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## **Form ADV, Part 2A Brochure**

March 27, 2013

This brochure provides information about the qualifications and business practices of Investment & Retirement Solutions LLC. If you have any questions about the contents of this brochure, please contact us at (307) 234-1200. 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.

Any reference to or use of the terms "registered investment adviser" or "registered," does not imply that Investment & Retirement Solutions LLC or any person associated with Investment & Retirement Solutions LLC has achieved a certain level of skill or training.

Additional information about Investment & Retirement Solutions LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 - MATERIAL CHANGES

The purpose of this page is to inform you of material changes since the previous annual update to our brochure. If you are receiving this brochure for the first time, this section may not be relevant to you. Investment & Retirement Solutions LLC (“I&RS”) reviews and updates our brochure at least annually to confirm that it remains current. Below is a summary of the material changes made to our brochure since the annual update. Material changes from I&RS’ brochure dated February 13, 2012:

### ***Item 4 - Advisory Business***

- We modified language to clarify the scope of I&RS’ financial planning services.
- We modified previous language to clarify the types of investments generally recommended/utilized in client accounts.
- We removed language regarding the use of an Investment Policy Statement (IPS) for Investment Management Services clients.
- We removed wrap fee programs from our services offered.
- We have modified the frequency of our educational support and investment workshops designed for plan participants as part of our Pension Consulting Services
- We have added information pertaining to our 401(k) Advisory Services

### ***Item 5 – Fees and Compensation***

- We have modified our standard fee schedule and minimum fee.

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

- We have modified and provided additional disclosure pertaining to our methods of analysis and investment strategies and specific security risks.

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

- We have amended our code of ethics, including personal trading practices, which is summarized in Item 11.
- We have added disclosure regarding aggregated trading practices and cross transactions.

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

- We have amended the disclosures outlining the factors considered in selecting broker-dealers for client transactions and the benefits that I&RS may receive associated with brokerage directed through Mutual Securities, Inc. (“MSI”).
- We have added disclosure regarding our directed brokerage policy.
- We have removed reference to the use of third-party sub-advisers

***Item 13 – Review of Accounts***

- We have modified the frequency of reporting provided to advisory clients.

You can read more details on the items below in the text of the brochure (see the Table of Contents to find each section). If you wish to receive a complete copy of our Form ADV Part 2A brochure, please send a written request to our office.

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## ITEM 4 - ADVISORY BUSINESS

### Description of Advisory Firm

Investment & Retirement Solutions LLC ("I&RS," "we," "our," or "us") is a privately owned limited liability Company headquartered in Casper, Wyoming. I&RS is registered as an investment adviser with the U.S. Securities and Exchange Commission. Edwin (Ned) C. Hodder founded I&RS in 2009 and is the firm's principal owner.

### Advisory Services Offered

I&RS offers the following services to advisory clients:

#### Investment Management Services

I&RS offers continuous and regular investment supervisory services on both a discretionary and non-discretionary basis. Edwin (Ned) C. Hodder works with clients and has the ongoing responsibility to select and/or make recommendations, based upon the objectives of the client, as to specific securities or other investments that he recommends or purchases/sells in clients' accounts.

I&RS will primarily utilize the following investment types when making investment recommendations/purchases in client accounts:

1. Equity securities
2. Exchange traded funds (ETFs)
3. Securities with equity and debt characteristics, including convertible bonds, preferred stocks or other preferred securities
4. Master limited partnerships (MLPs)

Additionally, I&RS' investment recommendations/ selections, depending on the individual investment objectives and needs of the client may include:

1. Fixed income securities, such as corporate bonds, commercial paper, and certificates of deposit (CDs)
2. Mutual funds
3. Closed-end funds

Portfolios with less than \$75,000 in assets are generally invested solely in ETFs.

I&RS may also occasionally offer advice regarding/utilize additional types of investments if they are appropriate to address the individual needs, goals, and objectives of the client or in response to client inquiry. I&RS may offer investment advice on any investment held by the client at the start of the advisory relationship. We describe the material investment risks for many of the securities that we utilize/recommend under the heading ***Specific Security Risks*** in ***Item 8*** below.

We discuss our discretionary and non-discretionary authority below under ***Item 16 - Investment Discretion***. For more information about the restrictions clients can put on their accounts, see ***Tailored Services and Client Imposed Restrictions*** in this item below.

We describe the fees charged for investment management services below under ***Item 5 - Fees and Compensation***.

#### *Pension Consulting Services*

We also offer several advisory services separately or in combination. While the primary clients for these services will be pension, profit sharing and 401(k) plans, we offer these services, where appropriate, to individuals and trusts, estates and charitable organizations. Pension Consulting Services are comprised of four distinct services. Clients may choose to use any or all of these services.

#### *Investment Policy Statement Preparation (hereinafter referred to as "IPS"):*

We will meet with the client (in person or over the telephone) to determine an appropriate investment strategy that reflects the plan sponsor's stated investment objectives for management of the overall plan. Our firm then prepares or assists in preparing a written IPS detailing those needs and goals, including an encompassing policy under which these goals are to be achieved. The IPS also lists the criteria for selection of investment vehicles as well as the procedures and timing interval for monitoring of investment performance.

#### *Selection of Investment Vehicles:*

We assist plan sponsors in constructing appropriate asset allocation models. We will then review various mutual funds (both index and managed) to determine which investments are appropriate to implement the client's IPS. The number of investments to be recommended will be determined by the client, based on the IPS.

#### *Monitoring of Investment Performance:*

We monitor client investments continually, based on the procedures and timing intervals delineated in the IPS. Although our firm is not involved in any way in the purchase or sale of these investments, we supervise the client's portfolio and will make recommendations to the client as market factors and the client's needs dictate.

#### *Employee Communications:*

For pension, profit sharing, and 401(k) plan clients with individual plan participants exercising control over assets in their own account ("self-directed plans"), we may also provide periodic educational support and investment workshops designed for the plan participants. The nature of the topics to be covered will be determined by us and the client under the guidelines established in ERISA Section 404(c). The educational support and investment workshops will NOT provide plan participants with individualized, tailored investment advice or individualized, tailored asset allocation recommendations.

### 401(k) Advisory Services

I&RS seeks to provide an approach to 401(k) plan investing that is logical, organized, and disciplined. Our firm partners with retirement plan investors to assist with investment decisions and to aid plan participant clients in managing their retirement plan investments. We provide both investment advice and education to 401(k) Advisory Services clients.

### Differentiation

I&RS seeks to help clients manage their stock market risk. We use fundamental research in an effort to identify what mutual funds to buy and point and figure technical analysis in an effort to identify when to buy and when to sell. There is nothing proprietary about the systems or methods we employ. We attempt to preserve wealth by raising cash in periods that we perceive as the early stages of a stock market decline. We attempt to accumulate wealth by taking the cash potentially raised during the preservation period and reinvesting it in the mutual funds available in the client's retirement plan at a time that we perceive the stock market to be trending upward.

Although we believe that our process for making risk-management decisions is well thought-out and structured, there will undoubtedly be times when an investment decision goes unfavorably.

### Communication

We schedule annual performance meetings with our 401(k) Advisory Services clients to review decisions made during the year. During that meeting, we attempt to determine whether it is mutually beneficial to continue the relationship. During the meeting, I&RS provides information on the specific mutual funds available in the client's retirement plan.

