

Mutual Advisors, LLC

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Form ADV, Part 2A Brochure

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This brochure provides information about the qualifications and business practices of Mutual Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 370-234-1200 or email us at adv@mutualadv.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Any reference to or use of the terms “registered investment adviser” or “registered,” does not imply we have achieved a certain level of skill or training.

Additional information about Mutual Advisors, LLC is available on the SEC’s website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 167658.

ITEM 2 - MATERIAL CHANGES

The purpose of this page is to inform you of material changes since the last annual update to our brochure. If you are receiving this brochure for the first time, this section may not be relevant to you.

Mutual Advisors, LLC (“Mutual Advisors”) was formed in 2013 as a business combination between Investment & Retirement Solutions LLC and Mutual Securities, Inc., as a result of the owners of Mutual Securities, Inc. acquiring indirect ownership and control of the firm.

Mutual Advisors reviews and updates our brochure at least annually to confirm that it remains current. In the future, this item will discuss only specific material changes that we made to the brochure and provide you with a summary of such changes. Future summaries will also reference the date of the last annual update of this brochure.

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ITEM 4 - ADVISORY BUSINESS

Description of Advisory Firm

Mutual Advisors, LLC (“Mutual Advisors,” “we,” “our,” or “us”) is a privately owned limited liability company headquartered in Casper, Wyoming. Mutual Advisors is registered as an investment adviser with the U.S. Securities and Exchange Commission. Mutual Advisors was formed in 2013 as a business combination between Investment & Retirement Solutions LLC and Mutual Securities, Inc. The firm’s principal owners are the Voss Wyoming Trust and the Sabol Wyoming Trust.

***This brochure reflects only the business practices of Mutual Advisors’ investment adviser representatives conducting non-discretionary and referral investment advisory business.**

Advisory Services Offered

We specialize in the following types of services: asset management, financial consulting, 401(k) consulting, and referrals to third party money managers. A description of the types of advisory services we offer is outlined below. Our Investment Adviser Representatives (“IARs”) offer our services individually to our clients. Each client will work directly with one of our IARs. The IAR will assist the client in selecting the service appropriate for the client.

Asset Advantage Service Program

Clients may engage our firm to design an investment portfolio and provide ongoing, continuous and regular account supervision and investment management services on a non-discretionary fee-only basis. Our Asset Advantage Service Program is a wrap fee program, which we describe in greater detail in Part 2A, Appendix 1 (the “Wrap Fee Program Brochure”).

Third Party Wrap Fee and Third Party Accounts

Our firm also offers wrap fee account programs facilitated through one or more third party investment advisers. Wrap fee account programs offer the client the ability to have their assets managed by one or more third party investment advisers for a set fee, which will be a percentage of assets under management. Wrap account programs incur no commission cost on securities bought or sold in the wrap account. Our firm does not make any investment decisions or recommendations for a client’s wrap account(s). The third party investment adviser chosen by the client is responsible for all investment decisions made in the client’s wrap fee account(s).

We provide clients with a list of investment advisory services of third party professional portfolio management firms for the individual management of client accounts and/or other managed vehicles. As part of this process, we assist clients in identifying an appropriate third party money manager, sub-account, or strategy, as applicable. We provide initial due diligence on third party money managers and sub-accounts or strategies, if applicable, and ongoing reviews of their management of your account. We will make sure that before selecting or recommending other advisers that the other advisers are properly licensed or registered as an investment adviser.

In order to assist clients in the selection of a third party money manager, we typically gather information from the client about their financial situation, investment objectives, and reasonable restrictions they can impose on the management of the account, which are often very limited. It is important to note that we do not offer advice on any specific securities or other investments in connection with this service. The third party money managers implement and place trade orders for clients. See also ***Item 13 – Review of Accounts.***

We describe fees charged for Third Party Wrap Fee and Third Party Accounts below under ***Item 5 - Fees and Compensation.***

401(k) Consultation Services

Our firm's 401(k) Consultation Service offers clients the ability to have their 401(k) periodically reviewed so that allocation and reallocation recommendations may be provided to assist clients in better meeting their retirement goals. Under this service, we do not provide continuous and regular account supervision and investment management services.

