

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page



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This brochure provides information about the qualifications and business practices of Cashen Investment Advisors, Inc. It is prepared pursuant to regulatory requirements. If you have any questions about the contents of this brochure, please contact us at the phone number or website listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Cashen Investment Advisors, Inc. is a registered investment adviser with the SEC under the Investment Advisers Act of 1940 (the "Advisers Act"). However, such registration does not imply a certain level of skill or training. Additional information about Cashen Investment Advisors, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Dated: October 31, 2014

Item 2 Material Changes

This Form ADV, Part 2, also known as the “Brochure”, requires disclosure on distinct topics, and answers must be presented in the order of the items in the form, using the headings in the form. We urge you to carefully review all subsequent summaries of material changes, as they will contain important information about any significant changes to our advisory services, fee structure, business practices, conflicts of interest, and disciplinary history.

After the initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Summary of Material Changes:

Item 10 Other Financial Industry Activities and Affiliations

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

Item 14 Client Referrals and Other Compensation

The firm no longer has a sub-advisory agreement with, Shack Cashen no longer works as portfolio manager for, and fees are no longer paid to Everis Capital Management, LLC.

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Item 4 Advisory Business

INTRODUCTION

Cashen Investment Advisors, Inc. is a registered Investment Advisory firm registered with the U.S. Securities and Exchange Commission (SEC) since October 26, 1988. We are notice filed in California, Colorado, Florida, Illinois, Louisiana, Nebraska, New York, Oklahoma, Oregon and our home state of Texas, which means we are registered to do business in these states. We may conduct business in other states by claiming an exemption from registration. Our registration as an Investment Adviser does not imply any level of skill or training.

The oral and written communications we provide you, including this Brochure, is information you can use to evaluate us and other advisers, which are factors in your decision to hire us or to continue to maintain a mutually beneficial relationship. This Brochure provides information about our qualifications and business practices.

OWNERSHIP

Cashen Investments Advisors, Inc. is a privately owned corporation headquartered in Dallas, Texas. Shack B. Cashen founded Cashen Investment Advisors, Inc. on October 26, 1988 and is the sole owner of the business.

ADVISORY SERVICES OFFERED

Cashen Investment Advisors, Inc. is an investment advisory firm providing:

- Portfolio Management Services
- Bank Investment Management Services
- Sub-Advisory Investment Management Services
- Sub-Management Services & Investment Strategies
- Special Reports or Analysis

Our services are tailored to you through customized investment policy statements that address your specific goals, objectives, risk tolerance and preferences. Specific investments recommended will depend on these factors.

Our service constitutes a process by which:

- Your investment objectives, constraints and preferences are identified and specified;
- Your strategies are developed and implemented through a combination of financial assets;
- Capital market conditions and your circumstances are monitored; and
- Portfolio adjustments are made as appropriate to reflect significant changes to any or all of the above relevant variables.

PORTFOLIO MANAGEMENT SERVICES:

We provide investment management services to individuals, pensions and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities on a discretionary and non-discretionary basis.

On a discretionary basis, we design, revise and reallocate a custom strategy for you. The investments are determined based upon your investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors.

On a non-discretionary basis, we provide periodic recommendations to you and if such recommendations are approved, we will ensure that the authorized recommendations are carried out.

In making investment decisions on behalf of you or when making recommendations to you, we shall rely on your profile document or questionnaire completed by you. Restrictions and guidelines imposed by you may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and you should not expect that the performance of your custom portfolio to be identical to any other individuals portfolio performance) as well as

recommendations provided to you. Our various investment strategies are as follows:

Balanced Strategies

Consists of portfolios whose investment objectives are total return and diversification. Each portfolio includes two main components:

Equity components- The investment objectives for a portion of the portfolio are long-term appreciation and growth achieved primarily through equity investments. Equity investments include domestic and foreign securities in common stock and equity mutual funds. Preservation of capital and/or generation of income are not fundamental objectives of the client portfolios in the Equity components.

Income components- The investment objectives for the other portion of the portfolio are preservation of capital, generation of income and/or diversification through cash and/or fixed income investments. Cash and fixed income investments include commercial paper, money market funds, certificates of deposit, treasury securities, agency securities, corporate bonds, convertible bonds, mortgage securities, bond mutual funds and municipal bonds. Long term capital appreciation and growth are not fundamental objectives of the client portfolios in the Income components.

