



# **First American National** *Investment Advisors, LLC.*

## **Firm Brochure**

(Part 2A of Form ADV)

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This brochure provides you with information about the qualifications, business practices and nature of advisory services of First American National Investment Advisors, LLC, all of which should be considered before becoming an advisory Client of our Firm. Please contact Robert Van Sant, Managing Member and Chief Compliance Officer, if you have any questions about this narrative brochure.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC"), or by any state securities authority.

We are registered as an Investment Adviser with the SEC. Registration does not imply a certain level of skill or training. Additional information about our Firm is available on the Investment Adviser Public Disclosure 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 166212.

November 26, 2012

## **Item 2: Material Changes**

The SEC adopted “Amendments to Form ADV” in July 2010. This version of Part 2A of Form ADV (“Firm Brochure”) and Part 2B of Form ADV (“Supplement Brochure”), dated September 26, 2012, is our initial brochure document prepared in accordance to the SEC’s new rule requirements and rules. As you will see, this document is narrative format. Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Firm Brochures within 120 days of the close of our business’ fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

This Firm Brochure is a newly formatted disclosure document and has been prepared by First American National Investment Advisors, LLC in accordance with recently enacted SEC rules and requirements.

### ***Material Changes since the Last Update***

This section of the Brochure will reflect the update of any material changes that occurred since the previous delivery of our Firm’s brochure.

### ***Full Brochure Available***

We will provide you with a new version of the Brochure as necessary based on changes or new information, at any time, without charge. Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at (770) 845-1616 or by email at: [support@fanria.com](mailto:support@fanria.com)

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## Item 4: Advisory Business

### A. Description of the Advisory Firm

First American National Investment Advisors, LLC. ("FAN ADVISORS" or the "Adviser") is an investment management firm that is registered with the Securities and Exchange Commission ("SEC") as an investment adviser. The Adviser is organized as a Georgia limited liability company that was founded in 2012 and registered as an investment adviser as of December 2012. FAN ADVISORS's current business activities consist primarily of the discretionary management of securities portfolios.

**Principal Owners:** Robert Van Sant is the sole principal owner and Chief Compliance Officer. He also serves as the Firm's sole Investment Adviser Representative.

### B. Types of Advisory Services

FAN Advisors offers the following services to advisory clients:

#### *Investment Supervisory Services*

FAN Advisors offers a selection of third party portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. Investment Advisory Services include, but are not limited to, the following:

- Investment strategy
- Selection of investment managers
- Asset allocation
- Asset selection
- Risk tolerance
- Regular portfolio monitoring

#### *Selection of Other Advisors*

FAN Advisors will primarily provide access to investment service programs in which Client accounts are managed by independent third party investment advisers. Our Firm has entered into agreements with various third parties investment advisers to offer for the purpose of having their products and services available to our clients. These programs provide investment opportunities among mutual funds, variable annuities, stocks, bonds, and additional securities.

FAN Advisors will assist Clients in determining the appropriate allocation of the Client's invested assets among different asset classes, and in turn may select one or more third-party money managers who specialize in each of those asset classes. Our Investment Adviser Representatives ("IAR") meet with Clients to analyze the Client's need(s) of third party advisory programs or services by collecting the Client's financial information including the client's suitability. Based on the information provided by the Client, FAN Advisors will assist the Client in determining an appropriate asset allocation amount available with independent third party money managers based on the investment style and asset classes employed by those money managers. Clients will receive a separate Form ADV Part 2A of each selected third-party money manager and will enter into a separate investment management agreement with each third-party money manager selected by FAN Advisors.

The third-party manager will be granted discretionary trading authority to provide investment supervisory services for that portion of the Client's portfolio allocated to that particular third-party

money manager. Under this arrangement, FAN Advisors does not make any custody arrangements for Client's funds and securities. The money managers will trade independently of one another. There can be no assurance that the trading strategies employed by a third party money manager will be successful.

Clients are encouraged to obtain and carefully review the contracts and disclosure documents, including Form ADV Part 2A, of the third party money managers whose services they are considering so they understand fully the services being provided and the fees being charged. The services, reports and contract termination provisions provided by these programs vary as do the costs. We encourage our clients to compare programs.

### ***Services Limited to Specific Types of Investments***

FAN Advisors limits its advisory services to referrals to third money management firms and the selection of model portfolios provided by approved Custodians. The securities contained within these portfolios may include: mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, third party money managers, REITs and government securities or other underlying investment options as deemed appropriate by an individual third party money management firm.

### **C. Client Tailored Services and Client Imposed Restrictions**

FAN Advisors offers the same suite of services to all of its clients subject to the account minimums and risk tolerance requirements of each money manager. However, specific implementation is dependent upon the client profile which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent FAN Advisors from properly servicing the client account, or if the restrictions would require FAN Advisors to deviate from its standard suite of services, FAN Advisors reserves the right to terminate the relationship.

