

**ITEM 1: COVER PAGE FOR  
PART 2B OF FORM ADV:  
BROCHURE SUPPLEMENT  
DATED MAY 21, 2012**

**PATRICIA ANN LLOYD**

**PRISM INVESTMENT MANAGEMENT INC.  
14350 NORTH 87<sup>TH</sup> STREET, SUITE 170  
SCOTTSDALE, AZ 85260  
(480) 661-1236**

**FIRM CONTACT: PATRICIA LLOYD, CHIEF COMPLIANCE OFFICER**

**This brochure supplement provides information about Patricia Lloyd that supplements our brochure. You should have received a copy of that brochure. Please contact Patricia Lloyd, Chief Compliance Officer, if you did not receive our firm's brochure or if you have any questions about the contents of this supplement.**

**Additional information about Patricia Lloyd is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2            Educational Background and Business Experience**

### **Patricia Ann Lloyd, CFP<sup>®</sup>, CPA<sup>®</sup>, CDF<sup>™</sup>**

*Year of Birth: 1969*

#### Formal Education:

- University of Phoenix, MBA-Business Administration, 2003.
- Arizona State University, BS-Accounting, 1996.
- Rivier College, AA-Accounting, 1989.

#### Business Background:

- PRISM Investment Management Inc., Chief Compliance Officer, 01/2012 to Present.
- PRISM Financial Concepts, PC., Vice President, 03/2008 to Present.
- Homesmart International, Independent Contractor-Licensed Real Estate Salesperson, 07/2011 to Present.
- IMC Sales & Marketing, LLC, Independent Contractor Licensed Real Estate Salesperson, 03/2006 to 07/2011.
- Cambridge Investment Research Advisors, Inc., Registered Representative and Investment Adviser Representative, 06/2008 to Present.
- Multi-Financial Securities Corporation, Registered Representative and Investment Adviser Representative, 08/2006 to 06/2008.
- Lloyd Financial Services, PLLC, CEO, 08/2000 to 03/2008.

Patricia Lloyd holds various professional designations. Below are further details of the minimum qualifications required for each designation to allow you to better understand the value of those designations.

### **CFP<sup>®</sup> - Certified Financial Planner<sup>™</sup>:**

Individuals certified by CFP<sup>®</sup> Board have taken the step to demonstrate their professionalism by voluntarily submitting to the CFP<sup>®</sup> certification process that includes thorough education, examination, experience and ethical requirements. The CFP<sup>®</sup> is issued by the Certified Financial Planner Board of Standards, Inc. Prerequisites require a designee to hold a Bachelor's degree (or higher) from an accredited college or university as well as three years of full-time personal financial planning experience. The designee is then required to complete a CFP<sup>®</sup> board registered program, or hold one of the following designations; CPA, ChFC, CLU, CFA, PH.D. in business or economics, Doctor of Business Administration, or Attorney's license. The designee is then required to complete the CFP<sup>®</sup> certification examination. In addition, the designee is required to complete 30 hours of continuing education every two years.

### **CPA® - Certified Public Accountant:**

CPA® designees are qualified accountants who have passed The Uniform Certified Public Accountant (CPA) Examination and have met additional state education and experience requirements for certification. The CPA® is issued by The American Institute of CPAs (AICPA®). Prerequisites require the designee to have two years public accounting experience and 150 semester hours of education. The designee is then required to complete the Uniform CPA Examination. In addition, the designee is required to complete 80 hours of continuing education every two years.

### **Certified Divorce Financial Analyst™:**

A CDFA™ is someone who comes from a financial planning, accounting, or legal background and goes through a training program to become skilled at analyzing and providing advice on the financial issues of divorce. The CDFA™ is issued by The Institute for Divorce Financial Analysts. Prerequisites require the designee to have two years of experience in the financial services field before they enter into a number of self-study modules. The designee also completes an open book final exam and an open-book final case study. In addition, the designee is required to complete 20 hours of continuing education every two years.

## **Item 3            Disciplinary Information**

If there are legal or disciplinary events material to your evaluation of Patricia Lloyd, we are required to disclose all material facts regarding those events.<sup>1</sup>

Patricia Lloyd does not have any disciplinary events to report.

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<sup>1</sup> **Note:** Our firm may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, we are not required to disclose it. When we review a legal or disciplinary event involving Patricia Lloyd to determine whether it is appropriate to rebut the presumption of materiality, we consider all of the following factors: (1) the proximity of Patricia Lloyd to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If we conclude that the materiality presumption has been overcome, we prepare and maintain a file memorandum of our determination in our records. We follow SEC rule 204-2(a)(14)(iii) and similar state rules.

#### **Item 4            Other Business Activities**

- A. If Patricia Lloyd is actively engaged in any investment-related business or occupation, including if Patricia Lloyd is registered, or has an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), commodity trading advisor ("CTA"), or an associated person of an FCM, CPO, or CTA, we are required to disclose this fact and describe the business relationship, if any, between the advisory business and the other business.