Equity Strategies

You may elect to invest 100% of your assets in the Equity strategy, which consists of only equity components as defined under Balanced Strategies. You will have full exposure to the equity market.

Fixed Income Strategies

You may elect to invest 100% of your assets in the income components, which is defined under the Balanced Strategies.

Equity All Cap Strategies

The investment objective is to seek higher returns by using a multi-cap, multi-style high growth oriented stock portfolio. Management style of these portfolios is based on a combination of short- and intermediate-term market trends. Equity investments include domestic and foreign securities in common stock, equity mutual funds, ETF's and other funds. Our service consists of asset allocation and proper diversification to help meet your stated investment objectives and risk tolerance.

Strategic All Cap Strategies

Combines the investment objectives of the Equity Strategies and Equity All Cap Strategies. Management style of these portfolios involves a stock selection process combining the Equity Strategy with the Equity All Cap Strategy. Equity investments include domestic and foreign securities in common stock, equity mutual funds, ETF's and other funds. Our service consists of asset allocation and proper diversification to help meet your stated investment objectives and risk tolerance.

Dividend Income Strategies

Management style of these portfolios focuses on dividend oriented and large cap stocks, providing yields greater than the S&P 500. Equity investments include domestic and foreign securities in common stock, equity mutual funds, ETF's and other funds. Our service consists of asset allocation and proper diversification to help meet your stated investment objectives and risk tolerance.

Custody of client accounts for both securities and funds will be maintained at a qualified designated custodian and clearing firm selected by you or our Firm.

BANK INVESTMENT MANAGEMENT SERVICES:

We provide investment management services to banks and thrift institutions ("Banks") emphasizing preservation of capital and/or generation of income, achieved primarily through taxable cash and/or fixed income investments.

Custody of the Banks' accounts for both securities and funds will be maintained at a designated custodian selected by the Banks or our Firm.

SUB-ADVISORY INVESTMENT MANAGEMENT SERVICES:

We act as a sub-advisor for clients of other unaffiliated registered investment advisory firms. Sub-advisory services provided on behalf of the unaffiliated registered investment advisory firms are of the nature of investment management and trading of client's securities portfolio, including the selection of securities to be bought or sold in accordance with the client's investment objectives and risk tolerance. We may rely on the primary manager of the unaffiliated registered investment advisory firm to determine investment objectives and risk tolerance. Clients will receive full disclosure, including services rendered and fee schedules at the time of the referral by delivery of a copy of our relevant brochure or equivalent disclosure document.

SUB-MANAGEMENT SERVICES & INVESTMENT STRATEGIES:

We are in a sub-management agreement with EnvestNet to provide investment management services on behalf of clients participating in the EnvestNet Premier Asset Management Program, a wrap-fee program offered through EnvestNet. We will have discretionary authority to supervise and direct the investment and reinvestment of the client's assets.

Envestnet Investment Strategies

We also provide investment strategies to various investment advisors via a brokerage platform offered through EnvestNet.

EnvestNet will be provided the appropriate disclosure statement, in addition to our relevant brochure or equivalent disclosure document and privacy policy, prior to placing client assets with us.

TRIP Portfolio Management Services:

We offer total return management for portfolios ("TRIP") to institutional clients. A TRIP portfolio is a separately managed portfolio managed for total return. The incentive to take additional risks in these portfolios is increased. TRIP is available only to institutional clients and only in fixed income government securities. The performance fee amount is specified in each TRIP contract negotiated with each institutional client.

Qualified Client

Only qualified investors as defined by Sec. 205-3 of the Investment Advisors Act at the time of investment who meet the required threshold are permitted to invest in investments that charge performance fees. Typically, this includes a minimum liquid net worth excluding the value of the investor's primary residence and minimum assets under management. The thresholds will be adjusted for inflation every five years with the initial rule effective date of May 22, 2012.

Key provisions of Section 205-3 are paragraph (d) which can be found at:

<http://taft.law.uc.edu/CCL/InvAdvRIs/rule205-3.html>

The firm will assure the investor meets these thresholds prior to accepting the investor into the investment vehicle which charges performance fees.

REPORTS AND PUBLICATIONS:

We do not offer reports or publications on a subscription basis however, general post market review reports may be sent to clients upon request. We may provide a special analysis report to a client that so requests it. This work would usually be in the area of securities analysis but may include recommendations. Other accounting and analytical work may also be performed. These special services would be provided at your request for a fee to be negotiated with you.

