

## Certus Investment Advisors, LLC

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This Brochure provides information about the qualifications and business practices of Certus Investment Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (404) 262-9283. 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.

Certus Investment Advisors, LLC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. This Brochure is intended, in part, to provide information which can be used to make a determination to hire or retain an Adviser.

Additional information about Certus Investment Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

There have been no material changes since our last brochure dated January 27, 2012.

Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested by contacting us at the number above or by emailing us at [info@sagesoutheastern.com](mailto:info@sagesoutheastern.com).

Additional information about Certus Investment Advisors, LLC is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site provides information about any persons affiliated with Certus Investment Advisors, LLC who are registered, or are required to be registered, as investment adviser representatives of Certus Investment Advisors, LLC.

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#### **Item 4 – Advisory Business**

Certus Investment Advisors, LLC (“Certus”) was established in September 2011. Certus is 100% owned by CertusHoldings, Inc (formerly Blue Ridge Holdings, LLC).

Certus also offers a wrap fee program, which is disclosed in a separate Wrap Fee Brochure. When a client chooses to enroll in a wrap fee program, a wrap fee brochure will be provided. This wrap program includes a mutual fund asset allocation program, and portfolio management services which may consist of equities, mutual funds, exchange traded funds (ETF’s), and options along with high quality individual fixed income and equity securities.

#### **Investment Management**

Certus offers investment advisory services to individuals, trusts, and estates. Advice and services are tailored to the stated objectives of the client. Certus Advisory Representatives work with each client to identify their investment goals and objectives, as well as risk tolerance, in order to create an initial portfolio allocation designed to complement the client’s financial situation and personal circumstances. The portfolio may consist of equities, mutual funds, options, fixed income securities and alternative investments. Generally, a limited financial plan is created in connection with the initial portfolio allocation. Clients are advised that should their financial situation or investment goals or objectives change, they must notify Certus promptly of the changes.

Portfolios are constructed along basic investment objective categories and focus primarily on a long-term buy and hold approach as opposed to short-term trading. A short-term trading strategy may be used when Certus deems it to be appropriate given current market conditions. Each client has the opportunity to place reasonable restrictions on the type of investments to be held in the portfolio. Certus Advisory Representatives may periodically rebalance the client’s account to maintain the initially agreed upon asset allocation.

Through the investment advisory agreement, the client may grant to Certus limited discretionary authority to execute its investment recommendations. The limited discretionary authority allows Certus to purchase and sell investment products in this account, arrange for payment of investment transactions, and act on behalf of the client in most matters necessary or incidental to the handling of the account, including monitoring certain assets. Certus is not allowed to withdraw funds from a client account except for the payment of fees pursuant to the written agreement.

Clients have ready access to the portfolio managers/Advisory Representatives. The portfolio managers/Advisory Representatives are not required to be available for unscheduled or unannounced visits by clients. However, the portfolio managers/Advisory Representatives are expected to periodically meet with their clients and should generally be available to take client telephone calls on advisory-related matters.

#### **Mutual Fund Asset Allocation**

Reliance Trust Corporation (“RTC”) is a state-chartered bank and trust company that provides a variety of trust services to individuals, corporations and institutions. Through RTC, Certus is able to offer its clients access to a mutual fund asset allocation program. The client is advised to read additional disclosure information provided by RTC relative to the various mutual fund asset allocation programs offered. Certus Advisory Representatives will meet with the client to identify their risk tolerances and investment goals and objectives to determine which one of multiple mutual fund allocation models best meets the client’s financial objectives. The Advisory Representative will work with the client to gather

necessary financial information, set restrictions or limitations on the management of the account, explain portfolio strategies and transactions and answer any client questions. Clients are advised that they should notify Certus of any changes to their financial situation or investment goals or objectives.

### **Financial Planning**

Certus may prepare and provide clients with a written financial plan designed to help them achieve their financial goals and investment objectives. The preparation of such a plan may necessitate that the client provide Certus with personal data such as family records, budgeting, personal liability, estate information and additional financial goals.

