

## Certus Investment Advisors, LLC

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CRD #159221

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This Brochure provides information about the qualifications and business practices of Certus Investment Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at (404) 262-9283. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

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

## **Item 2 – Material Changes**

September 2013 – The Firm has entered into a soft dollar arrangement with JonesTrading, see Item 12 for more information.

March 2013 - The Firm is switching from SEC to individual state registration. That is the only material change since our last brochure dated May 3, 2012.

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

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

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

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#### **Item 4 – Advisory Business**

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

#### **Investment Management**

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

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

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

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

#### **Financial Planning**

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

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

Should a client choose to implement the recommendations contained in the plan, CIA suggests that the client work closely with his/her attorney, accountant, insurance agent, and/or stockbroker.

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

CIA currently manages \$11,078,452.00 in discretionary assets under management and \$9,435,905.00 non-discretionary assets under management.

## **Item 5 – Fees and Compensation**

### **Investment Management**

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

<u>Dollar Amount</u>	<u>Annual Fee</u>
Up to \$500,000	2.00%
\$500,000 up to \$1,000,000	1.75%
\$1,000,000 and above	1.50%

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

### **Financial Planning**

Financial planning services are included as a part of our Investment Management services.

### **General Fee Information**

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

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

Clients may purchase shares of mutual funds directly from the mutual fund issuer, its principal underwriter or a distributor without purchasing the services of CIA or paying the advisory fee on such shares (but subject to any applicable sales charges). Certain mutual funds are offered to the public without a sales charge. In the case of mutual funds offered with a sales charge, the prevailing sales charge (as described in the mutual fund prospectus) may be more or less than the applicable advisory fee. However, clients would not receive the advisory representative's assistance in developing an investment strategy, selecting securities, monitoring performance of the account, and making changes as necessary, if such a course of action is taken.

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

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

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

Transaction fees charged may be higher than those otherwise available if the services were provided separately for a discrete fee or if the Investment Advisor were to select brokerage and negotiate commissions in the absence of the extra consulting service provided. Clients should consider the value of the additional consulting services when making such comparisons. The combination of custodial, consulting, and brokerage services may not be available separately or may require multiple accounts, documentation, and fees. A portion of the fees charged by CIA for advisory services may be paid to the Advisor Representative. The Advisor may have a financial incentive to recommend advisory services over

broker/dealer services. Costs and transaction fees arising out of transactions effected by entities other than CIA, NFS, or Schwab or attributable to dealer mark-ups, mark-downs or “spreads” (in transactions where another entity acts as principal for its own account) will be separately borne by clients. All fees described herein may be subject to negotiation depending on a range of factors including, but not limited to, account size and overall range of services requested.

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

### **Account Termination**

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

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

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

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

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

### **Item 7 – Types of Clients**

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

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

Our investment strategy begins with an understanding of a client's financial goals. CIA Advisor Representatives use demographic and financial information provided by the client to assess the client's risk profile and investment objectives in determining an appropriate plan for the client's assets. Investment strategies ordinarily include long- or short-term trading of stock portfolios, mutual funds and fixed income securities.

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

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

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

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

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



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

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

CertusSecurities, Inc. is also a full service life and health insurance agency, working with employee benefit related, corporate, personal, life and disability programs. Certus Advisors may also be licensed to sell insurance. They may spend as much as 20% of their time with these aforementioned non-advisory activities. In their capacity as registered representatives or as independent insurance agents, clients will be charged separately from their advisory services. Clients are under no obligation to purchase any recommended insurance product through CIA.

CertusHoldings, Inc. wholly owns CertusBank, NA. CertusBank offers traditional banking services to individuals and businesses. Investment Advisors may also be employees of CertusBank, N.A. Advisory services are charged separately. Securities offered through CertusSecurities or recommended by Certus Advisors are not FDIC insured.

CIA will recommend that clients establish brokerage accounts with National Financial Services, LLC (NFS) or Charles Schwab & Co., Inc. or trust accounts with CertusWealth Trust, services provided by CertusBank, N.A. or other trust companies with whom CIA has an agreement that shares revenue (collectively, the "Custodian") to maintain custody of clients' assets and to effect trades for their accounts. Although CIA may recommend that clients establish accounts at the Custodian, it is the client's decision. CIA is affiliated with CertusTrust through common ownership and is not affiliated with any other custodian.

CertusSecurities, which is under common control with Certus Investment Advisors, acts as an Introducing Broker for Sage Capital Holdings, LLC and Advocacy Wealth Management Services, LLC. Sage Capital Holdings, LLC has an income and expense sharing agreement with CertusSecurities. As part of the Introducing Broker Agreement, CertusSecurities provides accounting, operational and compliance support to both Sage Capital and Advocacy WMS. No Certus entity has any ownership stake in either Sage Capital or Advocacy WMS.