### Financial Planning Services

I&RS does not generally provide comprehensive financial planning services, but we may offer financial planning related services as part of our overall advisory services. These services may involve providing advice to clients regarding the investment/management of financial resources based upon an analysis of their individual needs. However, services do not include preparation of any written financial plan, or any income tax, gift, or estate tax returns, or preparation of any legal documents.

I&RS does not receive separate compensation for financial planning related services.

### Consulting Services

I&RS offers other financial consulting as requested by the client, such as portfolio reviews of investments not managed by I&RS. We describe the fees charged for consulting services below under **Item 5 - Fees and Compensation**.

### Limitations on Investments

In some circumstances, I&RS' advice may be limited to certain types of securities.

### *Limitation by Plan Sponsor/Employer*

In the event I&RS is managing assets within a retirement plan such as 401(k), 403(b), or other employer plan, I&RS is limited to those investment providers and investment options chosen by the plan administrator. Similarly, when we provide services to participants in an employer-sponsored plan, the participant may be limited to investing in securities included in the plan's investment options. Therefore, I&RS can only select investments/make recommendations to the client from among the available options, and will not recommend or invest the client's account in other securities, even if there may be better options elsewhere.

### *Limitation by Broker*

I&RS only invests in securities available through Mutual Securities, Inc. ("MSI"), a registered broker-dealer and Member FINRA/SIPC. We describe our relationship with MSI under **Item 10 - Other Financial Industry Activities and Affiliations**, below.

### *Limitation by Client*

I&RS may also limit advice based on certain client-imposed restrictions. For more information about the restrictions clients can put on their accounts, see **Tailored Services and Client Imposed Restrictions** in this Item below.

### *Non-Managed Assets*

I&RS may offer securities trading activities for non-managed positions in a client's managed account, acting as an intermediary between the client and the custodian. We do not provide investment advice regarding that portion of the client's managed account designated as non-managed assets nor do we provide opinions as to the merits of any non-managed asset held in the account. We also do not make any judgments as to the appropriateness of assumed risk or suitability of any non-managed investment given the client's situation. We do not separate non-managed assets from a client's account for fee billing purposes.

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

I&RS manages client accounts based on the client's individual circumstances and financial situation. We make investment decisions for clients based on information the client supplies about their financial situation, goals, and risk tolerance. Our recommendations/investment selections may not be suitable if the client does not provide us with accurate and complete information. It is the client's responsibility to keep I&RS informed of any changes to their investment objectives or restrictions.

Clients may also request other restrictions on the account, such as when a client needs to keep a minimum level of cash in the account or does not want I&RS to buy or sell certain specific securities or security types in the account. I&RS reserves the right to not accept and/or terminate management of a client's account if we feel that the client-imposed restrictions would limit or prevent us from meeting or maintaining the client's investment strategy.

## Wrap Fee Programs

I&RS does not manage accounts as part of a wrap or bundled fee program.

## Assets Under Management

I&RS manages client assets in both discretionary and non-discretionary accounts on a continuous and regular basis. As of 12/31/2012, the total amount of assets under our management was:

Discretionary Assets	\$ 15,796,011
Non-Discretionary Assets	\$ 3,530,841
Total Assets	\$ 19,326,853

## ITEM 5 - FEES AND COMPENSATION

### Fee Schedule

#### Investment Management Services

I&RS charges advisory fees for investment management services. I&RS' advisory fees are charged based on a percentage of the client's total assets under management, per the following schedule:

<u>Assets Under Management</u>	<u>Annual Fee</u>
First \$500,000	1.35%
Next \$500,000	1.25%
Next \$2,000,000	0.95%
\$3,000,001 +	0.75%

Some accounts may be under different fee schedules honoring prior agreements. Our standard fee schedule may be negotiable based on a number of factors, which include but are not limited to "grandfathered" accounts, related accounts, small accounts, and other structures that we may consider in special situations. I&RS may aggregate client accounts that have family relationships with each other for purposes of calculating the advisory fee rate applicable to each client. We also manage some family and related accounts without charge. See also **Minimum Fee** below.

#### Pension Consulting Services

I&RS charges advisory fees for pension consulting services. Our fees are charged based on a percentage of the plan assets for which we provide services, per the following schedule:

<u>Plan Assets</u>	<u>Annual Percentage of Assets Fee</u>
Up to \$500,000	1.50%
\$500,001 to \$1,000,000	1.25%
\$1,000,001 to \$3,000,000	1.00%
\$3,000,001 to \$5,000,000	0.75%

\$5,000,000 to \$10,000,000	0.50%
\$10,000,001 to \$30,000,000	0.35%
\$30,000,001 +	By Negotiation

Once the portion of a plan's value I&RS provides services to reaches a breakpoint, the entire fee is calculated according to that breakpoint's annual rate. Some accounts may be under different fee schedules honoring prior agreements.

#### 401(k) Advisory Services

We charge 0.50% annually to manage 401(k) Advisory Services accounts.

#### Hourly Consulting Services

At a client's request, I&RS may offer consulting services at an hourly rate of \$350.00.

#### *Minimum Fee*

With the exception of 401(k) Advisory Services accounts, for which there is a \$250 per quarter minimum fee, I&RS requires a minimum advisory fee of \$375 per quarter to maintain an account. If the regular quarterly management fee calculated based on assets under management/plan assets is less than our minimum advisory fee, we will charge the client our minimum fee. However, we may make exceptions at our discretion.

### **Billing Method**

#### Investment Management, Pension Consulting, and 401(k) Advisory Services

I&RS' advisory fees are payable quarterly in advance at the beginning of each calendar quarter. We charge one fourth of the annual fee each quarter based on the market value of the client's portfolio as of the last day of the prior calendar quarter, adjusted for contributions and withdrawals made during the prior quarter. The formula used for the calculation is as follows:  $(\text{Annual Rate}) \times (\text{Total Assets Under Management at Quarter-End}) / 4$ .

For new client accounts, the first payment is a pro-rata calculation due at the end of the quarter, which takes into consideration the number of days under management in the initial quarter and the beginning value of the portfolio. The formula used to calculate the initial advisory fee would be as follows:  $(\text{Result of Quarterly Calculation}) \times (\text{Days Remaining in Quarter}) / (\text{Total Number of Days in Quarter})$ . For advisory fee calculation purposes, a calendar quarter is a period beginning on January 1, April 1, July 1, or October 1 and ending on the day before the next quarter. A day is any calendar day including weekends and holidays. For new accounts, the number of days remaining in the quarter is the number of calendar days following the funding date of the new account.

Valuations are provided to I&RS from the underlying custodian by direct download from the custodian and/or client statements.

It is up to the client whether they wish to have the advisory fees withdrawn directly from their custodian account or pay by check. With client authorization, I&RS will automatically withdraw I&RS' advisory fee from the client's account held by an independent qualified custodian. Typically, the custodian withdraws advisory fees from the client's account during the first month of each quarter based on I&RS' instruction. All clients will receive brokerage statements from the custodian no less frequently than quarterly. The custodian statement will show the deduction of the advisory fee for those clients who authorize the advisory fees to be withdrawn directly from their custodian account. I&RS will send an invoice to all clients who choose not to have advisory fees withdrawn directly from their custodian account. The invoice is payable upon receipt and will include the fee calculation and amount due.

