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Brochure Cover Page

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This brochure provides information about the qualifications and business practices of MONTICELLO INVESTMENT SERVICES, INC.. If you have any questions about the contents of this brochure, please contact us Jeff@MFSInvest.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about MONTICELLO INVESTMENT SERVICES, INC. also is available on the SEC's website at www.adviserinfo.sec.gov.

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MONTICELLO INVESTMENT SERVICES, INC.

Item 4 Advisory Business

Monticello Investment Services, Inc. (MISI) is a SEC registered investment advisory firm. MISI was established in 2006 and 50% owned by Jeff Stinnett, President, and Shaun Young, Chief Compliance Officer. MISI is headquartered in Joplin, MO.

MISI provides investment supervisory services to clients on either a discretionary or non-discretionary basis. This comprises approximately 95% of MISI advisory billings. MISI also furnishes investment advice through consultations which are separate from the investment supervisory services, these services comprise the remaining 5% of MISI advisory billings.

Clients of MISI may have the option to tailor their investments to their specific needs and/or values. This could include the client restricting the amount, if any, invested in a particular asset class, security type, specific security or in some other way that the client stipulates. Clients may invest in equity securities, US government securities, warrants, corporate debt securities, certificates of deposit, municipal securities and investment company securities. The majority of MISI clients will invest funds with third party money managers. Different money managers use different methods of management and clients should read, evaluate and discuss with their individual investment advisor representative the third party money managers ADV Brochure to determine if a particular investment style is suitable.

MISI requires that all investment advisor representatives, except those located in Minnesota, pass an industry exam of either the Series 65 or the Series 66. MISI does not have any other requirements for investment advisor representatives but does perform background checks on representatives prior to joining the firm and have investment related experience.

The principal executive officers of MISI are also the principal executive officers of MidAmerica Financial Services, Inc. MidAmerica Financial Services is a SEC registered broker-dealer as well as an insurance agency. Investment advisor representatives of MISI may also be registered representative or insurance agent of MidAmerica Financial Services and as such may receive compensation for effecting securities or insurance transactions for a client that is also paying an investment advisory fee. Investment advisor representatives of MISI may also be effecting purchases or sells of securities for their own benefit, these same securities may have been recommended to a client of MISI.

Clients who choose to have financial plans prepared will be provided with a written report by the appropriate advisory representative. In some cases, clients may be charged a separate fee for the preparation of a written financial plan, in such cases clients will be notified prior to the preparation of the plan that a separate fee will be charged.

The custodian carrying the client's account(s) will send confirmations of each transaction directly to the client. Custodian will also provide monthly or quarterly statement to the client summarizing all account activity, to include: transactions; dividends; funds deposited, transferred, and/or withdrawn; securities receipt/delivery; and all charges and credits. Monthly reports are issued by the current custodian of accounts if the account receives interest or has transactions to record. Quarterly account reports and annual statements summarizing portfolio activity are routinely issued.

Clients choosing to allow MISI discretionary authority will be allowing the investment advisor representative authority to determine, without obtaining specific client consent prior to the transaction, securities to be bought or sold, amount of the securities to be bought or sold, and commission rates to be paid. Clients choosing to allow discretionary authority will still be allowed to determine the broker/dealer where transactions may take place.

As of December 31, 2012 MISI had approximately \$44,630,768 of assets under management.

item 5 Fees and Compensation

The adviser will charge the client's account held by the custodian a percentage of the assets under management, including cash balances. The annual fee is a maximum of 1.5%, to be charged quarterly in arrears. In some very special circumstances, fees may be negotiable, at the adviser's sole discretion.

Investment advisory fees are based upon the following schedule.

Asset base up to \$ 500,000	1.50% per year
Asset base up to \$1,000,000	1.25%
Asset base up to \$1,500,000	1.00%
Asset base greater than \$1,500,000	0.75%

Client's fees are deducted directly from the client's accounts. Assets managed by third party money managers will have the fees deduct as disclosed in the managers brochure, clients assets that are managed directly by MISI will have fees deducted on a quarterly basis. Assets that are managed directly by MISI will be held by a custodian and not by MISI. Clients may choose the custodian but at this time MISI only has working relationships with **TD** Ameritrade and MidAmerica Financial Services, Inc.

Clients may pay other fees as charged by the custodian, these fees could include transaction costs, custodian fees, and in cases where clients would be invested in mutual funds the clients will be incurring the internal cost of the funds as well.

MISI does not charge pre-paid fees, all fees are charged and paid in arrears.

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Some investment advisor representatives may also be registered representatives of a broker/dealer. In these cases it is possible that the representative could be receiving both fee and commission compensation from the client. This practice could present a conflict of interest and may give the representative an incentive to recommend investment products based on the compensation received, rather than on a client's needs. MISI requires that prior to the sale of a commissionable product to a client which is charged a management fee the representative must disclose to the client in writing that he will receive compensation for the sale of the product as well as be paid the management fee. Clients have the option to purchase investment product that are recommended by MISI representatives from other brokers or agents that are not affiliated with MISI or MidAmerica Financial Services.

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

MISI does not charge clients a performance-based fee.