ASSETS UNDER MANAGEMENT

As of December 31, 2013 Cashen Investment Advisors, Inc. had approximately \$713,415,189 in discretionary assets under management and had \$1,553 in non-discretionary assets under management for a total of \$713,416,742.

Item 5 Fees and Compensation

PORTFOLIO MANAGEMENT PROGRAM FEE SCHEDULE:

Management fees are quoted on an annual rate and are based on quarterly market values.

BALANCED STRATEGIES

First \$1.0 Million	0.75%
Next \$3.0 Million	0.60%
Next \$6.0 Million	0.40%
Thereafter	0.35%

EQUITY STRATEGIES

First \$1.0 Million	1.00%
Next \$3.0 Million	0.75%
Next \$6.0 Million	0.50%
Thereafter	0.40%

FIXED INCOME STRATEGIES

First \$5.0 Million	0.50%
Next \$10 Million	0.40%
Next \$10 Million	0.30%
Thereafter	0.25%

EQUITY ALL CAP STRATEGIES

1.50%

STRATEGIC ALL CAP STRATEGIES

1.00%

DIVIDEND INCOME STRATEGIES

0.75%

Our fees charged are negotiable in situations deemed appropriate by us in our sole discretion.

Management fees are charged quarterly based on prior quarter's end market value, and billed in arrears. No compensation is payable before services are provided. We do not charge subscription fees. We charge management fees in accordance with industry practices.

All accounts for members of your family (husband, wife and dependent children) or related businesses may be assessed fees based on the total balance of all accounts, e.g. per household.

Additional Fees

In addition to management fees, we charge an accounting/administrative fee of \$32.50 per month. This accounting/administrative fee is in addition to any other advisory fees and may exceed 3% of AUM. Fees may be in excess of the industry norm and similarly advisory services may be obtained for less. This fee may be waived in our sole discretion.

There is no guarantee that the advisory services offered will result in the clients' goals and objectives being met.

Authorization is given by you to us to deduct the fees from your brokerage accounts held by a qualified custodian. The authorization will be limited to the contractually agreed upon investment management fees and which will disclose the frequency of the fee withdrawal.

We and/or the custodian shall provide written notice/invoice documentation reasonably supporting the determination of the investment advisor fees. The Custodian will send to you a quarterly account statement that shows the amount of our advisory fee, the value of your assets upon which the fee was based, and the specific manner in which the fee was calculated. We will verify that the Custodian sends Account statements on a quarterly basis.

You should compare invoices for advisory fees to the corresponding custodian statement. Statements should be received from the custodian no less than quarterly. If statements are not received, contact us immediately.

Fees are based on the percentages listed in the Fee Schedule on ending account market values based on the calendar quarter custodial statement. Fees for the initial quarter will be adjusted pro-rata based upon the number of calendar days in the calendar quarter that the Agreement goes into effect.

Fees are calculated by multiplying the assets under management market value by the relevant percent and dividing such product by four (4). Accounts opened in mid-quarter will be assessed at a pro-rated management fee.

Termination:

You may terminate our investment advisory services according to the terms disclosed in the investment advisory service agreement. Since fees are paid in arrears, a final fee will be charged which will be prorated according to the number of days for which investment advisory services were provided during that quarter.

Additional Types of Fees or Expenses:

Portfolio Management fees do not include certain charges imposed by third-parties which may include, but are not limited to, the following: ETF's, mutual fund or money market 12b-1 and sub transfer fees, fund or money market management fees and administrative expenses, mutual fund transaction fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, IRA and qualified retirement plan fees, and other charges required by law. Additional fees may be incurred while the funds are in a money market fund or other no-load fund. These fees are charged and collected by the mutual funds and are not refundable to Client. These fees are in addition to the fees charged by us.

BANK INVESTMENT MANAGEMENT FEE SCHEDULE:

Management fees are quoted on an annual rate and are based on quarterly market values. Our bank annualized management fee schedule is follows:

First \$40.0 Million	0.100%
Thereafter	0.075%

Our fees charged are negotiable in situations deemed appropriate by us in our sole discretion.

These fees are charged quarterly based on prior quarter's end market value, and billed in arrears. No compensation is payable before services are provided. We do not charge subscription fees. We charge management fees to Banks in accordance with industry practices.