### Hourly Consulting Services

One-half of the total estimated hourly fees are due and payable at the time the client executes the agreement. The remainder of the fee is due upon the rendering of consulting services.

## **Other Fees and Expenses**

I&RS' fees do not include custodian fees. Clients pay all brokerage commissions, stock transfer fees, and/or other charges incurred in connection with transactions in accounts, from the assets in the account. These charges are in addition to the fees client pays to I&RS. See **Item 12 - Brokerage Practices** below for more information on the factors that I&RS considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

In addition, mutual fund shares held in a client's account may be subject to deferred sales charges, 12b-1 fees, early redemption fees, and other fund-related expenses. The fund's prospectus fully describes the fees and expenses. Similarly, exchange traded funds are subject to fund-related expenses. All fees paid to I&RS for investment advisory services are separate and distinct from the fees and expenses charged by funds. Mutual funds pay advisory fees to their managers, which are indirectly charged to all holders of the mutual fund shares.

## **Termination**

Either party may terminate the advisory agreement at any time by providing written notice to the other party. The client may terminate the agreement at any time by writing I&RS at our office. I&RS will refund any prepaid, unearned advisory fees based on the effective date of termination, using the following formula:  $(Fees\ Paid) \times (Days\ Remaining\ in\ Quarter) / (Total\ Number\ of\ Days\ in\ Quarter)$ .

Terminations will not affect liabilities or obligations from transactions initiated in client accounts prior to termination. In the event the client terminates the investment advisory agreement, I&RS will not liquidate any securities in the account unless instructed by the client to do so. In the event of client's death or disability, I&RS will continue management of the account until we are notified of client's death or disability and given alternative instructions by an authorized party. Our ongoing management and/or ability to effect transactions in a client's account(s) may be limited by restrictions placed on accounts by the client's broker/custodian.

## Other Compensation

I&RS does not accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Clients have the option to purchase investment products that I&RS recommends through any broker or agent they desire.

## ITEM 6 - PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

I&RS does not charge performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## ITEM 7 - TYPES OF CLIENTS

I&RS provides discretionary and/or non-discretionary investment advisory services to individuals, high net worth individuals, trusts and estates, and individual participants of retirement plans. In addition, we provide advisory services to pension and profit sharing plans, charitable organizations, and businesses.

## ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

### Methods of Analysis and Investment Strategies

#### General Investment Strategies

I&RS generally uses diversification in an effort to minimize risk and optimize the potential return of a portfolio. More specifically, we can utilize multiple asset classes, investment styles, market capitalizations, sectors, and regions to provide diversification. Each portfolio composition is determined in accordance with the clients' investment objectives, risk tolerance, and time horizon.

I&RS selects categories of investments based on the clients' attitudes about risk and their need for capital appreciation or income. Different instruments involve different levels of exposure to risk. Within each investment category, I&RS seeks to select individual securities with characteristics that are most consistent with the client's objectives. We deal with any client restrictions on an account-by-account basis.

After defining client needs, I&RS develops and implements plans for the client's account. Then, we monitor the results and make adjustments as needed. As the initial assumptions change, the plans themselves may need to be adapted. Continuous portfolio management is important in an effort to keep the client's portfolio consistent with the client's objectives.

Since I&RS treats each client account uniquely, client portfolios with a similar investment objectives and asset allocation goals may own different securities. Timing and tax factors also influence I&RS' investment decisions. Clients who buy or sell exchange-listed securities on the same day may receive different prices.

### *Methods of Analysis for Selecting Securities*

I&RS may use fundamental and/or technical analysis in the selection of individual equity securities. Additionally, I&RS may use specific strategies or resources in the method of analysis and selection of mutual funds and fixed income securities.

#### *Fundamental Analysis*

Fundamental analysis assesses the financial health and management effectiveness of a business by analyzing a company's financial reports, key financial ratios, industry developments, economic data, competitive landscape, and management. The objective of fundamental analysis is to use historical and current financial data to assess the stock valuation of a company, evaluate company profitability, credit risk, and forecast future performance of the company and its share price. Fundamental analysis assumptions and calculations are based on historical data and forecasts; therefore the quality of information and assumptions used are critical. Differences can exist between market fundamentals and how you analyze them.

#### *Technical Analysis*

The effectiveness of technical analysis depends upon the accurate forecasting of major price moves or trends in the securities traded by I&RS. However, there is no assurance of accurate forecasts or that trends will develop in the markets we follow. In the past, there have been periods without discernible trends and similar periods will presumably occur in the future. Even where major trends develop, outside factors like government intervention could potentially shorten them.

Furthermore, one limitation of technical analysis is that it requires price movement data, which can translate into price trends sufficient to dictate a market entry or exit decision. In a trendless or erratic market, a technical method may fail to identify trends requiring action. In addition, technical methods may overreact to minor price movements, establishing positions contrary to overall price trends, which may result in losses. Finally, a technical trading method may under perform other trading methods when fundamental factors dominate price moves within a given market.

The calculations that underlie I&RS' system, methods, and strategies involve many variables, including determinants from information generated by computers and/or charts. The use of a computer in collating information or in developing and operating a trading method does not assure the success of the method because a computer is merely an aid in compiling and organizing trade information. Accordingly, no assurance is given that the decisions based on computer-generated information will produce profits for a client's account.

#### *Specific Investment Strategies for Managing Portfolios*

I&RS may use tactical asset allocation, cash as a strategic asset, long-term holding, short-term trading, trend, dollar-cost-averaging, defensive, and/or concentrated portfolio strategies in the construction and management of client portfolios. There is no guarantee that any of the following strategies will be successful and we make no promises or warranties as to the accuracy of our market analysis.

Once the client's goals and risk tolerances have been identified, the portfolio is constructed and managed in the following manner.

1. Market Indicators – each day, we observe several market indicators using a top-down approach. We seek to internally quantify the level of risk in the markets. Our perceived level of risk will determine our actions for the day.
2. Sector Indicators – we attempt to identify sectors with market opportunities, and how are they rotating.
3. Fundamentals – we determine what to buy.
4. Technical Review – we determine when to buy, when to sell, and manage the trade.

Under step one above, I&RS determines whether we take an offensive or defensive stance, and whether we perceive current markets to be in a low, middle, or a high risk environment, which guides us on what steps to take. For example, if we feel that markets have moved into a higher risk environment, stops may be placed below some equity positions (or narrowed if already in place); if in a low risk environment, then we look at what we perceive to be strong sectors for our investments.

Under step two, we make determinations regarding sector performance (using a relative strength methodology). For example, if we believe that international stocks are outperforming domestic issues, we will analyze further to see if the performance is tied to emerging markets, developed markets, or perhaps geographical sectors.

Under step three, we look at the individual equities and/or ETF members of what we perceive to be high relative strength sectors, and determine whether these securities meet I&RS' fundamental criteria. This can include, in the case of ETFs, the average trading volume per day.

Under step four, we look at individual charts for the selected investments, and determine a price to buy, sell, and if applicable, at what price a stop order should be entered.

### *Tactical Asset Allocation*

I&RS may use a tactical asset allocation strategy in the shorter term in an effort to take advantage of what we perceive as market pricing anomalies or strong market sectors or to avoid perceived weak sectors. Once I&RS achieves the desired short-term opportunities or perceives that opportunities have passed, we generally perform a risk-based analysis to confirm the long-term goals for the portfolio.