### **D. Wrap Fee Programs**

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks and other financial institutions and affiliated and unaffiliated investment advisers through which the Clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a "bundled" form. In exchange for these "bundled" services, the Clients pay an all-inclusive (or "wrap") fee determined as a percentage of the assets held in the wrap account. FAN Advisors does not participate in any wrap fee programs.

### **E. Assets Under Management**

When calculating regulatory assets under management, an Investment Adviser must include the value of any private fund over which it exercises continuous and regular supervisory or management services. As of the date of this Brochure, FAN Advisors does not have assets under management because the Fund currently has no investors and therefore no assets. However, it is expected that the Fund will have assets in the future. FAN Advisors will amend its Form ADV and Part 2A of the Form ADV as required to disclose its assets under management.

## Item 5: Fees and Compensation

### A. Fee Schedule & Payment of Fees

#### *Investment Supervisory Services Fees*

All Assets Under Management	Annual Fee: Up To 1.95%
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These fees are negotiable and the final fee schedule is indicated on any applicable statement as provided by the respective Custodian of the account. Fees are paid either monthly or quarterly in advance, and clients may terminate their contracts with ten days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in an applicable period at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts as authorized by the client in accordance with the procedures of the respective Custodian.

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid monthly or quarterly in advance.

#### *Selection of Other Advisors Fees*

FAN Advisors may direct clients to third party money managers. FAN Advisors will be compensated via a fee share from these advisors to which it directs those clients. This relationship will be disclosed in each contract between FAN Advisors and each of these third party advisors. The fees shared will not exceed any limit imposed by any regulatory agency. Any variation to the normal fee schedule below will be disclosed to all parties.

	FAN Advisors Split:	3 <sup>rd</sup> Party Manager Split:
All Assets Under Management	Up To 1.35%	Up to 0.80%

Fees are paid monthly or quarterly in advance, and clients may terminate their contracts with ten days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination.

### B. Other Fees and Expenses

There may be additional fees or charges that result from the maintenance of your account. These fees are imposed by third parties in connection with investments made through your account, including but not limited to, no-load mutual fund 12(b)-1 distribution fees, certain deferred sales charges on previously purchased mutual funds, and IRA and Qualified Retirement Plan fees. Clients are responsible for the payment of all third party fees (i.e. custodian fees, ETF fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by FAN Advisors. Please see Item 12 of this brochure regarding broker/custodian.

### C. Refund Policy

FAN Advisors collects fees in advance. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be returned within fourteen days to the client via check or return to credit card.

## D. Other Compensation

Representatives of FAN Advisors may also engage in other financial services activities such as the delivery of securities or insurance products.

### *1. Conflict of Interest*

FAN Advisors does not, and will not, accept compensation for the sale of securities or other investment products. However, supervised persons who are also engaged in other financial services activities may receive compensation for the sale of securities or other investment products, including asset based sales charges or services fees from the sale of mutual funds to its clients. This may present a conflict of interest and may give the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which a supervised person receives compensation, the supervised person will be required to document any possible conflict of interest in the client file and inform the client of such.

### *2. Clients Have the Option to Purchase Recommended Products From Other Brokers*

Clients always have the option to purchase FAN Advisors recommended products through other brokers or agents that are not affiliated with FAN Advisors.

### *3. Advisory Fees in Addition to Commissions or Markups*

Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients.

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

Performance Fees are based on a share of the capital gains or capital appreciation of the assets of a Client. Fees based on performance means that FAN Advisors would participate directly in the account's results. **FAN Advisors currently does not accept Performance-Based Fees.**

"Side-by-Side Management" refers to a situation in which the same Adviser manages accounts that are billed based on a percentage of assets under management ("Management Fee") and at the same time manages other accounts for which fees are assessed on a performance fee basis. Because FAN Advisors has no performance-based fee account, it does not conduct side-by-side management.

## Item 7: Types of Clients

FAN Advisors generally provides management supervisory services to the following types of Clients:

- Individuals
- High-Net-Worth Individuals
- Corporations or Business Entities

**Minimum Account Size:** Account minimum requirements vary between money managers and generally range between \$10,000 and \$100,000.

## Item 8: Methods of Analysis, Investment Strategies, & Risk of Investment Loss

### A. Methods of Analysis

The third party money managers as selected by FAN Advisors uses various methods of analysis to perform investment management services to include charting analysis, fundamental analysis, technical analysis, and cyclical analysis.

- **Charting analysis** involves the use of patterns in performance charts. Various money managers may use this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.
- **Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.
- **Technical analysis** involves the analysis of past market data; primarily price and volume.
- **Cyclical analysis** involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

### B. Investment Strategies

The third party money managers as selected by FAN Advisors may use long term trading, short term trading, short sales, margin transactions, options writing (including covered options, uncovered options, or spreading strategies).