All pension consulting services shall be in compliance with the applicable state law(s) regulating pension consulting services. This applies to client accounts that are pension or other employee benefit plans ("Plan") governed by the Employee Retirement Income Security Act of 1974, as amended ("ERISA"). If client accounts are part of a Plan, and we accept appointments to provide our services to such accounts, we acknowledge that we are a fiduciary within the meaning of Section 3(21) of ERISA (but only with respect to the provision of services described in the Pension Consulting Agreement).

Financial Consultation Services

Our Financial Consultation Service offers clients the ability to have their investment portfolio allocated among different financial institutions, reviewed by an Investment Adviser Representative for a negotiated hourly fee. This consultation offers the client a detailed look at their financial condition in relation to their investment objectives, risk tolerance, time horizon, and any financial goals that they may be seeking to achieve. This Financial Consultation Service offered by us may or may not be in conjunction with one of our other fee based programs.

We provide a variety of financial consulting services to individuals, families and other clients regarding the management of their financial resources based upon an analysis of client's current situation, goals, and objectives. Consulting may encompass one or more of the following areas: Investment Planning, Retirement Planning, Estate Planning, Charitable Planning, Education Planning, Corporate and Personal Tax Planning, Cost Segregation Study, Corporate Structure, Real Estate Analysis, Mortgage/Debt Analysis, Insurance Analysis, Lines of Credit Evaluation, Business and Personal Financial Planning.

Our financial consultations rendered to clients usually include general recommendations for a course of activity or specific actions to be taken by the clients. For example, recommendations may be made that the clients begin or revise investment programs, create or revise wills or trusts, obtain or revise

insurance coverage, commence or alter retirement savings, or establish education or charitable giving programs. It should also be noted that we refer clients to an accountant, attorney or other specialist, as necessary for non-advisory related services. For financial consulting engagements, we usually do not provide our clients with a written summary of our observations and recommendations. Consultations are typically completed within six (6) months of the client signing a contract with us, assuming that all the information and documents we request from the client are provided to us promptly. We are required to disclose to our financial consulting clients that a conflict of interest exists between us and our clients. The client is under no obligation to act upon the investment adviser's recommendation. If the client elects to act on our recommendations, the client is under no obligation to effect the transaction through us.

We describe fees charged for Financial Consultation Services below under ***Item 5 - Fees and Compensation***.

Investment Advisory Consultation Services

Mutual Advisors provides investment advisory consultation services to qualified institutional clients and professional accredited investors. Investment advisory consultation services offered through Mutual Advisors will not include investment banking activity or the dispensing of investment advice to a municipal entity. No Mutual Advisors client will be charged an investment advisory consultation service fee if such client has executed orders and paid a commission to Mutual Securities, Inc., Mutual Advisors' related broker/dealer, during the prior consultation billing period. Mutual Advisors and its investment adviser representatives will not be responsible for monitoring a client's securities positions and transaction activity or assuming trading or discretionary authority over such client's brokerage accounts as part of this service.

We describe fees charged for Investment Advisory Consultation Services below under ***Item 5 - Fees and Compensation***.

Separate Account Program

Under our Separate Account Program, clients select from a number of different sub-advisers; clients may select one or more sub-advisers. We provide a suitability analysis for clients to utilize in choosing the most appropriate sub-adviser or sub-advisers. Clients select the sub-advisers that they believe will best suit their investment objectives. We are no longer offering the Separate Account Program to new clients.

Limitations on Investments

We offer individualized investment advice to clients utilizing our Asset Advantage Service Program. Additionally, we offer general investment advice to clients utilizing the following services offered by our firm: Financial Consulting, 401(k) Consulting, and Third Party Wrap Fee and Third Party Accounts.