### *Cash as a Strategic Asset*

I&RS may use cash as a strategic asset and may at times move or keep client's assets in cash or cash equivalents. While high cash levels can help protect a client's assets during periods of market decline, there is a risk that our timing in moving to cash is less than optimal upon either exit or reentry into the market, potentially resulting in missed opportunities during positive market moves.

### *Long-term Holding/Short-term Trading*

I&RS' strategy consists of purchasing, holding, and rebalancing a diversified portfolio of securities. I&RS typically intends to hold these investments for the long term, provided that the asset class(es) and/or individual investment(s) meet our criteria, except when sales are necessary to rebalance the portfolio or to fund replacement acquisitions or when there is a change in market trend(s). When selecting equity securities, I&RS may focus on the potential for income and/or growth, depending on the client's investment objectives.

### *Trend*

I&RS manages client assets using a trend following methodology based on point and figure technical analysis and grounded in a strong sell discipline for all positions within the portfolio.

### *Dollar-Cost-Averaging*

Dollar cost averaging involves investing money in multiple installments over time to take advantage of price fluctuations in the attempt to get a lower average cost per share.

### *Defensive Strategies*

If I&RS anticipates poor near-term prospects for equity markets, we may adopt a defensive strategy for clients' accounts by investing substantially in fixed income securities and/or money market instruments, and/or index options or index funds. There can be no guarantee that the use defensive techniques would be successful in avoiding losses. I&RS uses technical analysis to measure risk, and will at times use stops to either protect position gains or limit potential position losses. Through ETFs, we may invest/make recommendations in currencies, commodities, fixed income, cash, domestic equities, and/or international equities.

### *Concentrated Portfolios*

I&RS may manage some client accounts by investing in a very limited number of securities. Clients should consider that the risk of a very concentrated portfolio with limited diversification increases the possibility of substantial losses in the account. Additional risks include depreciation of the portfolio caused by outside events/factors, underperformance of the concentrated stock or sector, and/or deteriorating economic or market circumstances domestically and/or internationally.

Clients interested in learning more about any of the above strategies should contact us for more information. We may also consider additional strategies by specific client request.

## **Investing Involves Risk**

Prior to entering into an agreement with I&RS, the client should carefully consider:

1. That investing in securities involves risk of loss which clients should be prepared to bear;
2. That securities markets experience varying degrees of volatility;
3. That over time the client's assets may fluctuate and at any time be worth more or less than the amount invested; and

4. That clients should only commit assets that they feel are available for investment on a long-term basis. This is typically a minimum of five to seven years.

## **Specific Security Risks**

### *General Risks of Owning Securities*

The prices of securities held in client accounts and the income they generate may decline in response to certain events taking place around the world. These include events directly involving the issuers of securities in a client's account, conditions affecting the general economy, and overall market changes. Other contributing factors include local, regional, or global political, social, or economic instability and governmental or governmental agency responses to economic conditions. Finally, currency, interest rate, and commodity price fluctuations may also affect security prices and income.

### *Equity Securities*

Equity securities represent an ownership position in a company. Equity securities typically consist of common stocks. The prices of stocks and the income they generate (such as dividends) may fluctuate based on events specific to the company that issued the shares, conditions affecting the general economy and overall market changes, changes or weakness in the business sector the company does business in, and other factors. Further, prices of these securities can be affected by financial contracts held by the issuer or third parties (such as derivatives) relating to the security or other assets or indices.

There may be little trading in the secondary market for particular equity securities, which may adversely affect the ability to value accurately or dispose of those equity securities. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the value and/or liquidity of equity securities.

### *Small Capitalization Equity Securities*

Investing in smaller companies may pose additional risks as it is often more difficult to value or dispose of small company stocks, more difficult to obtain information about smaller companies, and the prices of their stocks may be more volatile than stocks of larger, more established companies. Clients should have a long-term perspective and, for example, be able to tolerate potentially sharp declines in value.

### *Exchange-Traded Funds (ETFs)*

An ETF is a type of Investment Company (usually, an open-end fund or unit investment trust) containing a basket of stocks. Typically, the objective of an ETF is to achieve returns similar to a particular market index, including sector indexes. An ETF is similar to an index fund in that it will primarily invest in securities of companies that are included in a selected market. Unlike traditional mutual funds, which can only be redeemed at the end of a trading day, ETFs trade throughout the day on an exchange. Like stock mutual funds, the prices of the underlying securities and the overall market may affect ETF prices. Similarly, factors affecting a particular industry segment may affect ETF prices that track that particular sector. ETFs traditionally have been index funds, but in 2008, the U.S. Securities and Exchange Commission began to authorize the creation of actively managed ETFs.

### *Leveraged & inverse ETFs*

Leveraged ETFs seek to deliver multiples of the performance of the index or benchmark they track. Some ETFs are “inverse” or “short” funds, meaning that they seek to deliver the opposite of the performance of the index or benchmark they track. Some funds are both short and leveraged, meaning that they seek to achieve a return that is a multiple of the inverse performance of the underlying index. Most leveraged and inverse ETFs “reset” daily, meaning that they are designed to achieve their stated objectives on a daily basis. Due to the effect of compounding, their performance over longer periods of time can differ significantly from the performance (or inverse of the performance) of their underlying index or benchmark during the same period of time. This effect is magnified by the use of leverage. Therefore, inverse and leveraged ETFs that are reset daily typically are unsuitable for retail investors who plan to hold them for longer than one trading session, particularly in volatile markets.

I&RS may make use of leveraged inverse ETFs as a hedge for clients with significant exposure to a particular asset class (e.g., equities), and/or to take advantage of what we perceive to be a market opportunity, and may hold these securities for longer than a few days at a time. We may choose a leveraged inverse ETF rather than an unleveraged inverse ETF because it allows us to allocate less capital to the hedge. There is uncertainty about the effectiveness of using a leveraged inverse ETF as a hedge over a long holding period.

### *Securities with Equity and Debt Characteristics*

Some securities have a combination of equity and debt characteristics. These securities may at times behave more like equity than debt or vice versa. Some types of convertible bonds, preferred stocks or other preferred securities automatically convert into common stocks or other securities at a stated conversion ratio and some may be subject to redemption at the option of the issuer at a predetermined price. These securities, prior to conversion, may pay a fixed rate of interest or a dividend. Because convertible securities have both debt and equity characteristics, their values vary in response to many factors, including the values of the securities into which they are convertible, general market and economic conditions, and convertible market valuations, as well as changes in interest rates, credit spreads and the credit quality of the issuer.

These securities may include hybrid securities, which also have equity and debt characteristics. Such securities are normally at the bottom of an issuer's debt capital structure. As such, they may be more sensitive to economic changes than more senior debt securities. Investors may also view these securities as more equity-like by the market when the issuer or its parent company experience financial problems.

The prices and yields of nonconvertible preferred securities or preferred stocks generally move with changes in interest rates and the issuer's credit quality, similar to the factors affecting debt securities. Nonconvertible preferred securities may be treated as debt for account investment limit or asset allocation purposes.