The financial plan may include any or all of the following requested and/or directed by the client: asset protection, tax planning, business succession, strategies for exercising stock options, cash flow, education planning, estate planning and wealth transfer, charitable gifting, long-term care and disability planning, retirement planning, insurance planning, asset allocation comparisons and risk management.

Should a client choose to implement the recommendations contained in the plan, Certus suggests that the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker. Implementation of the financial plan recommendations is entirely at the client's discretion. Advisory Representatives may be licensed as Registered Representatives through CertusSecurities, Inc., an affiliated broker/dealer. They may also be licensed to sell life, health and group insurance through an affiliated insurance agency. Clients are under no obligation to utilize services of the associated person in the purchase or sales of securities or insurance products. However, if transactions are conducted through Certus or its affiliated broker/dealer, then commissions may be earned by that person in addition to any advisory fees charged by the applicant.

Certus does not currently hold any discretionary assets under management or non-discretionary assets under management.

## **Item 5 – Fees and Compensation**

### **Investment Management**

Fees are based on a percentage of assets under management and are determined by the value of the managed assets at the end of the month, if held at Reliance Trust Company, and are charged fees based on the average daily balance during the month, if held at National Financial Services, LLC (NFS). Under no circumstances will fees be calculated based on a percentage of capital gains in the portfolio. The annual fee schedule for these services is:

| <u>Dollar Amount</u>     | <u>Annual Fee</u> |
|--------------------------|-------------------|
| Up to \$250,000          | 2.50%             |
| \$250,001 to \$500,000   | 2.00%             |
| \$500,001 to \$1,000,000 | 1.75%             |
| \$1,000,000 and above    | 1.50%             |

Fees are due at the end of each month, and are deducted directly from the client account, unless otherwise specified in the advisory contract. In the event of termination, any balance due will be invoiced by the client for remittance. All fees are negotiable subject to the discretion of management.

### **Mutual Fund Asset Allocation**

Fees for the mutual fund allocation program are based on a percentage of assets under management and are determined by the value of the managed assets at the end of the month. Under no circumstances will fees be calculated based on a percentage of capital gains in the portfolio. All assets are held in custody at RTC.

The annual fee schedule for these services is:

| <u>Dollar Amount</u>     | <u>Annual Fee</u> |
|--------------------------|-------------------|
| Up to \$250,000          | 2.50%             |
| \$250,001 to \$500,001   | 2.00%             |
| \$500,001 to \$1,000,000 | 1.75%             |
| \$1,000,000 and above    | 1.50%             |

RTC receives a portion of the above fee that varies with the services provided with the remaining amount being paid to Certus and the Investment Advisory Representative. Fees are due at the end of each month and are deducted directly from the client account per written agreement, unless otherwise specified in the advisory contract. In the event of termination, any balance due will be invoiced to the client for remittance. All fees are negotiable subject to the discretion of management.

### **Financial Planning**

Financial planning services are charged through a fixed fee as agreed upon between the client and the Certus Investment Advisory Representative ("IAR"). Fixed fees begin at \$500 per plan and are collected upon completion of the plan. Fees are negotiable and will vary depending upon the complexity of the client situation and services to be provided. Lower fees for comparable services may be available from other sources.

### **General Fee Information**

Management fees are payable in arrears on a monthly basis, commencing when both the client investment management agreement is signed and the assets are deposited in the client's account. Deposits and withdrawals made during the month will be billed for the time that the funds were under management. Certus has the right to change any or all of its fee schedules with 30 days written notice. Certus is not compensated on the basis of a share of capital gains or capital appreciation in a client's account.

As authorized in the Client Agreement, the account custodian withdraws advisory fees directly from the clients' accounts according to the custodian's policies, practices, and procedures. The custodian sends the client a statement at least quarterly indicating the amount disbursed from the account including the amount of advisory fees paid to Certus. The custodian of the account, not Certus, holds all customer assets. Clients may be billed directly for advisory services if requested. In this case the client will receive an invoice indicating the amount of the fee, the value of the Client's assets on which the fee was based and the specific manner in which the fee was calculated. Clients should verify the accuracy of the computation; the custodian will not do an independent verification of the accuracy of the computation of fees.