Tailored Services and Client Imposed Restrictions

Services are tailored to the specific needs of each client. We usually do not allow clients to impose restrictions on investing in certain securities or types of securities due to the level of difficulty this would entail in managing their account. In the rare instance that we would allow restrictions, it would be limited to our Asset Advantage Program (“Wrap Fee Program”). We do not effect transactions under any of our other services.

Wrap Fee Programs

Our Asset Advantage Service Program is a wrap fee program, which we describe further our Wrap Fee Program Brochure. Our wrap fee accounts are managed on an individualized basis according to the client’s investment objectives, financial goals, and risk tolerance. As part of this program, the client pays a bundled fee to Mutual Advisors, instead of paying separately for Mutual Advisors’ advisory services, commissions on transactions, and custodian fees. We provide our Wrap Fee Program Brochure to all clients participating in the program and the brochure is also available upon request.

Assets Under Management

Mutual Advisors manages client assets in non-discretionary accounts on a continuous and regular basis. As a newly formed firm, Mutual Advisors has no assets under management. As of 3/31/2013, the total amount of assets under the management of Mutual Securities, Inc. was \$ 110,111,326, and the total amount of assets under the management of Investment & Retirement Solutions LLC was \$ 21,853,494.

ITEM 5 - FEES AND COMPENSATION

Fee Schedule & Billing Method

Asset Advantage Service Program

Fees charged to clients participating in the Asset Advantage Service Program and billing methods are described in the Wrap Fee Program Brochure.

Third Party Wrap Fee and Third Party Accounts

We are paid by third party money managers when we refer you to them and you decide to open a managed account. Third party money managers generally pay us a portion of the investment advisory fee that they charge you for managing your account, or the fee we receive may be in addition to the third party money manager’s standard fee. The annual fee Mutual Advisors receives through these arrangements ranges from 0.50%-1.00%. This is in addition to the fee the client pays to the third party money manager. Clients should refer to the signed agreement for the specific fee to be charged by the third party money manager and the percentage that Mutual Advisors will receive. Fees paid to us by third party money manager are generally ongoing. Third party money managers establish and maintain their own separate billing processes, which we have no control over. In general, they will directly bill you and describe how this works in their separate written disclosure documents.

All fees we receive from third party money managers and the written separate disclosures made to you regarding these fees comply with applicable state statutes and rules. The separate written disclosures you need to be provided with include a copy of the third party money manager's Form ADV Part 2, all relevant brochures and brochure supplements, a Solicitation Disclosure Statement detailing the exact fees we are paid and a copy of the third party money manager's privacy policy. The third party money managers we recommend will not directly charge you a higher investment management fee than they would have charged without us introducing you to them, but your total annual fee (including the fee we receive for referring you to the third party money manager) may be higher.

401(k) Consultation Service

We charge on a flat fee basis for pension consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our flat fee is \$100 per each consultation. The fees will be charged quarterly in arrears for ongoing pension consulting services and due to us within ten (10) days of the invoice date. The total fees incurred by the client in a given quarter will depend upon the number of consultations provided.

Financial Consultation Service

We charge on an hourly basis for financial consulting services. The total estimated fee, as well as the ultimate fee that we charge you, is based on the scope and complexity of our engagement with you. Our hourly fees range from \$100-\$750 for financial advisors, \$150 per hour for para-planners and \$75 for administrative time.

We require a retainer of fifty-percent (50%) of the estimated total financial planning or consulting fee with the remainder of the fee directly billed to you and due to us within thirty (30) days of your financial plan being delivered or consultation rendered to you. In all cases, we will not require a retainer exceeding \$500 when services cannot be rendered within six (6) months. In the event that the client or Mutual Advisors terminates the financial consulting engagement before completion of the financial plan or consultation, Mutual Advisors will determine the fees due for the services already completed. If the retainer previously paid by you is more than the fees due, Mutual Advisors will refund the amount of the unearned fees to you. If the amount due is more than the retainer we collected from you, Mutual Advisors will send you an invoice for the remainder due, which will be due within thirty (30) days of the invoice date.