### *Preferred Stocks*

Preferred stock is a class of ownership in a corporation that has a higher claim on the assets and earnings than common stock. Preferred stock generally has a dividend that must be paid out before dividends to common stockholders. In addition, preferred shares usually do not have voting rights. Each preferred offering is structured specific to the issuing corporation's needs. Preferred shareholders have priority over common stockholders on earnings and assets in the event of liquidation and they have a fixed dividend (paid before common stockholders), but investors must weigh these positives against the negatives, including giving up their voting rights and less potential for appreciation.

### *Convertible Bonds/Preferred's*

Convertible securities generally offer lower interest or dividend yields than non-convertible fixed-income securities of similar credit quality because of the potential for capital appreciation. The market values of convertible securities tend to decline as interest rates increase and, conversely, to increase as interest rates decline. However, the market value of a convertible security also tends to reflect the market price of the common stock of the issuing company, particularly when that stock price is greater than the convertible security's "conversion price." The conversion price is the predetermined price or exchange ratio at which the convertible security can be converted or exchanged for the underlying common stock.

### *Master Limited Partnerships (MLPs)*

MLPs are publicly traded partnerships that trade mainly on the New York Stock Exchange and/or the NASDAQ, the same as stocks. With a few exceptions, MLPs hold and operate assets related to the transportation and storage of energy (certain MLPs may have commodity risk). Most publicly traded companies are corporations. Corporate earnings are usually taxed twice. The business entity is taxed on any money it makes and then shareholders are taxed on the earnings the company distributes to them.

In the 1980s, Congress allowed public trading of certain types of companies as partnerships instead of as corporations. The main advantage a partnership has over a corporation is that partnerships are "pass through" entities for tax purposes. This means that the company does not pay any tax on its earnings. Distributions are still taxed, but this avoids the problem of double taxation that most publicly traded companies face. Congress requires that any company designated as an MLP has to produce 90% of its earnings from "qualified resources" (natural resources and real estate). Most MLPs are involved in energy infrastructure, i.e. things like pipelines. MLPs are required to pay minimum distributions to limited partners. A contract establishes the payments, so distributions are predictable. Otherwise, the shareholders could find the company in breach of contract.

In addition to general business risks, MLPs bear the following risks:

#### *Risk of Regulation or Change*

The main advantage of an MLP is its tax-advantaged status under the current Internal Revenue Code. Therefore, changes in the tax code resulting in the loss of its preferential treatment could significantly affect the viability of MLP investments.

### Interest Rate Risk

It is commonly thought that MLPs perform better when interest rates are low, making their yield higher in relation to the safest investments, such as Treasury bills and securities that are guaranteed by the U.S. government. Consequently, MLPs may perform better during periods of declining or relative low interest rates and more poorly during periods of rising or high interest rates.

### Tax Risk

MLPs are pass-through entities, passing earnings through to the limited partners. Investors must be aware that there are potentially significant tax implications of investing in MLPs and they should consult with their tax advisor before investing in these securities. For example, income allocated to organizations that are exempt from federal income tax, including IRAs and other retirement plans, may be allocated unrelated business taxable income from a master limited partnership and this income could be taxable to them.

### Debt Securities (Bonds)

Issuers use debt securities to borrow money. Generally, issuers pay investors periodic interest and repay the amount borrowed either periodically during the life of the security and/or at maturity. Alternatively, investors can purchase other debt securities, such as zero coupon bonds, which do not pay current interest, but rather are priced at a discount from their face values and their values accrete over time to face value at maturity. The market prices of debt securities fluctuate depending on such factors as interest rates, credit quality, and maturity. In general, market prices of debt securities decline when interest rates rise and increase when interest rates fall. The longer the time to a bond's maturity, the greater its interest rate risk.

### Mutual Funds (Open-end Investment Company)

A mutual fund is a company that pools money from many investors and invests the money in stocks, bonds, short-term money-market instruments, other securities or assets, or some combination of these investments. The portfolio of the fund consists of the combined holdings it owns. Each share represents an investor's proportionate ownership of the fund's holdings and the income those holdings generate. The price that investors pay for mutual fund shares is the fund's per share net asset value (NAV) plus any shareholder fees that the fund imposes at the time of purchase (such as sales loads). Risk factors pertaining to mutual funds vary from fund to fund.

### Closed-end Funds

Closed-end funds do not continually offer their shares for sale. Rather, they sell a fixed number of shares at an initial offering, after which the shares typically trade on a secondary market, such as the New York Stock Exchange or the NASDAQ Stock Market. Risk factors pertaining to closed-end funds vary from fund to fund.

## ITEM 9 - DISCIPLINARY INFORMATION

I&RS and our personnel seek to maintain the highest level of business professionalism, integrity, and ethics. I&RS does not have any disciplinary information to disclose.

## ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

While we may refer clients to other professionals (see Item 14 below), we receive no compensation and do not believe that any of these referrals creates a material conflict of interest.

### **Registered Principal of Unaffiliated Broker-Dealer/Adviser**

Edwin (Ned) C. Hodder is also registered securities principal of Mutual Securities, Inc. ("MSI"), a non-affiliated dually registered broker-dealer and investment advisory firm and a member of the Financial Industry Regulation Authority ("FINRA"). Mr. Hodder spends approximately 20% of his time in providing services to clients of MSI. Mr. Hodder also receives compensation, commissions, and/or trailing 12b-1 fees from MSI for services provided to MSI's brokerage clients. When I&RS clients implement recommendations using MSI as the broker, Mr. Hodder does not receive commissions or other transaction-based compensation in addition to the advisory fees I&RS receives.

Commissions paid through MSI may be higher or lower than at other broker-dealers. Additionally, account maintenance costs and transaction costs may be higher or lower at MSI than at other broker-dealers.

### **Agent of Unaffiliated Insurance Agency**

Edwin (Ned) C. Hodder is licensed as an insurance agent, offering health, life, and variable life/variable annuity insurance products. Mr. Hodder spends approximately 1% of his time on insurance-related services. While I&RS does not receive any commissions for insurance recommendations, Mr. Hodder receives commissions on the sale of insurance products. This presents a conflict of interest because I&RS may have an incentive to recommend insurance products as a result of the commission. In all cases, I&RS will fully disclose any insurance commissions to the client. The insurance commissions are separate from and in addition to any fees that I&RS receives for advisory services. Clients are under no obligation to act on any insurance recommendations or place any transactions through Mr. Hodder if they decide to follow his recommendations.

## ITEM 11 - CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

### **Code of Ethics**

I&RS believes that we owe clients the highest level of trust and fair dealing. As part of our fiduciary duty, we place the interests of our clients ahead of the interests of the firm and our personnel. I&RS has adopted a Code of Ethics that emphasizes the high standards of conduct that I&RS seeks to observe. I&RS' personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in our Code of Ethics.

I&RS' Code of Ethics attempts to address specific conflicts of interest that either we have identified or that could likely arise. I&RS' personnel are required to follow clear guidelines from the Code of Ethics in areas such as gifts and entertainment, other business activities, prohibitions of insider trading, and

adherence to applicable federal securities laws. Additionally, individuals who formulate investment advice for clients, or who have access to nonpublic information regarding any clients' purchase or sale of securities, are subject to personal trading policies governed by the Code of Ethics (see below).