#### **Item 11 – Code of Ethics**

CIA has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business

entertainment items, and personal securities trading procedures, among other things. All supervised persons at CIA must acknowledge the terms of the Code of Ethics annually, or as amended.

Any supervised person of CIA may buy or sell securities that are recommended to clients. CIA' employees and persons associated with CIA are required to follow the Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of CIA and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for CIA' clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of CIA will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of CIA' clients. In addition, the Code requires pre-approval of many transactions, and may restrict trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between CIA and its clients.

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

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

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

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

The foregoing arrangements with the Custodian may pose a conflict of interest. Services provided may create an incentive for CIA to suggest that clients maintain their assets in accounts at a Custodian on the basis of products and services that may become available to CIA as a result, rather than solely on the basis of the nature, cost or quality of custody and brokerage services provided by the Custodian to clients. However, CIA is constrained by fiduciary principles to act in its clients' best interests and will suggest a Custodian to clients only when it is appropriate to do so. In addition, CIA maintains an

awareness of the services provided to clients by the Custodians in an effort to ensure that clients are well served.

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

CertusSecurities, Inc. receives compensation from the custodian based on the value of credit balances in the accounts. If cash is swept into a money market fund, CertusSecurities, Inc. receives compensation based on the value of assets in these funds as a broker-dealer. Thus, the Adviser has an incentive to recommend that clients select a money market fund as a sweep vehicle that pays more compensation than other funds.

In addition, there is a soft dollar arrangement in place between Certus Investment Advisors, LLC and JonesTrading. From time-to-time, Money Manager will place orders with JonesTrading on behalf of accounts managed by Money Manager on a discretionary basis. When this occurs a percentage of commission fees are earmarked to pay for both third party brokerage services and outside research services. Such research includes independent, third party research which may be used by some advisors to evaluate and select securities. These benefits are used to service all of Certus Investment Advisors, LLC clients, not just those that paid for such benefits. Because these products or services could be considered to provide a benefit to Certus Investment Advisors, LLC and because the soft dollars used to acquire them are client assets, Certus Investment Advisors, LLC could be considered to have a conflict of interest in allocating client brokerage business. Certus Investment Advisors, LLC could receive valuable benefits by selecting JonesTrading to execute client transactions and the transactions compensation charged by JonesTrading might not be the lowest compensation Certus Investment Advisors, LLC might otherwise be able to negotiate. In addition, Certus Investment Advisors, LLC could have an incentive to cause clients to engage in more securities transactions than would otherwise be optimal in order to generate brokerage commissions with which to acquire products or services.

Certus Investment Advisors, LLC's use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision making responsibilities. As required by Section 28(e), Certus Investment Advisors, LLC has made a good faith determination that the amount of commissions or other fees paid is reasonable in relation to the value of the brokerage and research services provided. That is, before placing orders with a particular broker, we generally determine, considering all the factors described below, that the compensation paid to JonesTrading is reasonable in relation to the value of all the brokerage and research products and services provided. These services include but are not limited to custodial costs, transaction costs, equity research and bond research costs. In making this determination, we typically consider the particular transaction or transactions, the value of brokerage and research services and products to a particular client, and the value of those services and products in Certus Investment Advisors, LLC's performance of its overall responsibilities to clients.

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

If a bunched order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day will be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts. For example, partial fills generally are filled pro rata among participating accounts. If the amount to be allocated for each account is not indicated prior to placement of the trade, the Chief Compliance Officer must review and approve the allocation.

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

#### **Item 13 – Review of Accounts**

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

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

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

CIA acts as a solicitor for Wilbanks, Smith & Thomas Asset Management, LLC. ("Willbanks") CIA receives a percentage of the management fee collected by Willbanks as determined in the solicitor's agreement. The solicitor's agreement entered into by CIA complies with rule 206(4)-3 promulgated under the Investment Advisors Act of 1940. A client who is solicited will receive an additional disclosure document specifically describing the arrangement and the compensation paid to the solicitor. The solicitor's fee

will be based on CIA' normal fee schedule; you will not be charged any additional fees or expenses as a result of the referral.

Certain advisor representatives of CIA may be dually registered with either Sage Capital or Advocacy WMS. Because of the aforementioned agreements that are in place, there is no financial incentive for those representatives to choose one Investment Advisor before another as the economics of the agreements between all parties are identical. The dual registrations are legacies of former structures that are scheduled to be retired in the near future as soon as new agreements are executed with existing clients.