Investment Advisory Consultation Services

Investment advisory consultation service fees are negotiable between Mutual Advisors' investment adviser representatives and the qualified clients and are billable in arrears. The fee amount will be based on services rendered from time to time as provided in a written invoice. Our fees may be negotiable depending on the nature and complexity of each client's circumstances. We will quote the client a fixed fee that is based on the estimate of time to complete the project. Consultation service billing periods may be monthly, quarterly or annually.

Other Fees and Expenses

Non-Wrap fee Clients may incur transaction charges for trades executed in their accounts. These transaction fees are separate from our fees and will be disclosed by the firm that the trades are executed through. Also, clients may pay the following separately incurred expenses, which we do not receive any part of: custodial fees, administrative fees, charges imposed directly by a mutual fund, index fund, or exchange traded fund, which shall be disclosed in the fund's prospectus (i.e., fund management fees and other fund expenses).

Wrap fee clients will receive our Form ADV, Part 2A, Appendix 1 (the "Wrap Fee Program Brochure"). Wrap fee clients will not incur transaction costs for trades, but may be subject to other fees. More information about this is disclosed in our separate Wrap Fee Program Brochure.

Termination

Upon notice of termination, we will provide you with an invoice for services provided through the date of termination. If you have paid fees in advance that were more than the amount due for services, we will refund any unearned fees.

Clients who utilize third party money managers should review the third party money manager's Form ADV Part 2 regarding fee refunds for terminated accounts.

Other Compensation

We have a related firm, Mutual Securities, Inc. ("MSI"), which is actively engaged in the business of being a registered securities broker-dealer, member FINRA/SIPC. A majority of our supervised persons are dually licensed as investment advisor representatives ("IARs") and registered representatives.

MSI or Mutual Advisors' supervised persons who are registered representatives of MSI may accept compensation for the sale of securities or other investment products, including distribution or service fees known as 12b-1 fees or trails for the sale of mutual funds. You should be aware that the practice of accepting commissions/trails for the sale of securities:

1. Presents a conflict of interest and gives our supervised persons an incentive to recommend investment products based on the compensation received, rather than on your needs. We generally address commissionable sales conflicts that arise:
 - a. when explaining to clients that commissionable securities sales creates an incentive to recommend products based on the compensation our supervised persons may earn;
 - b. when recommending commissionable mutual funds, explaining that "no-load" funds are available through our firm if the client wishes to become an investment advisory client; and

- c. when recommending commissionable products to clients, our supervised persons have a duty to only recommend products that are suitable for the client.
2. In no way prohibits you from purchasing investment products recommended by us through other brokers or agents that are not affiliated with us.

Lastly, some of our firm's representatives are separately licensed as insurance agents/brokers with various companies. In this role, they may offer commissionable insurance products to our firm's clients for which they may receive compensation.

For other compensation relating to our Asset Advantage Service Program, see our Wrap Fee Program Brochure.

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

Mutual Advisors 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

Mutual Advisors provides asset management, financial consulting, 401(k) consulting, investment advisory consultation, and referrals to third party money managers. Our services are provided on a non-discretionary basis 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, businesses, and other investment advisers.

Account Requirements

Clients who utilize our Third Party Wrap Fee and Third Party Accounts program should review each manager's Form ADV disclosure brochure **Item 7 – Types of Clients** regarding account requirements.

Account requirements for clients participating in the Asset Advantage Service Program are described in our Wrap fee Program Brochure, which is provided to all clients participating in the program and available upon request.

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

Methods of Analysis and Investment Strategies

We may use fundamental, cyclical, charting, and/or technical analysis in the selection of individual securities. Mutual Advisors 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. We seek to select individual securities with characteristics that are most consistent with the client's objectives. Since Mutual Advisors treats each client account uniquely, client portfolios

with a similar investment objectives and asset allocation goals may own different securities. Tax factors will not influence Mutual Advisors' investment decisions.

