

THE AYRES GROUP, LLC.

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This brochure contains information regarding the business practices and qualifications of The Ayres Group LLC. If you have any questions about the contents of this brochure, please contact us at 607-760-8429. 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 The Ayres Group is also available on the SEC's website at www.adviserinfo.sec.gov.

The Ayres Group LLC refers to itself as a Registered Investment Adviser. Please be advised that registration does not imply a certain level of skill or training.

Date of Brochure 2/20/2012

ITEM 2 - MATERIAL CHANGES

The Ayres Group LLC has applied for transition from SEC registered firm to a state registered firm in the following states: New York, Pennsylvania and Texas.

ITEM THREE

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ITEM FOUR-ADVISORY BUSINESS

The Ayres Group LLC is an independent investment consulting company. The company was founded in the summer of 2011 and is owned entirely by its principal David J. Ayres.

The firm provides investment counsel by charging an hourly fee which is negotiable. We tailor our advisory services to the individual needs of the clients utilizing an extensive verbal interview process concerning their specific and individual goals. Clients also complete a Risk Questionnaire and we use these results to architect an Asset Allocation Model to provide suitable investments for the clients. Outside research data from Morningstar as well as Standard and Poors are reviewed with the client. Semi-annual meetings are conducted to gauge that the needs and goals of the client try to match current market conditions. The Ayres Group LLC offers advice on the following types of investments: equity securities, corporate debt, certificates of deposit, municipal securities, mutual fund share, unit trusts, United States Government securities and both fixed and variable annuities.

Clients may request and receive restrictions on investing in certain types of securities and establish customized investment policy guidelines. The firm does not at this time participate in any wrap fee programs.

ITEM FIVE-FEES AND COMPENSATION

The Ayres Group LLC offers comprehensive analysis at a rate of \$150 per hour. Where warranted, fees may be negotiated. Fees are to be paid by check or wire to The Ayres Group LLC after the consultation. Although the firm may suggest that the client employ the services of a specific brokerage house or mutual fund company, the firm does not receive any commission or compensation from that entity. We do not engage in any soft dollar arrangement. All custodian fees and mutual fund expenses will be charged by the custodian and not The Ayres Group. See Item Twelve for information regarding broker and transaction fees. Clients shall be billed monthly in arrears for services rendered.

ITEM SIX- PERFORMANCE BASED FEES.

The Ayres Group LLC does not engage in any type of arrangement that bases its fees on performance.

ITEM SEVEN-TYPES OF CLIENTS

Generally, the firm provides investment advice to individuals and high net worth clients. There are no requirements for a minimum account size at this time.

ITEM EIGHT- ANALYSIS METHODS, INVESTMENT STRATEGIES AND RISK OF LOSS

The Ayres Group LLC analysis methods include fundamental analysis as well as technical analysis. Sources of information include financial trade journals, newspapers and magazines, corporate filings as well as subscriptions to corporate rating services such as Standard and Poors and Morningstar.

Technical Analysis is used to try to determine trends using various charting capabilities such as resistance/support levels, moving averages and stock price. Fundamental analysis uses data to try to determine the outlook for the company's industry, the history and expertise of the management team, financial statements and the company's product line and market share.

The risks of technical analysis are the unpredictability of events unique to the company or outside political risks or economic risks that are unforeseeable. Also, due to the length of economic cycles, the validity of moving averages may not result in favorable performance. The risks of fundamental analysis are unpredictable earnings or that the information obtained may not be correct. New information may also negatively impact stock price and would not show up with fundamental analysis.

The corporate strategy is to utilize diversification methods in accordance with asset allocation standards widely used in the industry. Low turnover and minimizing transaction costs are part of the corporate strategy and we mostly use long-term time frames with the majority of our clients. However, investing in the types of securities listed above involve a risk of loss that clients should be prepared to bear.

Clients should be aware that market risks, interest rate risk and specific risk may have a negative effect on a client's portfolio.

ITEM NINE-DISCIPLINARY INFORMATION

At no time has anyone under the employ of The Ayres Group LLC been found by a court, the SEC or Finra to have been in violation of any investment-related statute. A complete list of filed complaints of any individual and any settlements relating from them can be accessed at: www.finra.org and utilizing the Brokercheck site to review these settlements.

ITEM TEN-OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

The Ayres Group LLC does not have any other financial industry activities or affiliations. If any conflict of interest arises, it is the responsibility of the firm to notify the affected client promptly and disclose any possible conflict.

ITEM ELEVEN-CODE OF ETHICS

The Ayres Group strongly believes in acting as a fiduciary and placing the clients interests above all else. We strive to embrace the following tenets: Professionalism, Diligence, Confidentiality, Fairness, Integrity, Objectivity, and Monitoring of Accounts. Our Code of Ethics is available on request by contacting us via phone or mail.

ITEM TWELVE-BROKERAGE PRACTICES

The Ayres Group LLC does not enter in any soft dollar arrangement with any brokerage by referring clients to that broker in return for research or any other product. The firm may at times, refer its clients to a specific broker dealer based on the firm's opinion that this specific brokerage may provide services that dovetail with the client's needs. Factors that play into what brokerage we may refer a client include favorable equity commission pricing, availability of certain mutual fund families on their respective platform or ability to obtain individual debt instruments from inventory with low markup.

No commission or compensation will be shared with the brokerage for this referral. However, client's brokerage will most likely charge broker fees and transaction fees as well as any custodian fees or mutual fund expenses.

ITEM THIRTEEN-REVIEW OF ACCOUNTS

It is the policy of The Ayres Group to review each client's account at least twice a year and provide an analysis at that time. In addition, based on our research capabilities it is likely that additional independent ratings of specific securities will be provide to the client on a more frequent basis as needed. The Sole Member (David J. Ayres) shall be responsible for all client reviews.

ITEM FOURTEEN-CLIENT REFERRALS/OTHER COMPENSATION

The firm does not compensate any individual for referring someone to The Ayres Group LLC.

ITEM FIFTEEN-CUSTODY OF CLIENT ACCOUNTS

The Ayres Group LLC does not maintain custody over any client accounts. However, clients may request that duplicate

statements of their broker/dealer statements be sent to The Ayres Group for monitoring purposes. Clients shall receive periodic statements from their custodian and statements should be reviewed thoroughly by the client and compared to any reports received from The Ayres Group.

ITEM SIXTEEN-INVESTMENT DISCRETION

The Ayres Group LLC does not maintain any discretionary authority for any client accounts.

ITEM SEVENTEEN-VOTING CLIENT SECURITIES

The Ayres Group LLC does not engage in voting client securities. Proxies shall be delivered to the client from the custodian or the respective mutual fund or corporation. Although The Ayres Group LLC may assist clients in clarifying proxies or a solicitation, all investment decision regarding these items are up to the client to ultimately decide.

ITEM EIGHTEEN-FINANCIAL INFORMATION

The Ayres Group LLC does not require or solicit prepayment of fees nor have any discretionary authority or custody of client funds.

**ITEM NINETEEN-REQUIREMENTS FOR STATE
REGISTERED ADVISORS**

*The Ayres Group LLC has pending registrations in the states of
New York, Pennsylvania and Texas.*