Additional Fees

In addition to management fees, we charge Banks an accounting/administrative fee of \$32.50 per month. This accounting/administrative fee is in addition to any other advisory fees and may exceed 3% of AUM. Fees may be in excess of the industry norm and similar advisory services may be obtained for less. This fee may be waived in our sole discretion.

There is no guarantee that the advisory services offered will result in the clients' goals and objectives being met.

Additional Types of Fees or Expenses:

Portfolio Management fees do not include certain charges imposed by third-parties which may include, but are not limited to, the following: ETF's, mutual fund or money market 12b-1 and sub transfer fees, fund or money market management fees and administrative expenses, mutual fund transaction fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, IRA and qualified retirement plan fees, and other charges required by law. Additional fees may be incurred while the funds are in a money market fund or other no-load fund. These fees are charged and collected by the

mutual funds and are not refundable to Client. These fees are in addition to the fees charged by us.

Termination:

You may terminate our investment advisory services according to the terms disclosed in the investment advisory service agreement. Since fees are paid in arrears, a final fee will be charged which will be prorated according to the number of days for which investment advisory services were provided during that quarter.

SUB-ADVISORY INVESTMENT MANAGEMENT FEE SCHEDULE:

Management fees for these sub-advisory services may vary according to the sub-advisory agreement negotiated with you.

The fee will be based on the amount of assets managed and may be negotiable. In no event will the annual management fee exceed 3.00%. These fees are charged quarterly based on prior quarter's end market value, and billed in arrears. No compensation is payable before services are provided. We charge management fees in accordance with industry practices.

We may impose a minimum dollar amount of initial client assets for the investment advisory services depending on the sub-advisory arrangement. These minimums may be waived at our discretion.

Authorization is given by you to us to deduct the fees from your brokerage accounts held by a qualified custodian. The authorization will be limited to the contractually agreed upon investment management fees and will disclose the frequency of the fee withdrawal.

We may remit a percentage of all management fees collected from our sub-advisory clients to the Advisor or Advisor may collect and remit a percentage of all management fees collected from its sub-advisory clients to us.

Additional Fees

In addition to management fees, we charge an accounting/administrative fee of \$32.50 per month. This accounting/administrative fee is in addition to any other advisory fees and may exceed 3% of AUM. Fees may be in excess of the industry norm and similar advisory services may be obtained for less. This fee may be waived by us in our sole discretion.

There is no guarantee that the advisory services offered will result in the clients' goals and objectives being met.

Additional Types of Fees or Expenses:

Portfolio Management fees do not include certain charges imposed by third-parties which may include, but are not limited to, the following: ETF's, mutual fund or money market 12b-1 and sub transfer fees, fund or money market management fees and administrative expenses, mutual fund transaction fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, IRA and qualified retirement plan fees, and other charges required by law. Additional fees may be incurred while the funds are in a money market fund or other no-load fund. These fees are charged and collected by the mutual funds and are not refundable to Client. These fees are in addition to the fees charged by us.

Termination:

You may terminate our investment advisory services according to the terms disclosed in the investment advisory service agreement. Since fees are paid in arrears, a final fee will be charged which will be prorated according to the number of days for which investment advisory services were provided during that quarter.

SUB-MANAGEMENT SERVICES & INVESTMENT STRATEGIES FEE SCHEDULE:

We will receive from Envestnet a quarterly fee calculated separately for each sub-management client based on the assets under management on the last day of the calendar quarter. The fee will equal, on an annualized basis, a percentage (in basis points) agreed to by both parties.

Termination:

You may terminate our investment advisory services according to the terms disclosed in the investment advisory service agreement. Since fees are paid in arrears, a final fee will be charged which will be prorated according to the number of days for which investment advisory services were provided during that quarter.

Envestnet Investment Strategies

The fees for investment strategies offered to various investment advisors via a brokerage platform may be set and collected by the primary investment advisor. A portion of the fees will be remitted to us as compensation for our service. Fees shall be accrued quarterly based on the market values of the portfolios managed according to the Investment Strategy and the assets as of the close of the last day of the previous quarter and shall be paid in arrears within forty-five (45) days following the end of the quarter.

TRIP Portfolio Management Services:

Performance fees are offered on the TRIP portfolios. The fees are calculated on an annual basis over a performance period in excess of one year. The fee is charged annually.