Asset Advantage Service Program

The methods of analysis, investment strategies, and risk of loss pertaining to accounts participating in the Asset Advantage Service Program are described in our Wrap Fee Program Brochure, which is provided to all clients participating in the program and available upon request.

Third Party Managers

We may refer clients to third party managers. In these instances, we provide clients with a list of investment advisory services of third party professional portfolio management firms for the individual management of client accounts. As part of this process, we assist clients in identifying an appropriate third party money manager. Our recommendation is based on the client's investment objectives and financial situation, and the third party manager's management style. We provide initial due diligence on third party money managers and ongoing reviews of their management of your account. The third party managers we refer to clients must maintain proper and current licensing/registration, as applicable to each manager. Clients should review **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss** of the brochure of the third party manager for the methods of analysis and investment strategies of the third party manager.

Investing Involves Risk

General Risks of Owning Securities

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

Third Party Managers

Mutual Advisors may recommend third party managers for the management of a client's account. Clients can find more information about the strategies and related risks of the third party managers in **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss** in each manager's Form ADV disclosure brochure.

ITEM 9 - DISCIPLINARY INFORMATION

Mutual Advisors and our personnel seek to maintain the highest level of business professionalism, integrity, and ethics. We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our business or the integrity of our management. We do not have any required disclosures to this Item.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Related Investment Adviser, Broker-Dealer and Insurance Agency

Mutual Advisors has a related firm, Mutual Securities, Inc. (“MSI”), which is registered as an investment adviser in California, registered as a securities broker-dealer, members FINRA/SIPC, and is a California licensed insurance agency. MSI is owned and controlled by Mitchell Voss and Ryan Sabol, the indirect owners of Mutual Advisors. Typically Mutual Advisors’ investment advisory representatives (“IARs”) are dually licensed as registered representatives of our related broker-dealer.

IARs, in their capacities as registered representatives (not acting as IARs), may offer advisory clients securities or other products. These registered representatives may receive compensation, commissions and/or trailing 12b-1 fees. In addition, MSI may receive additional compensation when clients transact in certain products. Therefore, a conflict of interest exists between the interests of these individuals, MSI and those of the advisory clients. When recommending commissionable products to clients, we have a duty to only recommend products that are suitable for the client. In addition, clients are under no obligation to act on any recommendations of these individuals or place any transactions through them if they decide to follow their recommendations.

Some of our IARs are separately licensed as insurance agents/brokers with various companies. In this role, they may offer commissionable insurance products to our clients for which they may receive compensation. A conflict of interest arises as these commissionable insurance product sales may create an incentive to recommend products based on the compensation that MSI and/or our representatives may earn and may not be in the best interests of the client. When recommending commissionable products to clients, we have a duty to only recommend products that are suitable for the client. In addition, clients are under no obligation to act on any recommendations of these individuals or place any transactions through the associated person or MSI if they decide to follow their recommendations.

Third Party Managers

The compensation paid to us by third party managers may vary, and thus, there is a conflict of interest in recommending a manager who shares a larger portion of its advisory fees over another third party manager. Our client’s fees may be higher than they would be if our client obtained services directly from the third party money manager. There is a conflict of interest in utilizing third party managers, as there is an incentive to us in selecting a particular manager over another in the form of fees or services. In order to minimize this conflict, our firm seeks to make our selections in the best interest of our clients.

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

Code of Ethics

Mutual Advisors 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. Mutual Advisors has adopted a Code of Ethics that emphasizes the high standards of conduct that

Mutual Advisors seeks to observe. Mutual Advisors' personnel are required to conduct themselves with integrity at all times and follow the principles and policies detailed in our Code of Ethics.

Mutual Advisors' Code of Ethics attempts to address specific conflicts of interest that either we have identified or that could likely arise. Mutual Advisors' 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).