Item 7 Types of Clients

MISI offers investment advisory services on a percentage of assets under management, hourly basis or for a fixed fee. These services are offered to individuals, trusts, estates and/or charitable organizations.

Item 8 Methods of Analysis. Investment Strategies and Risk of L9SS

MISI uses various security analysis methods, sources of information, and investment strategies including charting, fundamental analysis and technical analysis. The main sources of information MISI uses include financial newspapers and magazines, inspections of corporate activities, annual reports, prospectuses, filings with the Securities and Exchange Commissions, company press releases, research materials prepared by others and corporate rating services. Investment strategies used to implement any investment advice given to clients include long term purchases (securities held at least a year), short term purchases (securities sold within a year), trading (securities sold within 30 days) and option writing, including covered options, uncovered options or spreading strategies.

Item 9 Disciplinary Information

At this time MISI has not had any disciplinary issues with any regulatory authority.

Item 10 Other Financial Industry Activities and Affiliations

The principal executive officers of MISI are also the principal executive officers of MidAmerica Financial Services, Inc. MidAmerica Financial Services (MFSI) is a SEC registered broker-dealer, municipal securities dealer, government securities dealer as well as an insurance agency. MFSI offers clients investment company or other pooled investment vehicles including mutual funds,

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closed-end investment companies securities, unit investment trusts and private investment company products commonly referred to as "hedge funds" or Reg-D offerings. Clients may also purchase insurance products from MFSI including variable and fixed annuities and life insurance.

MISI receives compensation from the third-party money managers it recommends to clients.

Item 11 Code of Ethics. Participation or Interest in Client Transactions and Personal Trading

MISI has a Code of Ethical Conduct that deals primarily with monitoring the proprietary trading activities of its associates as one policy/procedure aimed at enforcing the prohibition against the use of insider information. A copy will be provided to interested clients and prospective clients upon request.

Our fiduciary duty to our advisory clients requires that persons associated with this firm always strive to:

- deal openly and honestly with our clients, putting their interests first;
- be diligent in the knowledgeable execution of our professional duties;
- inform management and clients of conflicts of interest;
- provide current, correct and complete information to clients so that their decisions may be based on the best facts and considerations;
- remain free from any self-dealing;
- maintain the confidentiality of each individual's private information as required and allowed by law, to do no harm to clients other than to provide to legal authorities information that is required by legal subpoena;
- We must always disclose fully any conflicts any of us may have with any client,
- seek the best services and execution for client market transactions, and
- we must always have a reasonable basis for all recommendations made to clients.

Item 12 Brokerage Practices

MISI currently has brokerage relationships with MidAmerica Financial Services, Inc. (MFSI) and **TD Ameritrade**. Clients have the option to choose either of these broker/dealers as the custodian. MISI is willing work with any brokerage firm that will accept MISI as the adviser in the relationship. As discussed earlier, MFSI is under common control with MISI and as such the principals of MFSI/MISI may have an incentive to recommend MFSI as the broker/dealer. MISI receives use of MFSI's office space rent free as well as the use of various office furniture and equipment. Because MISI/MFSI are under common control MISI is not required to direct a minimum amount of business to MFSI to receive the benefits offered by MFSI. MISI does not have any other "soft dollar" arrangements.

MISI and/or MISI representatives direct clients to which broker/dealer they believe would be the most cost effective option for the client but it is ultimately the client's decision.

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The principals of MISI are both registered as representatives of MFIS, a broker/ dealer . The principals will provide approximately 15-20% of their business time to MISI and the remaining business time to their brokerage activities, including insurance sales.

Advisory clients will be able to obtain both brokerage services and insurance products through the affiliated firm if they choose to do so; there is no obligation to use the services of the affiliated firm to effect any recommendations the investment advisory representative may make.

Clients should understand that in any such situation, in which the adviser may recommend the services of an affiliated firm, there always exists an inherent possibility of a conflict of interest, in that the related firm will receive compensation if the client chooses to follow the adviser's recommendations, creating an incentive to recommend those services. It remains an adviser's fiduciary duty first and foremost to make only those recommendations that are in each client's own best interests.

Brokerage service commissions available through **MFIS** may be higher or lower than those available through other broker/dealers for essentially the same services. The principals of MISI, as registered representatives of MFIS, are bound to use that broker/ dealer if clients desire either person to act as the registered representative for their account(s).

Mr. Stinnett is licensed for insurance sales in many states, primarily to be able to provide variable annuity products to clients. MFIS is also an insurance agency.

Investment advisor representatives may have accounts invested in the stock markets. In the event that a representative is invested in any security that the advisory representative may also recommend to a client, that fact will be made known to the client in advance. These securities are widely held, publicly traded stocks; the chance that advisory clients' market activities could affect the stock prices involved is highly unlikely. In all cases, client orders will precede any transactions placed for proprietary accounts.