I&RS will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

### Personal Trading Practices

I&RS and our personnel may purchase or sell securities for themselves, regardless of whether the transaction would be appropriate for a client's account. I&RS and our personnel may purchase or sell securities for themselves that we also recommend/utilize for clients. This includes related securities (e.g., warrants, options, or futures). This presents a potential conflict of interest, as we may have an incentive to take investment opportunities from clients for our own benefit, favor our personal trades over client transactions when allocating trades, or use the information about the transactions we intend to make for clients to our personal benefit by trading ahead of clients.

Our policies to address these conflicts include the following:

1. The client receives the opportunity to act on investment decisions/recommendations prior to and in preference to accounts of I&RS and our personnel.
2. I&RS prohibits trading in a manner that takes personal advantage of price movements caused by client transactions.
3. If we wish to purchase or sell the same security as we recommend or take action to purchase or sell for a client, we will not do so until the custodian fills client orders. (except when we are aggregating personal and proprietary trades with client trades as disclosed under Aggregation with Client Orders below) As a result of this policy, it is possible that clients may receive a better or worse price than I&RS or any employee for the same security on the same day as a client or one or more days before or after the client's transaction.
4. If we wish to purchase or sell the same security that we are considering or taking action to purchase or sell for a client, we will not do so until the broker-dealer fills client orders or we have decided not to purchase or sell the security for clients. As a result of this policy, it is possible that clients may receive a better or worse price than our personnel for the same security on the same day as a client or one or more days before or after the client's transaction.
5. I&RS requires our personnel to report personal securities transactions on a quarterly basis.
6. Conflicts of interest also may arise when I&RS' personnel become aware of limited offerings or IPOs, including private placements or offerings of interests in limited partnerships or any thinly traded securities, whether public or private. Given the inherent potential for conflict, limited offerings and IPOs demand extreme care. I&RS' personnel are required to obtain pre-approval from the Chief Compliance Officer before trading in these types of securities.

7. Under certain limited circumstances, we make exceptions to the policies stated above. I&RS will maintain records of these trades, including the reasons for any exceptions.

### Aggregation with Client Orders

I&RS may aggregate orders for clients in the same securities in an effort to seek best execution, negotiate more favorable commission rates, and/or allocate differences in prices, commissions, and other transaction costs equitably among our clients. These are benefits of aggregating orders that we might not obtain if we placed those orders independently. I&RS may aggregate trades in like securities among client accounts as well as with accounts of I&RS and our personnel, as described in the policies below. Aggregation presents a potential conflict of interest as we may have an incentive to allocate more favorable executions to our own accounts or the accounts of our personnel.

Our policies to address this conflict are as follows:

1. We will disclose our aggregation policies in this brochure;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for our clients. The trade also needs to be consistent with the terms of our investment advisory agreement with each client that has an account included in the aggregation;
3. We will not favor any account over any other account. This includes accounts of I&RS or any of our personnel. Each account in the aggregated order will participate at the average share price for all of our transactions in a given security on a given business day (per custodian). All accounts will pay their individual transaction costs;
4. Before entering an aggregated order, we will prepare a written statement (the "Allocation Statement") specifying the participating accounts and how we intend to allocate the order among those accounts;
5. If the aggregated order is filled entirely, we will allocate shares among clients according to the Allocation Statement; if the order is partially filled, we will allocate it pro-rata according to the Allocation Statement.
  - a. If we determine that a pro-rata allocation is not appropriate under the particular circumstances, we will base the allocation on other relevant factors, which may include:
    - i. When only a small percentage of the order is executed, with respect to purchase allocations, allocations may be given to accounts high in cash;
    - ii. With respect to sale allocations, allocations may be given to accounts low in cash;
    - iii. We may allocate shares to the account with the smallest order, or to the smallest position, or to an account that is out of line with respect to security or sector weightings, relative to other portfolios with similar mandates;

- iv. We may allocate to one account when that account has limitations in its investment guidelines prohibiting it from purchasing other securities that we expect to produce similar investment results and that can be purchased by other accounts in the block;
  - v. If an account reaches an investment guideline limit and cannot participate in an allocation, we may reallocate shares to other accounts. For example, this may be due to unforeseen changes in an account's assets after an order is placed;
  - vi. If a pro-rata allocation of a potential execution would result in a de minimis allocation in one or more accounts, we may exclude the account(s) from the allocation and disgorge any profits. Generally, de minimis allocations do not exceed 5% of the total allocation. Alternatively, we may execute the transactions on a pro-rata basis.
  - vii. The CCO will document the reasons for any deviation from a pro rata allocation.
- 6. If an aggregated order is partially filled and we allocate it differently than the Allocation Statement specifies, no participating account may purchase or sell the security for a reasonable period following the execution of the block trade. This only applies when the participating account sells or receives more shares than it would have if the aggregated order been completely filled;
  - 7. Our books and records will separately reflect each aggregated order and the securities held by, bought, and sold for each client account;
  - 8. Funds and securities of clients participating in an aggregated order will be deposited with one or more qualified custodians. Clients' cash and securities will not be held collectively any longer than is necessary to settle the trade on a delivery versus payment basis. Following settlement, cash or securities held collectively for clients will be delivered out to the qualified custodian as soon as practical;
  - 9. We do not receive additional compensation or remuneration of any kind as a result of aggregating orders; and
  - 10. We will provide individual investment advice and treatment to each client's account.

## **Participation or Interest in Client Transactions**

The following items represent situations where a conflict of interest may exist between the client and I&RS and our personnel .

### *Cross Transactions*

At times, a client may need to sell a security that we think is a good fit for another client's account. In this case, we may internally cross the security from the account of the selling client to the buying client's account. We will only do this when the proposed transaction is in the best interests of both clients. We

do not “dump” a security into a client’s portfolio just because another client needs to sell, nor do we decide to sell a security from one client’s account just because another client needs a similar security. Usually, this situation comes up with fixed income securities where we can get a better deal for both clients by crossing the security instead of going into the open market to complete separate transactions.

The price for a cross transaction will be determined by an independent broker-dealer, and is usually the mid-point between the best bid and offer prices available for the size of the transaction. We will also take into account any additional fees charged to cross the security to ensure that the transaction is still appropriate for both clients. Prior to execution, the CCO will request two-sided markets from at least two bona fide registered broker-dealers and will use the average of those prices obtained as the execution price.

I&RS does not act as broker for any cross transactions effected for clients, and will never receive any commissions or other compensation for these trades (other than our normal advisory fees for managing the accounts). I&RS will provide details pertaining to all cross trades to participating clients prior to or promptly following each crossed transaction.

## **ITEM 12 - BROKERAGE PRACTICES**

### **Factors Considered in Selecting Broker-Dealers for Client Transactions**

I&RS requires clients to open one or more custodian accounts in their own name at a qualified custodian. For clients in need of brokerage or custodial services, I&RS requires the use of Mutual Securities, Inc. (“MSI”), registered broker-dealer, Member SIPC. I&RS’ advisory representatives are registered representatives of MSI. MSI’s clearing firm is National Financial Services, LLC (NFS). MSI and NFS will hold client assets in a brokerage account, and buy and sell securities when we instruct them to. The client will enter into a separate agreement with MSI/NFS to custody the assets. I&RS also requires that clients grant us limited power of attorney to execute client transactions through MSI. I&RS is independently owned and operated, and unaffiliated with MSI and NFS.