Mutual Advisors will provide a complete copy of the Code of Ethics to any client or prospective client upon request.

Personal Trading Practices

Mutual Advisors and our personnel may purchase or sell securities for themselves, regardless of whether the transaction would be appropriate for a client's account. Mutual Advisors 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 other derivatives). 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 your Mutual Advisors' investment advisor representative ("IAR").
2. Mutual Advisors prohibits trading in a manner that takes personal advantage of price movements caused by client transactions.
3. If your Mutual Advisors' IAR wishes to purchase or sell the same security as he/she recommends or takes action to purchase or sell for a client, he/she will not do so until the custodian fills the client's order. As a result of this policy, it is possible that clients may receive a better or worse price than Mutual Advisors' IAR for transactions in the same security on the same day as a client.
4. Mutual Advisors requires our IARs to report personal securities transactions on at least a quarterly basis.
5. Conflicts of interest also may arise when Mutual Advisors' IARs 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. Mutual Advisors' IARs are required to obtain pre-approval from the Chief Compliance Officer before trading in these types of securities.

6. Under certain limited circumstances, we make exceptions to the policies stated above. Mutual Advisors will maintain records of these trades, including the reasons for any exceptions.

ITEM 12 - BROKERAGE PRACTICES

Mutual Advisors requires accounts that are not managed by third-party investment managers to be established with either our related broker-dealer Mutual Securities, Inc. ("MSI") or with Fidelity Institutional Wealth Services, a division of Fidelity Brokerage Services, Inc. ("Fidelity"), a Fidelity Investments company, an unaffiliated service provider (collectively "the brokers"). Both MSI and Fidelity clear through National Financial Services, LLC ("NFS"). Mutual Advisors engages the brokers to clear transactions and custody assets. The brokers provide Mutual Advisors with services that assist us in managing and administering clients' accounts which include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of fees from its clients' accounts; and (v) assist with certain back-office functions, recordkeeping and client reporting.

As part of the arrangement described above, the brokers also make certain research and brokerage services available at no additional cost to our firm. These services include certain research and brokerage services, including research services obtained by the brokers directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by the brokers to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by the brokers to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving the services discussed above, we have an incentive to continue to use or expand the use of the brokers' services. Our firm examined this conflict of interest when we chose to enter into the relationship with the brokers and we have determined that the relationship is in the best interest of our firm's clients and satisfies our client obligations, including our duty to seek best execution.

The brokers charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions).

The brokers generally do not charge clients separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through the brokers or that settle into accounts at the brokers. The brokers charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). The brokers enable us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. The brokers' commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by the brokers may be higher or lower than those charged by other custodians and broker-dealers.

Our non-wrap fee program clients may pay a commission to MSI that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Factors Considered in Recommending Brokers

We consider several factors in recommending brokers to a client. Factors that we may consider when recommending brokers may include financial strength, reputation, execution, pricing, reporting, research, and service. We may also take into consideration the availability of the products and services received or offered (detailed above) by the brokers.

Directed Brokerage Transactions

Third party money managers that we recommend to our clients might require that clients direct the third party manager to transact securities at a particular broker-dealer that they recommend. Not all investment advisers require their clients to trade through specific brokerage firms. Clients who utilize our Third Party Wrap Fee and Third Party Accounts program should review each manager's Form ADV disclosure brochure regarding directed brokerage transactions.

Special Considerations for ERISA Clients

A retirement or ERISA plan client may direct all or part of portfolio transactions for its account through a specific broker or dealer in order to obtain goods or services on behalf of the plan. Such direction is permitted provided that the goods and services provided are reasonable expenses of the plan incurred in the ordinary course of its business for which it otherwise would be obligated and empowered to pay. ERISA prohibits directed brokerage arrangements when the goods or services purchased are not for the exclusive benefit of the plan. Consequently, we will request that plan sponsors who direct plan

brokerage provide us with a letter documenting that this arrangement will be for the exclusive benefit of the plan.