Clients may purchase shares of mutual funds directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of Certus or paying the advisory fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales

charge (as described in the mutual fund prospectus) may be more or less than the applicable advisory fee. However, clients would not receive the advisory representative's assistance in developing an investment strategy, selecting securities, monitoring performance of the account, and making changes as necessary, if such a course of action is taken.

If there is a net debit cash balance in the account as a result of using margin, the cash balance will be excluded from the fee calculation. Net positive cash balances in type 1 (cash account) and type 2 (margin account) are included in the fee calculation. The minimum annual fee is \$1,000. Accordingly, a client may pay an effective rate greater than the rate specified in the fee schedule shown above. Certus, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

NFS does charge brokerage transaction based fees or "ticket charges" that vary by security and type of transaction and may be passed to the client. Because of these transaction fees, the Advisor may be careful to limit the number and frequency of transactions consistent with the best interests of the client. In situations whereby Certus or the Advisor absorbs the ticket charge, this could pose a conflict as the Advisor may not trade as frequently in the account.

Additionally, Certus may be charged an administrative fee by NFS to cover expenses associated with the administration of the program. This fee will be paid by Certus to NFS and will not be charged back to the client. Some mutual funds are part of a "No Transaction Fee" program and have lower or no ticket charges but may still have an administrative charge per transaction. Transaction fees for exchanges of one mutual fund for another within the same fund family have lower transaction fees and hence are more commonly used for making adjustments to the portfolio. Advisers may be compensated by general promotion, advertising, and distribution fees (12b-1 fees) in relation to Client purchases and sales of mutual fund shares. Some mutual funds within this program pay 12b-1 service fees (normally 0.25% per year) to NFS. Load and no-load mutual funds may pay annual distribution charges, sometimes referred to as 12b-1 fees. 12b-1 fees come from fund assets, therefore, indirectly from client assets. 12b-1 fees may be initially paid to CertusSecurities and a portion passed to the Advisory Representative. The receipt of such fees could represent an incentive for the Advisory Representative to recommend funds with 12b-1 fees over funds that have no fees or lower fees. As a result, there may be a potential conflict of interest. Because the accounts in this program are thru CertusSecurities, Inc., those "indirect" service fees are passed on to Certus and/or the Advisor. Indirect fees received from mutual funds are considered and anticipated when Net Fees are set.

Transaction fees charged may be higher than those otherwise available if the services were provided separately for a discrete fee or if the Investment Advisor were to select brokerage and negotiate commissions in the absence of the extra consulting service provided. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. A portion of the fees charged by Certus for advisory services may be paid to the Advisor Representative. The Advisor may have a financial incentive to recommend advisory services over broker/dealer services. Costs and transaction fees arising out of transactions effected by entities other than Certus or NFS or attributable to dealer mark-ups, mark-downs or "spreads" (in transactions where another entity acts as principal for its own account) will be separately borne by clients. All fees

described herein may be subject to negotiation depending on a range of factors including, but not limited to, account size and overall range of services requested.

The Advisory representative working in the capacity as a registered representative or insurance agent may be compensated through commissions based on the sale of securities, investment and insurance products, and trails received from the sale of mutual funds.

### **Account Termination**

The client may terminate the contract without penalty within three business days after entering into the contract. This will not include any market losses which may have occurred. For the purposes of this provision, a contract is considered entered into when all parties to the contract have signed the contract, or in the case of an oral contract otherwise signified their acceptance, any other provisions of this contract notwithstanding.

Upon written receipt of notice to terminate its Client Agreement and unless specific transfer instructions are received, Certus and its agent will, in an orderly and efficient manner, proceed with liquidation of the client's account. The client should be aware that normal ticket charges will apply and the custodian may charge a termination fee as outlined in your Client Agreement. Fees may be waived at management's discretion. Certain mutual funds impose redemption fees as stated in each company's fund prospectus. Termination of the contract will not affect any liabilities or obligations of the parties from transactions initiated before termination of this Agreement or a client's obligation to pay advisory fees paid in arrears (pro-rated through end of the month in which termination is effective).

Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate the client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. Certus and its agent(s) are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

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

Certus does not charge any Performance- Based Fees or Side-By-Side Management

### **Item 7 – Types of Clients**

Certus provides portfolio management services to individuals, corporations and business entities, pension and profit-sharing plans, charitable institutions, foundations, endowments, estates and trusts. The minimum account size is \$50,000. Account minimums may be waived at the discretion of management.

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

Our investment strategy begins with an understanding of a client's financial goals. Certus Advisor Representatives use demographic and financial information provided by the client to assess the client's



risk profile and investment objectives in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long- or short-term trading of stock portfolios, mutual funds and fixed income securities.

Investment recommendations are based on an analysis of the client's individual needs, and are drawn from research and analysis. Security analysis methods may include fundamental analysis, technical analysis, charting and cyclical analysis. Information for this analysis may be drawn from financial newspapers and magazines, research materials prepared by others, annual reports, corporate filings, prospectuses, company press releases and corporate ratings services.

It is important to note that investing in securities involves certain risks that are borne by the investor. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- Reinvestment Risk: Future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

#### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Certus or the integrity of Certus' management. Certus has no information applicable to this Item.

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

CertusSecurities, Inc. is under common control and is a full-service general securities broker-dealer registered with the Securities and Exchange Commission, the Financial Industry Regulatory Authority (FINRA), and various state regulatory agencies. In this capacity, CertusSecurities, Inc. executes trades (as agent) for a commission in mutual funds, equities, bonds, options, variable annuities and other investment products on behalf of clients, who may or may not have an advisory fee agreement. Thomas Johnson, Anthony Hosfel and Victor Wilkerson, Advisory Representatives of Certus, are also separately registered with CertusSecurities, Inc. as registered representative. The principal business of Certus' executive officers is the day-to-day management of its broker-dealer activities. As a broker/dealer, CertusSecurities, Inc. may have trade errors that result in a profit or loss to CertusSecurities, Inc. CertusSecurities, Inc. has controls in place to limit such trade errors.

CertusSecurities, Inc. is affiliated with a full service life and health insurance agency, Sage Capital Holdings, LLC, working with employee benefit related, corporate, personal, life and disability programs. Currently, Thomas Johnson is insurance licensed in GA and LA, Victor Wilkerson is insurance licensed in VA, GA and SC and Anthony Hosfel is insurance licensed in GA. They may spend as much as 50% of their time with these aforementioned non-advisory activities. In their capacity as registered representatives or as independent insurance agents, clients will be charged separately from their advisory services. Clients are under no obligation to purchase any recommended insurance product through Certus.

Advocacy WMS, Sage Capital Holdings and Certus are under common control and are Registered Investment Advisors. Advisory Representatives of Certus may also be separately registered with Advocacy and Sage as Advisory Representatives.

Certus will recommend that clients establish brokerage accounts with National Financial Services, LLC (NFS), Reliance Trust Company or Providence Trust NV (collectively, the "Custodian") to maintain custody of clients' assets and to effect trades for their accounts. Although Certus may recommend that clients establish accounts at the Custodian, it is the client's decision. Certus is independently owned and operated and not affiliated with NFS, RTC or Providence Trust, NV.

#### **Item 11 – Code of Ethics**

Certus has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Certus must acknowledge the terms of the Code of Ethics annually, or as amended.

Any supervised person of Certus may buy or sell securities that are recommended to clients. Certus' employees and persons associated with Certus are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Certus and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Certus' clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Certus will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the

best interest of Certus' clients. In addition, the Code requires pre-approval of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Certus and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Certus' obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Certus will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order.

Certus' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting the Chief Compliance Officer at our main number.