### C. Material Risks

*Clients need to be aware that investing in securities involves risk of loss that Clients need to be prepared to bear.*

The methods of analysis and investment strategies followed by FAN Advisors are utilized across all of FAN Advisors' Clients, as applicable. One method of analysis or investment strategy is not more significant than the other as FAN Advisors is considering the Client's portfolio, risk tolerance, time horizon and individual goals. However, the Client should be aware that with any trading that occurs in the Client account, the Client will incur transaction and administrative costs.

Notwithstanding the method of analysis or investment strategy employed by the Adviser, the assets within a Client account are subject to risk of devaluation or loss. FAN Advisors wants its Clients to be aware that there are many different events that can affect the value of their assets or portfolios including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

FAN Advisors does not represent, warrant, or imply that the services or methods of analysis employed by FAN Advisors can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or declines.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in solely using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.



**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

**Investment Strategies:** Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Short term trading, short sales, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

**Special Note Regarding Third Party Money Managers:** Clients should read the Form ADV Part 2A of the respective third party money manager to understand the investment strategies and methods of analysis employed by the third party money manager, and the risks associated with those. Prospective investors should carefully consider all risks, as there can be no assurance that the asset management programs by the third party managers will achieve their respective investment objectives or avoid substantial losses.

## **C. Recommendations of Specific Types of Securities**

FAN Advisors and its third party money managers generally seek investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, they may utilize short sales, margin transactions, and options writing. Short sales, margin transactions, and options writing generally hold greater risk of capital loss and clients should be aware that there is a chance of material risk of loss using any of those strategies.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

There are no legal or disciplinary events related to FAN Advisors that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

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

### **A. Financial Industry Activities**

FAN Advisors is not a registered broker-dealer and does not have an application pending to register as a broker-dealer.

IARs of FAN Advisors are registered representatives of full-service securities broker/dealers. In their capacity as registered representatives, IARs of the Firm may offer Clients securities and/or insurance products for which they receive a commission. In this capacity, associated persons are involved in the sale of securities of various types, including, but not limited to stocks, bonds, mutual funds, variable annuities, and limited partnerships. In addition, IARs may also be involved in the sale of insurance products. As such, IARs can effect transactions in insurance products for Clients and earn commissions for these activities. As such, the IAR will receive commission-based compensation in connection with the purchase and sales of securities. Compensation earned by our IARs in their capacities as a registered representative is separate and in addition to our advisory fees.

## **B. Financial Industry Affiliations**

FAN Advisors is not registered as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor and does not have an application pending to register as such. Furthermore, none of FAN Advisors' management or supervised persons is registered as, or has applications pending to register as associated persons of the foregoing entities.

## **C. Other Material Relationships**

As noted above in Item 10A, representatives of FAN Advisors may also be licensed as securities representatives and/or insurance agents. From time to time, they will offer clients advice or products from those activities. Clients should be aware that these securities, insurance and annuity products pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. FAN Advisors always acts in the best interest of the client.

FAN Advisors does not have any other arrangements that are material to its advisory or its Clients with a related person who is a broker-dealer, investment company, other investment adviser, financial planning firm, commodity pool operator, commodity trading adviser or futures commission merchant, banking or thrift institution, accounting firm, law firm, insurance company or agency, pension consultant, or an entity that creates or packages limited Funds other than those already disclosed herein.

## **D. Other Investment Advisers**

FAN Advisors primarily directs clients to the third party money managers. FAN Advisors will be compensated via a fee share from these advisors to which it directs those clients. This relationship will be disclosed in each contract between FAN Advisors and each of these third party advisors. The fees shared will not exceed any limit imposed by any regulatory agency. This may create a conflict of interest in that FAN Advisors may have an incentive to direct clients to the third party money managers that provide FAN Advisors with a larger fee split. FAN Advisors will always act in the best interests of the client, including when determining which third party manager to recommend to clients.

# **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

## **A. Code of Ethics**

FAN Advisors has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited

Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

## **B. Recommendations Involving Material Financial Interests**

FAN Advisors does not recommend that clients buy or sell any security in which a related person to FAN Advisors has a material financial interest.

## **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of FAN Advisors may buy or sell securities for themselves that they also recommend to clients. FAN Advisors will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

## **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of FAN Advisors may buy or sell securities for themselves at or around the same time as clients. FAN Advisors believes that smaller lot trades incidental to portfolio allocations or rebalancing will not have a material effect on the market price of a particular security. However, for larger block transactions, representatives will be prohibited from trading non-mutual fund or non-ETF securities 5 days prior to or 5 days after trading the same security for clients.