ITEM 13 - REVIEW OF ACCOUNTS

Account Reviews & Reporting

Third Party Wrap Fee and Third Party Accounts

Investment Adviser Representatives periodically review third party money managers' reports provided to the client, but no less often than on a semi-annual basis. Our Investment Adviser Representatives contact clients from time to time, as agreed to with the client, in order to review their financial situation and objectives; communicate information to third party money managers as warranted; and, assist the client in understanding and evaluating the services provided by the third party money manager. The client will be expected to notify us of any changes in his/her financial situation, investment objectives, or account restrictions that could affect their account. The client may also directly contact the third party money manager managing the account or sponsoring the program. Clients who utilize third party money managers should review the third party money manager's Form ADV Part 2 **Item 13 – Review of Accounts** regarding account reviews, types of written reports provided and frequency of such reports.

401(k) Consultation Service

Pension consulting clients do not receive written or verbal updated reports regarding their pension plans unless they choose to contract with us for ongoing pension consulting services. The type of reporting is agreed upon by Mutual Advisors and the client on a case-by-case basis. In cases when we have been contracted to conduct ongoing pension consulting services, the Investment Adviser Representatives will conduct reviews as agreed upon with the client.

Financial Consultation Service

Financial consultation clients do not receive reviews of their written plans unless they take action to schedule a financial consultation with us or separately contract with us for a post-financial plan meeting or update to their initial written financial plan. The type of reporting is agreed upon by Mutual Advisors and the client on a case-by-case basis. We do not provide ongoing services to financial consultation clients, but are willing to meet with such clients upon their request to discuss updates to their plans or changes in their circumstances. The clients IAR provides the financial consultation services to the client. In cases when we have been contracted to conduct ongoing financial consultation services, the Investment Adviser Representatives will conduct reviews as agreed upon with the client.

Investment Advisory Consultation Services

Mutual Advisors and its investment adviser representatives will not be responsible for monitoring a client's securities positions and transaction activity or assuming trading or discretionary authority over such client's brokerage accounts as part of this service.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

Brokerage Support Products and Services

We receive an economic benefit from the brokers used for transactions in client accounts in the form of the support products and services they make available to us and other independent firms whose clients maintain their accounts at the broker. 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 the brokers' products and services to us.

Outside Compensation

We do not pay referral fees (non-commission based) to independent solicitors for the referral of their clients to our firm.

See also **Item 5 - Third Party Wrap Fee and Third Party Accounts** and **Item 10 – Third Party Managers**.

ITEM 15 - CUSTODY

Mutual Advisors 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 Mutual Advisors 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

Mutual Advisors accepts non-discretionary authority over client accounts. We recommend certain third party money managers to clients. It is up to the client to approve our recommendations. The third party investment adviser chosen by the client is responsible for all investment decisions made in the client's account(s). Generally, clients who utilize a third party money manager will sign agreements directly with the third party manager. It is important to note that we do not offer advice on any specific securities or other investments in connection with this service. Clients can find more information about the discretionary authority granted to third party managers in **Item 16 – Investment Discretion** of each manager's Form ADV disclosure brochure.

ITEM 17 - VOTING CLIENT SECURITIES

Proxy Voting

We do not accept or have the authority to vote client securities. However, clients may call us if they have questions about a particular solicitation. We 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.

However, third party money managers recommended by our firm may vote proxies for clients. Therefore, except in the event a third party money manager votes proxies, clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. Therefore (except for proxies that may be voted by a third party money manager), our firm and/or you shall instruct your qualified custodian to forward to you copies of all proxies and shareholder communications relating to your investment assets.

Mutual Funds

The investment adviser that manages the assets of a registered investment company (i.e., mutual fund) generally votes proxies issued on securities held by the mutual fund.

Class Actions

Mutual Advisors 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. Mutual Advisors 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.