The firm may use aggregation / bunching of trade orders in order to obtain lower brokerage costs, in which case the benefit will be apportioned among the participating accounts relative to the size of their participation in the trade placed.

item 13 Review of Accounts

Executive principals of the firm, or designated supervisors of investment advisor representatives, will review client portfolios. Accounts are monitored and reviewed at least quarterly although management is essentially also an ongoing process and, based on significant market changes or communicated shifts in a client's goals, financial situation or needs, an in-depth review may be triggered on an ad hoc basis. In such cases the executive principals or designated supervisors will

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work closely with the investment advisor representative to assure that client needs and suitable are in balance with the client's investment objective. Clients receive, at least on a quarterly basis, account statements from the custodian.

Item 14 Client Referrals and Other Compensation

At this time MISI does not pay or provide economic benefit to non-associated persons for the referral of clients to the firm. MISI does not currently, but may in the future, employ persons to refer clients to MISI for advisory services. Clients should be aware that solicitors must be registered in many states as advisory representatives, and even when so registered may be limited to providing the referral and disallowed from providing any other investment advice. Solicitors must provide prospective clients with a copy of this ADV disclosure brochure (Part II with Schedule F) and also disclose that the solicitor is paid to make the referral.

item 15 Custody

MISI does not maintain custody of client funds. Clients will receive quarterly, or more frequently, account statements directly from the custodian. Clients should carefully review the statements upon receipt.

MISI, as do very many investment advisers, bills some client accounts held by the client's account custodian directly. The SEC defines this practice as "custody," normally disallowed by Michigan regulations, but allowed by both authorities under certain conditions. Michigan's requirements are spelled out in Release No. 93-3-BD, disclosed below. The Bureau will not consider investment advisers to be in violation of Section 102(e) of the Michigan Uniform Securities Act where access to a client's account is obtained pursuant to express written authorization and the following requirements are satisfied:

- a) The authorization or agreement must be limited to withdrawing contractually agreed upon investment adviser fees.
- b) The investment adviser must notify the client, in writing by at least first class mail not less than seven (7) days prior to the proposed date of withdrawal, of the exact amount of the proposed withdrawal and the specific manner or basis on which the fee has been calculated. The notice shall advise the client of the opportunity to object to the invoiced amount and the manner in which the objection shall be made.
- c) The frequency of fee withdrawal must be specified in the written authorization or agreement.
- d) The custodian of the account must be advised in writing of the limitation on the adviser's access to the account. This requirement may be satisfied by furnishing to the custodian a copy of the authorization or agreement.

Release No. 93-3-BD : IA Custody or Access to Customer Funds

IF any client is solicited in Missouri, the following disclosure applies:

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"Monticello Investment Services, Inc.'s referral agreement is in compliance with the federal regulations as set out in 17 C. F.R. Section 275-206(4)-3, and each client is given a copy of the referral agreement prior to or at the time of entering into an advisory contract in Missouri."

Item 16 Investment Discretion

In order for us to actively manage your assets, we require that you appoint us as attorney-in-fact with full discretionary trading authority. This will allow us to buy or sell securities, as well as specify the amount of securities to invest, without first obtaining your specific consent. This authority is limited to the transfer or exchange of your funds between asset classes within mutual fund families, variable insurance product subaccounts, exchange traded funds, and/or other securities agreed to by you in accordance with the investment management service selected by you. In cases where we determine the broker or dealer to be used, we will seek to obtain the best execution possible under the circumstances. This discretionary authority in no way restricts you, from establishing special limitations on the types of investments we may recommend or make on your behalf. You may send us specific written instruction at any time regarding securities you may wish to purchase or sell and you may instruct us not to purchase specific securities or types of securities. If we are unable to accommodate your request for any reason, we will notify you immediately.

Upon termination of our investment management services, we will have no obligation or authority to recommend or take any action with regard to the previously managed assets.

Some of our employees are licensed registered representatives of a broker/dealer, including our affiliated broker/dealer, MFSI. Those licensed individuals may recommend this broker/dealer to our advisory clients. However, clients are under no obligation to effect transactions through any recommended broker or dealer.

We may establish accounts with various nonaffiliated third party broker/dealers as requested by you through the investment management service selected. If we are responsible for selection of a broker/dealer, we will only establish accounts that provide the timely service and a fair price. We will attempt to find the lowest cost where possible. Establishment of an account with a third party broker dealer will not increase the advisory fees payable by you; however, you will be responsible for any fees and/or expenses for the establishment and use of your account.

Clients directing us to manage assets with a specific broker/dealer, including broker/dealers that have been preapproved by us, have the sole responsibility for negotiating commission rates and other transaction costs with the broker/dealer. If a client selects a specific broker, we will not be required to effect any transaction through the specified broker if we reasonably believe that to do so may result in a breach of our fiduciary duties. You are advised that by instructing us to execute all transactions on behalf of your account through the specified broker, a disparity may exist between the commissions borne by your account and the commissions borne by our other clients that do not direct us to use a specified broker. You may also not necessarily obtain commission rates and execution as favorable as those that would be obtained if we were able to place transactions with

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other broker/dealers. You also may forego benefits that we may be able to obtain for our clients through negotiating volume discounts or block trades.

Item 17 Voting Client Securities

MISI does NOT vote proxies for shares held in accounts for which it has voting authority. If requested in writing by the client, MISI will vote in a manner in which MISI believes to be in the best interests of its clients

Item 18 Financial Information

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