# **Item 12: Brokerage Practices**

## **A. Factors Used to Select Custodians and/or Broker/Dealers**

Selected Custodians are chosen based on their relatively low transaction fees and access to various investment securities, mutual funds and ETFs. FAN Advisors will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

### ***1. Research and Other Soft-Dollar Benefits***

FAN Advisors receives no research, product, or service other than execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits"). FAN Advisors may receive research, products, or services other from its broker-dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that FAN Advisors must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for FAN Advisors to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. The first consideration when recommending broker/dealers to clients is best execution.

### ***2. Brokerage for Client Referrals***

FAN Advisors receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

### ***3. Clients Directing Which Broker/Dealer/Custodian to Use***

FAN Advisors in some cases allows clients to direct brokerage. FAN Advisors may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may

cost clients money because without the ability to direct brokerage FAN Advisors may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices.

#### **B. Aggregating (Block) Trading for Multiple Client Accounts**

FAN Advisors maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

### **Item 13: Reviews of Accounts**

#### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed on a regular basis in coordination with the respective Investment Advisor Representative and Robert D. Van Sant, Jr., CCO. Robert D. Van Sant, Jr. is the chief advisor and is instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at FAN Advisors are assigned to this reviewer.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive have access to at least a quarterly statement via email or secure web access, detailing the client's account as provided by the applicable custodian.

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

#### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

FAN Advisors does not receive any economic benefit, directly or indirectly from any third party for advice rendered to FAN Advisors clients.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

FAN Advisors may compensate qualified unaffiliated solicitors with a portion of the asset under management fee. In doing so, the Firm will ensure that its solicitation activities are in compliance with Rule 206(4)-3 and that they comply with applicable state rules which may require registration of such persons. FAN Advisors has entered into written arrangements to pay selling commissions and/or referral fees to individuals or companies ("solicitors") in connection with any referral of a potential Client who becomes a Client of FAN Advisors.

In these cases, there will be a written agreement between FAN Advisors and the solicitors, which clearly defines the duties and responsibilities of the solicitor under this arrangement. In addition, each solicitor is required to provide at the time of the solicitation, a written disclosure document which explains to the prospective Client the terms under which the solicitor is working for FAN Advisors and the fact that the solicitor is being compensated for referral fees. The solicitor is also required to furnish a copy of the Firm's written disclosure document (Part 2A of Form ADV) to the

prospective Client and obtain a written acknowledgement from the Client that both the solicitor's and FAN Advisors' disclosure documents have been received.

## **Item 15: Custody**

FAN Advisors does not have direct custody of any Client funds and/or securities. FAN Advisors will not maintain physical possession of Client funds and securities. Instead, Client's funds and securities are held by the FAN Advisors preferred qualified custodian. FAN Advisors has indirect custody of Client's funds or securities by virtue of written authorization to deduct advisory fees from Client accounts. Please refer to Item 12 for our information regarding FAN Advisors' Brokerage Practices.

**Account Statements:** Although we are your adviser, your statements will be mailed or made available electronically by the broker-dealer or custodian physically maintaining your assets. When you receive these statements, please review them carefully. Please compare asset values, holdings, and fees on your statement to that in the account statement issued the previous period.

## **Item 16: Investment Discretion**

For those client accounts where FAN Advisors provides ongoing supervision, FAN Advisors maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

FAN Advisors may allocate the assets of its Clients among a relatively concentrated group of third party money managers. The money managers selected by FAN Advisors will be granted discretionary trading authority to provide investment supervisory services for that portion of the Clients' portfolios allocated to that particular third party money manager. FAN Advisors' role will be to monitor the overall financial situation of the Client portfolios, and to monitor the investment approach and performance of the money manager.

The third party money managers will trade independently of one another. There can be no assurance that the trading strategies employed by a third party money manager will be successful. The third party money managers make investment decisions on selecting securities types and specific securities. Third party money managers will also rebalance and reallocate your accounts when the third party money manager determines such rebalancing or reallocating is appropriate. Please note the FAN Advisors will not make any decisions on selecting any securities types of specific securities for the accounts managed by the third party money managers.

## **Item 17: Voting Client Securities (Proxy Voting)**

FAN Advisors will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

As noted, Clients retain the right to vote all proxies which are solicited for securities held in their accounts. FAN Advisors will not take nor be required to take any action or render any advice with respect to the voting of proxies solicited by or with respect to the issuers of securities in which assets of the Client's account may be invested in occasionally. Furthermore, FAN Advisors will not take any

action or render any advice with respect to any securities held in any Client's accounts that are named in or subject to class action lawsuits. FAN Advisors will, however, forward to you any information received by our Firm regarding class action legal matters involving any security held in your account.

## **Item 18: Financial Information**

### **A. Balance Sheet**

FAN Advisors does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither FAN Advisors nor its management have any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

FAN Advisors nor its management has been the subject of a bankruptcy petition.