#### **Item 12 – Brokerage Practices**

For accounts belonging to Certus clients maintained in its custody, the Custodian generally does not charge separately for custody services but is compensated by account holders through transaction-related or asset-based fees for securities trades that are executed through the Custodian or that settle into Custodian accounts. The Custodian may make products and services available to Certus that benefit Certus but may not directly benefit its clients' accounts. Many of these products and services are used to service all or a substantial number of Certus accounts. Some of these products and services provided by the Custodian may include software and other technology that (i) provides access to client account data (such as trade confirmations and account statements); (ii) facilitates trade execution and allocates aggregated trade orders for multiple client accounts; (iii) provides research, pricing and other market data; (iv) facilitates payment of Certus fees from its clients' accounts; and (v) assists with back-office functions, recordkeeping and client reporting.

The foregoing arrangements with NFS, RTC, Providence Trust NV and any other custodian that we may enter into an agreement with may pose a conflict of interest. Services provided may create an incentive for Certus to suggest that clients maintain their assets in accounts at a Custodian on the basis of products and services that may become available to Certus as a result, rather than solely on the basis of the nature, cost or quality of custody and brokerage services provided by the Custodian to clients. However, Certus is constrained by fiduciary principles to act in its clients' best interests and will suggest a Custodian to clients only when it is appropriate to do so. In addition, Certus maintains an awareness of the services provided to clients by the Custodians in an effort to ensure that clients are well served.

Certus Advisor Representatives may suggest CertusSecurities, Inc. for broker/dealer services to clients. For broker/dealer services, the Adviser may receive compensation for such transactions, where such compensation is separate and distinct from Adviser's compensation related to its investment advisory services. Commissions paid to advisers for broker/dealer services may be higher or lower than those paid by other brokers.

CertusSecurities, Inc. receives compensation from the custodian based on the value of credit balances in the accounts. If cash is swept into a money market fund, CertusSecurities, Inc. receives compensation based on the value of assets in these funds as a broker-dealer. Thus, the Adviser has an incentive to

recommend that clients select a money market fund as a sweep vehicle that pays more compensation than other funds.

Certus may aggregate orders in a bunched trade or trades when securities are purchased or sold through the same broker-dealer for multiple accounts. The portfolio managers for each account must reasonably believe that the bunched order is consistent with Certus' duty to seek best execution and may benefit each client participating in the aggregated order. The average price per share of each bunched trade will be allocated to each account that participates in the bunched trade. Upon request, the client may request average price trade details. Accounts that participate in the same bunched trade will be charged commissions, if applicable, in accordance with their advisory contracts. Different accounts participating in a bunched transaction may not be charged the same commission rates.

If a bunched 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 will be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts. For example, partial fills generally are filled pro rata among participating accounts. If the amount to be allocated for each account is not indicated prior to placement of the trade, the Chief Compliance Officer must review and approve the allocation.

Changes in allocation prior to final allocation may be made for good cause provided that all client accounts receive fair and equitable treatment. A written explanation of the reason for any material change in the allocation must be provided to and approved by the Chief Compliance Officer. If the change in allocation is the result of a condition that exists or a change in a client's account outside of the portfolio manager's control then approval is not required.

### **Item 13 – Review of Accounts**

For those clients to whom Certus provides investment supervisory services, account reviews are conducted on an ongoing basis. For those clients who are invested in Reliance Trust Corporation's Mutual Fund Management Program, account reviews are conducted on a quarterly basis. Such reviews are conducted by the Advisory Representative that originally met with the client to initiate the advisory management agreement. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with the Advisor and to keep the Advisor informed of any changes thereto. The Advisor shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives. The client is not provided a written report. The client agrees to inform the firm promptly of any material changes to the information included in the questionnaire or any other change in the client's financial circumstances that might affect the manner in which client's assets should be invested. Client may contact the firm during normal business hours to consult with Certus concerning the management of the client's account(s). Item 15 contains information regarding the custody reports provided.

Additional account reviews may be triggered by potential change (beyond client's needs) including changes in general economic and market conditions, analyst reports, company news and interest rate movement. There is no limit to the number of accounts assigned to the reviewer.

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

Certus has an agreement with Advocacy WMS to pay for client referrals, although additional solicitor agreements may be initiated or existing ones terminated at any time. The solicitor's agreement entered into by Certus complies with rule 206(4)-3 promulgated under the Investment Advisors Act of 1940. If a client is solicited by Advocacy WMS, Certus will pay them a percentage of the management fees it collects as determined in the solicitor's agreement. A client who is solicited will receive an additional disclosure document specifically describing the arrangement and the compensation paid to the solicitor. The solicitor's fee will be based on Certus' normal fee schedule; you will not be charged any additional fees or expenses as a result of the referral.