#### **Item 15 – Custody**

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

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

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

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

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

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

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

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

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

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

##### Educational Background

Dartmouth College - Bachelor of Arts

Terry College of Business - CFP®

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

##### Business Experience

<b>Firm</b>	<b>Position</b>	<b>Dates</b>
Sage Capital Holdings, LLC	CEO, CCO, COO	3/2011-Present
Advocacy Wealth Mgt Svs, LLC	CCO	6/2011-Present
CertusSecurities, Inc.	Branch Manager, CCO, COO	2010-Present
Certus Investment Advisors, LLC	CCO	10/2011-Present
CurtisWood Capital, LLC	Branch Manager	2010-2012
First Legacy Securities, LLC	Branch Manager	2009-2010
Access Securities, Inc.	Registered Representative	1999-2009

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

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

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

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

**Robert R. Hogan, CPA – CEO, CFO**

**CRD # 2859247**

**Education Background:**

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

**Business Background**

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

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

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

**David Paventi** serves as Chief Operations Officer of Certus Investment Advisors, LLC. The following describes his formal education and business background.

**David Paventi – COO**

**CRD # 5395957**

**Education Background:**

Onondaga Community College – AS Humanities

State University of New York at Buffalo – BS Business Administration concentrations in Finance and Internal Audit

University of North Carolina at Chapel Hill – Executive MBA

**Business Background**

<b>Firm</b>	<b>Position</b>	<b>Date</b>
CertusWealth	Chief Operating Officer & Director of Compliance	03/2012 - present
Bank of America/Merrill Lynch	Director, Senior Ops Risk Project Manager	10/2010 – 2/2012

Capitol Wealth, Inc.

Chief Operating Officer

02/2005 – 09/2010

Mr. Paventi serves as COO for CertusWealth as well as Certus Investment Advisors, LLC. Mr. Paventi spends approximately 80% of his time working for CertusWealth. Mr. Paventi is not compensated with performance based fees. There are no disciplinary proceedings against him that would require disclosure. Mr. Paventi has no other relationship or arrangement with any issuer of securities.

**Elliot M. Abrams** serves as Chief Risk Officer of Certus Investment Advisors, LLC. The following describes his formal education and business background.

**Elliot M. Abrams** – Chief Risk Officer

**CRD # 6145025**

**Education Background:**

Cleveland State University 1962-1964

Idaho State University - BBA Accounting

University of Texas - ABD Doctoral Program

CPA - Georgia

**Business Background**

<b>Firm</b>	<b>Position</b>	<b>Date</b>
Certus Bank	Chief Risk Officer	7/2011-Current
Certus Bank	Interim CFO/Chief Acct Officer	1/2011-7/2011
Bank of America	Finance Executive	6/1972/2008

Mr. Abrams serves as Chief Risk Officer for CertusBank as well as Certus Investment Advisors, LLC. Mr. Abrams is not compensated with performance based fees. There are no disciplinary proceedings against him that would require disclosure. Mr. Abrams has no other relationship or arrangement with any issuer of securities.

**Janet Kahl** serves as Treasurer of Certus Investment Advisors, LLC. The following describes her formal education and business background.

**Janet Kahl** – Treasurer

**CRD # 6145022**

**Education Background:**

Brown University – BA Business Economics

UNCC – Masters Accountancy

CPA

**Business Background**

<b>Firm</b>	<b>Position</b>	<b>Date</b>
BlueRidge Holdings	Finance Manager	09/2010 – 01/2011
CertusBank	Finance Manager	01/2011 – 01/2012
CertusBank	Business Unit CFO	01/2012 - Current

Ms. Kahl serves as Treasurer for CertusBank as well as Certus Investment Advisors, LLC. Ms. Kahl is not compensated with performance based fees. There are no disciplinary proceedings against her that



would require disclosure. Ms. Kahl has no other relationship or arrangement with any issuer of securities.

**Charles M. Williams** serves as Chairman of Board Members for Certus Investment Advisors, LLC. The following describes his formal education and business background.

**Charles M. Williams**– Chairman of Board Members

**CRD # 1067930**

**Education Background:**

Marquette University – Bachelor’s Degree in Economics

**Business Background**

<b>Firm</b>	<b>Position</b>	<b>Date</b>
CertusBank	Co-CEO	11/2010 to Present
ICS	Co – Founder	2009 - 2011
Bank of America	Chief Administrative/Operating Officer	1996 - 2009

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

**Christopher Speaks** serves as Director of Finance for Certus Investment Advisors, LLC. The following describes his formal education and business background.

**Christopher Speaks** – Director of Finance

**CRD # 4465871**

**Education Background:**

Furman University, BA Accounting – 1988

CPA – South Carolina

**Business Background**

<b>Firm</b>	<b>Position</b>	<b>Date</b>
CertusBank	Director of Finance	11/2011 to Present
TD Bank/Carolina First Bank	Head of Financial Operations/Loan Accounting Chief Accounting Officer	09/1998 – 11/2011

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

**Privacy Policy**

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

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

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

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

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

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

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

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