more complicated options strategies. 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 buy 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.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## **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.

Our firm and our management personnel have no reportable disciplinary events to disclose.

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

Our firm and our related persons are not engaged in other financial industry activities and have no other industry affiliations.

## **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 state and federal securities laws.

Alpha Investment Advisors, Inc. 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. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

For instance, the Code requires periodic reporting to senior management of the firm and also contains a provision that requires any conflicts of interest that might arise regarding an employee's personal trading of securities not to adversely affect the interests of firm clients.

Alpha Investment Advisors, Inc.'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 Eugene F. Balerna, Jr., CIMA® at [ebalerna@alphaadvisors.com](mailto:ebalerna@alphaadvisors.com), or by calling us at 508-668-2664.

## **Item 12 Brokerage Practices**

Alpha Investment Advisors, Inc. 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, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Alpha Investment Advisors, Inc. will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Alpha Investment Advisors, Inc.'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 Alpha Investment Advisors, Inc., or our firm's order allocation policy.
- 2) The trading desk in concert with 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 Alpha Investment Advisors, Inc. 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, and must share in the commissions on a *pro rata* basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.

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 and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.

8) Alpha Investment Advisors, Inc.'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 Alpha Investment Advisors, Inc.'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.

Alpha Investment Advisors, Inc. may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. ("Schwab"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Alpha Investment Advisors, Inc. is independently owned and operated and not affiliated with Schwab. Please note that the use of Schwab by Clients is not necessarily the least expensive way for the Client to obtain securities executions or custody services.

Schwab provides Alpha Investment Advisors, Inc. with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services might not be available if the firm does not have a certain amount of client assets in custody at Schwab. Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to

institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit Alpha Investment Advisors, Inc. but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- i. provide access to client account data (such as trade confirmations and account statements);
- ii. facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- iii. provide research, pricing and other market data;
- iv. facilitate payment of our fees from clients' accounts; and
- v. assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help us manage and further develop our business enterprise. These services may include:

- i. compliance, legal and business consulting;
- ii. publications and conferences on practice management and business succession; and
- iii. access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Alpha Investment Advisors, Inc. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

## **Item 13    Review of Accounts**

## **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL 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, market conditions, or other political or economic factors.

These accounts are reviewed by: Eugene F. Balerna, Jr., President of Alpha Investment Advisors, Inc.

**REPORTS:** In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

### **SELECTION and MONITORING of 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.

Alpha Investment Advisors, Inc. reviews the reports it receives from third-party money managers. These are usually sent to us on a quarterly basis.

These accounts are reviewed by: Eugene F. Balerna, Jr., President of Alpha Investment Advisors, Inc.

**REPORTS:** These clients 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 reports provided by that independent registered investment adviser.

## **CONSULTING 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 Consulting Services clients unless otherwise contracted for. Such reviews will be conducted by the client's account representative.

**REPORTS:** Consulting Services clients will not typically receive reports due to the nature of the service.

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

It is Alpha Investment Advisors, Inc.'s policy not to engage solicitors or to pay related or non-related persons for referring potential clients to our firm.

It is Alpha Investment Advisors, Inc.'s policy not to accept or allow our related persons to accept any form of compensation, from a non-client in conjunction with the advisory services we provide to our clients.

### **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm and the Client may authorize and arrange for the direct deduction of our 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.

Other than for the direct deduction of our advisory fees, our firm does not have actual or constructive custody of client accounts.

### **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

Alpha Investment Advisors, Inc. requires that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold in a client's account.

Clients give us discretionary investment 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 \$500 or 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. Alpha Investment Advisors, Inc. has no additional financial circumstances to report.

Alpha Investment Advisors, Inc. has not been the subject of a bankruptcy petition. instructions.

## **Item 19 Requirements for State Registered Advisors**

**19. A.** Identification of principal executive officers and management persons:

Eugene F. Balerna, Jr.

Born 1967

### **Formal Education and certifications:**

- University of Massachusetts; B.S.B.A., Finance; 1990
- Bentley University; M.S., Finance; 1999

Mr. Balerna obtained the Certified Investment Management Analyst<sup>SM</sup> certification in 2011. The CIMA certification, delivered by INVESTMENT MANAGEMENT CONSULTANTS ASSOCIATION® (IMCA®), is the only credential designed specifically for investment advisors and consultants.

### **Certified Investment Management Analyst® (CIMA®)**

The CIMA certification signifies that an individual has met initial and on-going experience, ethical, education, and examination requirements for investment management consulting, including advanced investment management theory and application. Prerequisites for the CIMA certification are three years of financial services experience and an acceptable regulatory history. To obtain the CIMA certification, candidates must pass an online Qualification Examination, successfully complete a one-week classroom education program provided by a Registered Education Provider at an AACSB accredited university business school, pass an online Certification Examination, and have an acceptable regulatory history as evidenced by FINRA Form U-4 or other regulatory requirements. CIMA designees are required to adhere to IMCA's *Code of Professional Responsibility, Standards of Practice*, and *Rules and Guidelines for Use of the Marks*. CIMA designees must report 40 hours of continuing education credits, including two ethics hours, every two years to maintain the certification. The designation is administered through Investment Management Consultants Association (IMCA).

The CIMA certification has earned ANSI® (American National Standards Institute) accreditation under the personnel certification program. The American National Standards Institute, or ANSI, is a private non-profit organization that facilitates standardization and conformity assessment activities in the United States. CIMA is the first financial services credential to meet this international standard for personnel certification.

Mr Balerna has also completed level I of the CFA exams and is a proud member of the CFA Institute, the Boston Security Analysts Society (BSAS) and the Investment Management Consultants Association.

Mr. Balerna began his career in the financial services industry in 1990 and has remained in the industry since that time. He commenced his position as President and CIO of Alpha Investment Advisors, Inc. (AIA Inc.) in 1999 and currently holds these same positions at the firm. At AIA, Inc. he is primarily responsible for research, portfolio management and relationship management. He was an Analyst and Assistant Portfolio Manager for The Danforth Associates in Wellesley, MA from February 2005 through March 2006 where he was responsible for conducting research on large-cap stocks across all industries as well as recommending the size and allocation for each position.

**19. B. Alpha Investment Advisors** is not engaged in any business other than providing investment advice.

**19. C. Neither Alpha Investment Advisors** nor any supervised person is compensated for advisory services with performance-based fees.

**19. D. Neither Alpha Investment Advisors** nor any management person has been involved in one of the events listed below:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding.

**19. E. Neither Alpha Investment Advisors** nor a management person has any relationship or arrangement with any issuer of securities that is not listed in Item 10. C. of this document.