#### **Item 15 – Custody**

Clients should receive statements at least quarterly from the qualified Custodian that holds and maintains your investment assets. Certus urges clients to review carefully such statements and compare the official custodial records to any account statements that we may provide you. Information we may provide could vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

#### **Item 16 – Investment Discretion**

Certus may receive discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Clients must authorize such discretion in the advisory agreement. When selecting securities and determining amounts, Certus observes the investment policies, limitations and restrictions of the clients advised. Investment guidelines and restrictions must be provided to Certus in writing.

#### **Item 17 – Voting Client Securities**

As a matter of firm policy and practice, Certus does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. In addition, Certus will not take any action or render any advice with respect to any securities held in any accounts that are named in or are subject to class action lawsuits. Certus will, however, forward any information received by Certus regarding class action legal matters involving any security held in the account. Clients will receive their proxies or other solicitations directly from their custodian or transfer agent.

#### **Item 18 – Financial Information**

Registered Investment Advisers are required to provide you with certain financial information or disclosures about Certus' financial condition. Certus has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of any bankruptcy proceeding.

#### **Item 19 – Requirements for State-Registered Advisers**

**Thomas M. Johnson, III** serves as Chief Compliance Officer. The following describes his formal education and business background.

**Thomas M. Johnson, III, CFP® – CCO, COO**  
**CRD # 811554**

### Educational Background

Dartmouth College - Bachelor of Arts

Terry College of Business - CFP®

The CERTIFIED FINANCIAL PLANNER™ (CFP®) designation is issued by the Certified Financial Planner Board of Standards, Inc. Candidates are required to complete a CFP-board registered program. They must also pass the CFP Certification Examination, which is administered in 10 hours over a two-day period. The exam includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances. Certified individuals are required to complete 30 hours of continuing education every two years, including two hours on the Code of Ethics and other parts of the Standards of Professional Conduct. As a prerequisite to sitting for the CFP Certification Examination, candidates must hold a bachelor's degree (or higher) from an accredited college or university and have at least 3 years of full time personal financial planning experience.

### Business Experience

| <b>Firm</b>                  | <b>Position</b>           | <b>Dates</b>   |
|------------------------------|---------------------------|----------------|
| Advocacy Wealth Mgt Svs, LLC | CCO                       | 6/2011-Present |
| Sage Capital Holdings, LLC   | CEO, COO, CCO             | 3/2010-Present |
| CertusSecurities, Inc.       | COO,CCO                   | 3/2010-Present |
| Curtiswood Capital, LLC      | Branch Manager            | 1/2010-Present |
| First Legacy Securities, LLC | Branch Manager            | 6/2009-4/2010  |
| Reliance Securities, LLC     | Registered Representative | 5/2009-6/2009  |
| Access Securities, Inc.      | Registered Representative | 4/1999-6/2009  |

Mr. Johnson is also a Senior Partner at Southern Trading Partners & Consultants, a non-proprietary trading desk; and is Chairman of the Board of Managers. Mr. Johnson is the sole owner of Johnson Lane™ Advisors LLC, a financial planning practice operating as a Registered Investment Adviser Associate for Certus Investment Advisors, LLC, Registered Investment Adviser. He spends approximately 20% of his time on these activities for which he is compensated.

Mr. Johnson is the Vice-Chairman and Chairs the Finance Committee on the Board of Directors at The Elaine Clark Center, Inc. He is also a Trustee of Dartmouth Club of Georgia. Mr. Johnson is a Director of Fifth Market, Inc; the the Liquidation Agent and Senior Debt Holder of Lucky Litter, LLC; he is a Director of Sensor Tech, Inc., a development stage technology company; and General Partner of New Science, LLC and Johnson Wayne, LLC, both family investment partnerships. He does not receive any compensation for any of these positions. He spends approximately 5% of his time on the aforementioned activities.