MSI may charge commissions (ticket charges) for executing our transactions. We do not receive any part of these separate charges. We require that clients establish accounts with MSI to maintain custody of clients’ assets and to effect trades for their accounts. MSI’s services include brokerage custody, research and access to mutual funds and other investments. I&RS’ clients will not be charged separately for custody but MSI is compensated by account holders through commissions or other transaction-related fees or securities trades that are executed through MSI.

I&RS considers several factors in recommending MSI to a client. Factors that I&RS may consider when recommending MSI may include ease of use, reputation, service execution, pricing and financial strength. I&RS may also take into consideration the availability of the products and services received or offered (detailed below) by MSI.

### Research and Other Benefits

MSI makes available to us other products and services that may benefit I&RS but may not directly benefit our clients' accounts. These types of services will help us in managing and administering client accounts. These include software and other technology that provide access to client account data (i.e. trade confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of our fees from clients' accounts; and assist with back-office functions, record keeping, and client reporting. Many of these services may be used to service all or a substantial number of our accounts. We place trades for our clients' accounts subject to our duty to seek best execution. MSI's execution quality may be different from other broker-dealers.

MSI may also provide other benefits such as educational events or conferences on practice management, regulatory compliance, information technology, and business success. MSI may discount or waive fees it would otherwise charge for some of these services, reimburse I&RS for the cost of conferences or related expenses, or pay all or a part of the fees of a third party providing these services to I&RS.

As part of our fiduciary duties to clients, I&RS endeavors at all times to put the interests of our clients first. Clients should be aware, however, that the receipt of economic benefits by I&RS or our personnel in and of itself creates a potential conflict of interest and may influence I&RS' recommendation of MSI for custody and brokerage services.

### Brokerage for Client Referrals

I&RS does not receive client referrals from any broker-dealer or third party in exchange for using that broker-dealer or third party.

### Directed Brokerage Transactions

I&RS will not allow clients to direct I&RS to use a specific broker-dealer to execute transactions. Clients must use the broker-dealer that I&RS recommends. Not all investment advisers require their clients to trade through specific brokerage firms. By requiring clients to use MSI, I&RS believes we may be able to more effectively manage the client's portfolio, achieve favorable execution of client transactions, and overall lower the costs to the portfolio.

Since we require our clients to maintain their accounts with MSI, it is also important for clients to consider and compare the significant differences between having assets custodied at another broker-dealer, bank or other custodian prior to opening an account with us. Some of these differences include, but are not limited to; total account costs, trading freedom, transaction fees/commission rates, and security and technology services. By requiring clients to use MSI, I&RS believes we may be able to more effectively manage the client's portfolio, achieve favorable execution of client transactions, and overall lower the costs to the portfolio.

Pension Consulting Services and 401(k) Advisory Services clients are not required to use MSI and may appoint a custodian of their choosing.

## **Aggregation and Allocation of Transactions**

We describe our aggregation practices in detail under ***Item 11 - Aggregation with Client Orders*** above.

## **ITEM 13 - REVIEW OF ACCOUNTS**

### **Managed Account Reviews**

I&RS seeks to meet client objectives by monitoring and rebalancing clients' investment portfolios on a regular basis. Frequency of review is determined by both the individual client and I&RS and may be quarterly, semi-annually, annually or any other chosen interval. I&RS may request more immediate reviews if we determine that special circumstances or material factors warrant additional attention. Edwin (Ned) C. Hodder, Managing Member, performs all reviews.

### **Account Reporting**

Each client receives a written statement from the custodian that includes an accounting of all holdings and transactions in the account for the reporting period. I&RS does not generally provide additional reporting on the accounts we manage. Verbal reports to clients take place on at least an annual basis when we meet with clients.

## **ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION**

### **MSI Support Products and Services**

We receive an economic benefit from MSI in the form of the support products and services they make available to us and other independent investment advisors whose clients maintain their accounts at MSI. These products and services, how they benefit us, and the related conflicts of interest are described above (see ***Item 12 – Brokerage Practices***). We do not base particular investment advice, such as buying particular securities for our clients, on the availability of MSI 's products and services to us.

### **Outside Compensation**

I&RS may refer clients to unaffiliated professionals for specific needs, such as insurance, mortgage brokerage, real estate sales, estate planning, legal, and/or tax/accounting services. In turn, these professionals may refer clients to I&RS for investment management services. We do not have any arrangements with individuals or companies that we refer clients to, and we do not receive any compensation for these referrals. However, it could be concluded that I&RS is receiving an indirect economic benefit from this practice, as the relationships are mutually beneficial. For example, there could be an incentive for us to recommend services of firms who refer clients to I&RS.

I&RS only refers clients to professionals we believe are competent and qualified in their field, but it is ultimately the client's responsibility to evaluate the provider, and it is solely the client's decision

whether to engage a recommended firm. Clients are under no obligation to purchase any products or services through these professionals, and I&RS has no control over the services provided by another firm. Clients who chose to engage these professionals will sign a separate agreement with the other firm. Fees charged by the other firm are separate from and in addition to fees charged by I&RS.

If the client desires, I&RS will work with these professionals or the client's other advisers (such as an accountant, attorney, or other investment adviser) to help ensure that the provider understands the client's investments and to coordinate services for the client. I&RS does not share information with an unaffiliated professional unless first authorized by the client.

## **ITEM 15 - CUSTODY**

I&RS has limited custody of some of our clients' funds or securities when the clients authorize us to deduct our management fees directly from the client's account. A qualified custodian (generally a broker-dealer, bank, trust company, or other financial institution) holds clients' funds and securities. Clients will receive statements directly from their qualified custodian at least quarterly. The statements will reflect the client's funds and securities held with the qualified custodian as well as any transactions that occurred in the account, including the deduction of our fee.

Clients should carefully review the account statements they receive from the qualified custodian. When clients receive statements from I&RS as well as from the qualified custodian, they should compare these two reports carefully. Clients with any questions about their statements should contact us at the address or phone number on the cover of this brochure. Clients who do not receive a statement from their qualified custodian at least quarterly should also notify us.

## **ITEM 16 - INVESTMENT DISCRETION**

### **Non-Discretionary Management**

For non-discretionary accounts, we make recommendations to clients on what securities or products to buy or sell, and it is up to the client to approve our recommendations. Once we receive approval from the client to go forward, we will place the trades in the client's account. Clients give us trading authority over their accounts when they sign the custodian paperwork. For 401(k) Advisory Services clients, the client retains trading authority and may choose among our recommendations to effect transactions in their account.

### **Discretionary Management**

When I&RS has full discretion to decide the specific security to trade, the quantity, and the timing of transactions for client accounts. I&RS will not contact clients before placing trades in their account, but clients will receive confirmations directly from the broker for any trades placed. Clients grant us discretionary authority in the contracts they sign with us. Clients also give us trading authority over their accounts when they sign the custodian paperwork. However, certain client-imposed conditions may

limit our discretionary authority, such as where the client prohibits transactions in specific security types. See also ***Tailored Services and Client Imposed Restrictions*** under ***Item 4***, above.

## **ITEM 17 - VOTING CLIENT SECURITIES**

### **Proxy Voting**

I&RS does not accept or have the authority to vote client securities. However, clients may call us if they have questions about a particular solicitation. I&RS will not be deemed have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client. Clients will receive their proxies or other solicitations directly from their custodian or a transfer agent.