Additional Types of Fees or Expenses:

Portfolio Management fees do not include certain charges imposed by third-parties which may include, but are not limited to, the following: ETF's, mutual fund or money market 12b-1 and sub transfer fees, fund or money market management fees and administrative expenses, mutual fund transaction fees, certain deferred sales charges on previously purchased mutual funds transferred into the account, IRA and qualified retirement plan fees, and other charges required by law. Additional fees may be incurred while the funds are in a money market fund or other no-load fund. These fees are charged and collected by the mutual funds and are not refundable to Client. These fees are in addition to the fees charged by us.

There is no guarantee that the advisory services offered by us will result in your goals and objectives being met.

REPORTS AND PUBLICATIONS:

We do not offer reports or publications on a subscription basis however, general post market review reports may be sent to clients upon request. We may provide a special analysis report to a client that so requests it. This work would usually be in the area of securities analysis but may include recommendations. Other accounting and analytical work may also be performed. These special services would be provided at your request for a fee to be negotiated with you.

ERISA Accounts, Profit Sharing 401(k), SEP's:

We may also have other retirement accounts which are subject to ERISA rules and regulations. In all cases an "eligible investment advice arrangement" or advisory agreement will be executed with the Client. We will be considered a "fiduciary advisor" and will charge fees to the retirement account.

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

The TRIP Portfolio is available only to institutional clients and only in fixed income government securities. The amount of performance fee is specified in each TRIP contract negotiated with each institutional client.

Performance based fee arrangements may create an incentive for our firm to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. This type of fee arrangement can also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. We have procedures in place to ensure that all clients are treated fairly and equally and to prevent this conflict from influencing the allocation of investment opportunities among our clients.

Qualified Client

Only qualified investors as defined by Sec. 205-3 of the Investment Advisors Act at the time of investment who meet the required threshold are permitted to invest in investments that charge performance fees. Typically, this includes a minimum liquid net worth excluding the value of the investor's primary residence and minimum assets under management. The thresholds will be adjusted for inflation every five years with the initial rule effective date of May 22, 2012.

Key provisions of Section 205-3 are paragraph (d) which can be found at:

<http://taft.law.uc.edu/CCL/InvAdvRIs/rule205-3.html>

The firm will assure the investor meets these thresholds prior to accepting the investor into the investment vehicle which charges performance fees.

Item 7 Types of Clients**Client Base**

Our client base may consist of individuals, banks or thrift institutions, trusts, estates, charitable organizations, IRA's, 401(K) participants, pension and profit sharing plans and corporations or other business entities. These are the types of clients that we service, but we may not have all these types as current clients at any one time.

Conditions for Account Management

We may impose minimum requirements for us to manage your assets. TRIP Portfolios will have a minimum requirement of \$1,000,000 in assets to be managed. We may make an exception to this minimum based on individual factors such as length of time the account has been known, overall composition of the account, multiple accounts held with advisor, etc. in our sole discretion.

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

We work with you to devise an investment strategy to meet your financial objectives. This includes:

- discussion regarding your objectives
- review of existing holdings
- ongoing analysis of funds
- advice on best direction for new investments
- updates of specific changes within the market or to particular funds
- periodic monitoring of recommended investments and yearly review

The flexibility of our strategies gives us the ability to best manage investment risks in any investment market.

We use Fundamental and Technical security analysis methods.

Fundamental Analysis involves using real data to evaluate a security's value. We perform fundamental analysis on a securities value by looking at economic factors, such as interest rates and the overall state of the economy, information about issuers, potential changes in credit ratings, revenues, earnings, future growth, return on equity, profit margins and other data to determine underlying value and potential for future growth.

Technical Analysis involves studying supply and demand in the market to determine what direction, or

trend will continue in the future by understanding the emotions in the market as opposed to its components and focuses on the effect of previous price movements. Understanding the benefits and limitations of technical analysis can give a new set of tools or skills that will enable us to better understand market trends.

Our security analysis information is based on a number of sources including financial newspapers, periodicals, commercially available investment services, issuer prepared information, security rating services, general market and financial information, due diligence reviews and specific investment analysis that our clients may request.