Patricia Lloyd is a registered representative of Cambridge Investment Research Advisors, Inc, member FINRA/SIPC. She may offer securities and receive normal and customary commissions as a result of securities transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation Patricia Lloyd may earn.

- B. If Patricia Lloyd is actively engaged in any business or occupation for compensation not discussed in response to Item 4.A, above, and the other business activity or activities provide a substantial source of Patricia Lloyd's income or involve a substantial amount of Patricia Lloyd's time, we are required to disclose this fact and must describe the nature of that business. If the other business activities represent less than 10 percent of Patricia Lloyd's time and income, we may presume that they are not substantial.

Ms. Lloyd is a Certified Public Accountant. She may recommend our firm to accounting clients in need of advisory services. We may recommend Ms. Lloyd in her CPA capacity to advisory clients in need of accounting services. Accounting services provided by Ms. Lloyd are separate and distinct from our firm's advisory services, and are provided for separate and typical compensation. There are no fee arrangements between our firm and Ms. Lloyd for these referrals. Our clients are not obligated to use Ms. Lloyd for any accounting services. CPA clients may be solicited to use our firm for any advisory services. A conflict of interest exists to the extent that Ms. Lloyd may recommend accounting services where she receives compensation. Ms. Lloyd will always put the interest of our firm's clients first.

Ms. Lloyd also prepares taxes, offers tax planning, 1031 exchange consulting (from a tax perspective), business consulting, business forward planning (budgeting), bookkeeping and general consultation services. These clients may be solicited to use our firm for any advisory services, and our firm's clients are not obligated to Ms. Lloyd in her capacity as a tax consultant for any tax services. A conflict of interest exists to the extent that Ms. Lloyd may recommend tax services where she receives compensation. Ms. Lloyd will always put the interest of our firm's clients first.

Ms. Lloyd is a licensed insurance agent through various insurance companies. In such capacity, she may offer insurance products and receive normal and customary commissions as a result of such a purchase. This presents a conflict of interest to the extent that she recommends the purchase of an insurance product which results in a commission being paid to her as an insurance agent. Ms. Lloyd spends about 3% of her time on these activities.

Ms. Lloyd is a real estate agent through various real estate companies. Clients of these companies are not solicited to invest through our firm. Ms. Lloyd spends about 10% of her time and may receive compensation for such activities.

Ms. Lloyd is a Member with one-third ownership interest of Umbrella, LLC, which owns Lawyer Financial Group, LLC (“LFG”) and Homeowner 101. LFG provides a one source solution for short sale advice to homeowners and realtors and negotiates with lenders on behalf of clients that are trying to short sell real estate holdings that are worth less than the amount owed to lenders. She will not have direct responsibilities relative to this company; however, she will be providing financial advice and strategic planning advice to the company and financial advice to the clients of these companies under her capacity as a financial consultant.

#### **Item 5            Additional Compensation**

If someone who is not a client provides an economic benefit to Patricia Lloyd for providing advisory services, we are required to generally describe the arrangement. For purposes of this Item, economic benefits include sales awards and other prizes, but do not include Patricia Lloyd’s regular salary. Any bonus that is based, at least in part, on the number or amount of sales, client referrals, or new accounts should be considered an economic benefit, but other regular bonuses should not.

Patricia Lloyd does not receive additional economic benefits for advisory services.

#### **Item 6            Supervision**

We are required to explain how we supervise Patricia Lloyd, including how we monitor the advice Patricia Lloyd provides to you. Our firm has to provide the name, title and telephone number of the person responsible for supervising Patricia Lloyd’s advisory activities on behalf of our firm.

David Tyler Heymann is the President of Prism Investment Management Inc. and as such supervises and monitors Patricia Lloyd’s activities on a regular basis to ensure compliance with our firm’s Code of Ethics. Please contact David Tyler Heymann if you have any questions about Patricia Lloyd’s brochure supplement at (480) 661-1236.

## **Item 7                    Requirements for State-Registered Advisers**

A. In addition to the events listed in Item 3 of Part 2B, if Patricia Lloyd has been involved in one of the events listed below, we disclose all material facts regarding the event.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

We have nothing to disclose in this regard.

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

We have nothing to disclose in this regard.

B. If Patricia Lloyd has been the subject of a bankruptcy petition, we must disclose that fact, the date the petition was first brought, and the current status.

Patricia Lloyd had filed for Chapter 7 bankruptcy on 01/18/2012 with the Court of Arizona. The filing is currently pending. The filing for bankruptcy was necessary due to uncovered medical costs related to Ms. Lloyd's son's care and a difficult divorce. The divorce necessitated the sale of the underwater marital home on which the second lender decided to take legal action. Ms. Lloyd was advised by legal counsel that bankruptcy was the best course of action in order to mitigate the current and future negative financial effects the lawsuit would have on her family.