Mr. Johnson is not compensated with performance based fees. There are no disciplinary proceedings against Mr. Johnson that would require disclosure. Mr. Johnson has no other relationship or arrangement with any issuer of securities.

**Robert R. Hogan** serves as CEO and CFO of Certus Investment Advisors, LLC. The following describes his formal education and business background.

**Robert R. Hogan, CPA – CEO, CFO**  
**CRD # 2859247**

**Education Background:**

State University of New York at Geneseo – BS, Major: Accounting; Minor: Public Relations (1982)

**Business Background**

| <b>Firm</b>                 | <b>Position</b>                      | <b>Date</b>  |
|-----------------------------|--------------------------------------|--------------|
| CertusHoldings, Inc.        | Wealth Management Executive          | 2011-Present |
| CertusSecurities, Inc.      | CFO                                  | 2011-Present |
| Capital Bancorp, Ltd.       | CEO – Capital Wealth, Inc.           | 2005-2010    |
| Bank of America Corporation | COO – Banc of America Securities     | 1999-2005    |
| Bank of America Corporation | Senior Director – Capital Mkts Audit | 1996-1999    |
| Salomon Brothers, Inc.      | Director – Internal Audit            | 1991-1996    |
| Price Waterhouse, LLP       | Senior Manager                       | 1982-1991    |

Mr. Hogan is the wealth management executive for CertusHoldings, Inc. In addition, he serves as the CEO and CFO of Certus Investment Advisors, LLC and the CFO of CertusSecurities, Inc., where he spends up to 25% of his time. He also serves on the board of directors of CertusSecurities, Inc.

Mr. Hogan is not compensated with performance based fees. There are no disciplinary proceedings against Mr. Hogan that would require disclosure. Mr. Hogan has no other relationship or arrangement with any issuer of securities.

**Privacy Policy**

Protecting your privacy is important to Certus Investment Advisors. We want you to understand what information we collect and how we use it. In order to provide our customers with a broad range of financial products and services as effectively and conveniently as possible, we use technology to manage and maintain customer information. The following policy serves as a standard for all CERTUS employees for collection, use, retention and security of nonpublic personal information.

**WHAT INFORMATION WE COLLECT:** We may collect “nonpublic personal information” about you from the following sources:

- Information we receive from you on applications or other account forms, including electronic communications;
- Information about your transactions with us, our affiliates or others; and
- Information we receive from third parties.

“Nonpublic personal information” is information about you that we obtain in connection with providing a financial product or service to you. For example, nonpublic personal information includes information regarding your account balance, assets and securities transactions.

**WHAT INFORMATION WE DISCLOSE:** As permitted under law, we may share information about you with companies related to us by common control or ownership (“affiliates”). This could include information about our experiences or transactions with you or your account (such as your account balance and your transaction activity) and additional information about you or your account (such as information we receive from you in applications and information from consumer reporting agencies).

We also are permitted under law to disclose nonpublic personal information about you to “nonaffiliated third parties” (i.e., third parties that are not members of our corporate family) in certain circumstances. For example, we may disclose nonpublic personal information about you to such third parties to assist us in servicing your account with us; to government regulators; in response to subpoenas; and to consumer reporting agencies. We do not disclose any nonpublic personal information about you to any other third parties, except as authorized by you. If you decide to close your account(s) or become an inactive customer, we will continue to adhere to the privacy policies and practices described in this notice. If the representative servicing your account leaves us to join another firm, he is permitted to retain copies of your information so that he can assist with the transfer of your account and continue to serve you at his new firm.

**“OPTING-OUT” OF THIRD PARTY DISCLOSURES:** If you do not want your account representative to retain copies of your client sensitive information when he leaves us to join another firm, you may contact our Compliance Department by calling (404) 262-9283.

**OUR SECURITY PROCEDURES:** We also take steps to safeguard customer information. We restrict access to your personal and account information to those employees who need to know that information to provide products or services to you. We maintain physical, electronic and procedural safeguards that comply with federal standards to guard your nonpublic personal information.