#### *ERISA*

For accounts subject to ERISA, an authorized plan fiduciary other than I&RS will retain proxy voting authority. Our investment advisory agreement and/or the plan's written documents will evidence and outline this authority.

### **Class Actions**

I&RS does not instruct or give advice to clients on whether or not to participate as a member of class action lawsuits and will not automatically file claims on the client's behalf. However, if a client notifies us that they wish to participate in a class action, we will provide the client with any transaction information pertaining to the client's account needed for the client to file a proof of claim in a class action.

## **ITEM 18 - FINANCIAL INFORMATION**

Registered investment advisers are required in this item to provide clients with certain financial information or disclosures about the firm's financial condition. I&RS does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance, does not have or foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients, and has not been the subject of a bankruptcy proceeding.

# **Form ADV, Part 2B Brochure Supplement**

**Edwin (Ned) C. Hodder**

**Investment & Retirement Solutions LLC**

1551 Three Crowns Drive  
Suite 100  
Casper, WY 82604  
(307) 234-1200

**March 27, 2013**

This brochure supplement provides information about Edwin (Ned) C. Hodder that supplements the Investment & Retirement Solutions LLC brochure. You should have already received a copy of that brochure. Please contact Cortnie Hodder if you did not receive our brochure or if you have any questions about the contents of this supplement.

Additional information about Edwin (Ned) C. Hodder is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## ITEM 2 - EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Edwin (Ned) C. Hodder, Managing Member & Chief Compliance Officer, b. 1955

### *Education:*

The Wharton School, University of Pennsylvania, MBA Corporate Finance, 1979

University of Denver, BA Cum Laude Economics, 1977

### *Business Background:*

2009 – Present: Investment & Retirement Solutions LLC, Managing Member and Chief Compliance Officer

2006 – 2009: Wells Fargo Advisors LLC (Previously known as Wachovia Securities, LLC), Vice President – Investments, PIM Portfolio Manager

1983 – 2006: RBC Dain Rauscher Inc. (Previously known as Dain Rauscher Inc.), Vice President, Financial Advisor

### Professional Designations

Edwin (Ned) C. Hodder holds the following professional designations:

#### *Accredited Investment Fiduciary Analyst™ (AIFA®)*

The AIFA designation certifies that the recipient has advanced knowledge of fiduciary standards of care, their application to the investment management process, and procedures for assessing conformance by third parties to fiduciary standards. To be eligible to receive the AIFA designation, individuals must have already completed the AIF training program and passed the AIF exam and meet a minimum prerequisite score based on the candidate's educational background and professional training and experience in investing, financial services and auditing. To receive the AIFA designation, individuals must complete a training program, successfully pass a comprehensive, closed-book final examination under the supervision of a proctor and agree to abide by the AIFA Code of Ethics. In order to maintain the AIFA designation, the individual must annually renew their affirmation of the AIFA Code of Ethics and complete ten hours of continuing education credits. The certification is administered by the Center for Fiduciary Studies, LLC (a Fiduciary360 (fi360) company).

#### *Accredited Investment Fiduciary*

The Accredited Investment Fiduciary ("AIF®") designation is issued by the Center for Fiduciary Studies. To earn the designation, each AIF® candidate must complete either a web-based or capstone program, pass a final certification exam, and complete a minimum of 6 hours of continuing education per year. AIF® designees must also sign and agree to abide by a code of ethics. More information regarding the AIF is available at [http://www.fi360.com/main/designations\\_aif.jsp](http://www.fi360.com/main/designations_aif.jsp).

## ITEM 3 - DISCIPLINARY INFORMATION

Edwin (Ned) C. Hodder has no disciplinary history to disclose.

## **ITEM 4 - OTHER BUSINESS ACTIVITIES**

Edwin (Ned) C. Hodder also serves as a Registered Principal for Mutual Securities, Inc. (“MSI”). Mr. Hodder spends approximately 20% of his time in providing services to clients of MSI.

## **ITEM 5 - ADDITIONAL COMPENSATION**

Edwin (Ned) C. Hodder also receives compensation, commissions, and/or trailing 12b-1 fees from MSI for services provided to MSI’s brokerage clients. When I&RS clients implement recommendations using MSI as the broker, Mr. Hodder does not receive commissions or other transaction-based compensation in addition to the advisory fees I&RS receives.

## **ITEM 6 - SUPERVISION**

Edwin (Ned) C. Hodder is the Principal of I&RS and supervises all employees. He can be reached at the phone number on the cover page of this supplement.

## FACTS

### WHAT DOES INVESTMENT & RETIREMENT SOLUTIONS LLC DO WITH YOUR PERSONAL INFORMATION?

#### Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

#### What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security number and income
- account balances and transaction history
- assets and risk tolerance

When you are *no longer* our customer, we continue to share your information as described in this notice.

#### How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Investment & Retirement Solutions LLC chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Investment & Retirement Solutions LLC share?	Can you limit this sharing?
For our everyday business purposes - as permitted by law	YES	NO
For our marketing purposes - to offer our products and services to you	NO	We Don't Share
For joint marketing with other financial companies	NO	We Don't Share
For our affiliates' everyday business purposes - information about your transactions and experiences	NO	We Don't Share
For our affiliates' everyday business purposes - information about your creditworthiness	NO	We Don't Share
For nonaffiliates to market to you	NO	We Don't Share

#### Questions?

Call (307) 234-1200 or go to [www.investadv.net](http://www.investadv.net)

## WHO WE ARE

Who is providing this notice?	Investment & Retirement Solutions LLC
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## WHAT WE DO

How does Investment & Retirement Solutions LLC protect my personal information?	To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.
How does Investment & Retirement Solutions LLC collect my personal information?	<p>We collect your personal information, for example, when you</p> <ul style="list-style-type: none"><li>• seek advice about your investments</li><li>• enter into an investment advisory contract</li><li>• tell us about your investment or retirement portfolio</li><li>• tell us about your investment or retirement earnings</li><li>• give us your contact information</li></ul> <p>We also collect your personal information from other companies.</p>
Why can't I limit all sharing?	<p>Federal law gives you the right to limit only:</p> <ul style="list-style-type: none"><li>• sharing for affiliates' everyday business purposes - information about your creditworthiness</li><li>• affiliates from using your information to market to you</li><li>• sharing for nonaffiliates to market to you</li></ul> <p>State laws and individual companies may give you additional rights to limit sharing.</p>

## DEFINITIONS

Affiliates	<p>Companies related by common ownership or control. They can be financial and nonfinancial companies.</p> <ul style="list-style-type: none"><li>• <i>Investment &amp; Retirement Solutions LLC has no affiliates</i></li></ul>
Nonaffiliates	<p>Companies not related by common ownership or control. They can be financial and non-financial companies.</p> <ul style="list-style-type: none"><li>• <i>Investment &amp; Retirement Solutions LLC does not share with nonaffiliates so they can market to you</i></li></ul>
Joint Marketing	<p>A formal agreement between nonaffiliated financial companies that together market financial products or services to you.</p> <ul style="list-style-type: none"><li>• <i>Investment &amp; Retirement Solutions LLC does not jointly market</i></li></ul>