Risk of Loss:

The advice offered to you is determined by your stated objective(s). You are advised to notify us promptly if there are ever any changes in your financial situation or investment objective or if you wish to impose any reasonable restrictions upon our management services, in which case you will need to advise us in writing of any restrictions.

We do not represent, warrant, or imply that the services or methods of analysis employed by us can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. All securities trading, whether in stocks, options, or other investment vehicles, is speculative in nature and involves substantial risk of loss that clients should be prepared to bear. Past performance is not necessarily indicative of future results. Clients should make every effort to understand the risks involved.

The Principle Risks of Investing include, but are not limited to:

General Risks: Your investments with us are not a deposit in a bank and are not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Accordingly, you may lose money by investing with us. When you sell your investments, they may be worth less than what you paid for them because the value of investments will fluctuate reflecting day-to-day changes in market conditions, interest rates and a number of other factors.

Allocation Risk: Our allocation of investments among different asset classes, such as equity or fixed-income assets classes, may have a more significant effect on your returns when one of these classes is performing more poorly than others.

Market Risk: Stock and bond markets often trade in random price patterns, and prices can fall over sustained periods of time. The value of the investments we make for you will fluctuate as the financial markets fluctuate. This could result in your account value(s) declining over short or long term periods of time.

Focused and Concentrated Portfolio Risks: We may invest your assets in a smaller number of securities than other broadly diversified investment strategies. This approach is often referred to as “focused, concentrated, or non-diversified”. Accordingly, the money being managed may have more volatility and is often considered to have more risk than a strategy that invests in a greater number of securities because changes in the value of a single security may have a more significant effect, either negative or positive, on an overall portfolio value. To the extent we invest your assets in fewer securities, or we invest in non-diversified funds that take a focused or concentrated approach, your assets are subject to greater risk of loss if any of those securities become permanently impaired.

Equity Risk: Your investments will be subjected to the risk that stock prices may fall over short or extended periods of time. Historically, the equity markets have moved in cycles, and the value of equity securities in your portfolio may fluctuate drastically from day to day. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors will contribute to the volatility and risk of your assets.

Special Situation Risk: We may invest your assets in special situations. Investments in special situations

may involve greater risks when compared to other strategies due to a variety of factors.

Expected changes may not occur, or transactions may take longer than originally anticipated, resulting in lower returns than contemplated at the time of investment. Additionally, failure to anticipate changes in the circumstances affecting these types of investments may result in permanent loss of capital, where we may be unable to recoup some or all of its investment.

Foreign Securities Risk: We have the ability to invest in foreign securities, and, from time to time, a significant percentage of your assets may be composed of foreign investments. Foreign investments involve greater risk in comparison to domestic investments because foreign companies/securities, may have different auditing, accounting, and financial reporting standards, may not be subject to the same degree of regulation as U.S. companies, and may have less publicly available information than U.S. companies, and are often denominated in a currency other than the U.S. dollar.

Currency Risk: Your investments may be subject to currency risk. Currency fluctuations and changes in the exchange rates between foreign currencies and the U.S. dollar could negatively affect the value of your investments in foreign securities.

Interest Rate Risk: Your investments are subject to interest rate risk. Interest rate risk is the risk that the value of a security will decline because of a change in general interest rates. Investments subject to interest rate risk will usually decrease in value when interest rates rise. For example, fixed-income securities with long maturities typically experience a more pronounced change in value when interest rates change.

Credit Risk: Your investments are subject to credit risk. An investment's credit quality depends on its ability to pay interest on its debt and to repay its debt and other obligations.

Small- to Medium-Capitalization Risk: We may invest your assets in small to medium sized companies. Shares of small to medium sized companies may have more volatile share prices. Furthermore, the securities of small to medium sized companies often have less market liquidity and their share prices can react with more volatility to changes in the general marketplace.

Junk Bond/High-Yield Security Risk: We may invest your assets in Junk Bonds or High-Yield, lower rated securities. Investments in fixed-income securities that are rated below Investment grade can be subject to greater risk of loss of principal and interest than investments in higher-rated fixed-income securities. The market for high yield securities may be less liquid than the market for higher-rated securities. High yield securities are also generally considered to be subject to greater market risk than higher-rated securities. The capacity of issuers of high yield securities to pay interest and repay principal is more likely to weaken than that of issuers of higher-rated securities in times of deteriorating economic conditions or rising interest rates.

Prepayment Risk: Your investments may be subject to prepayment risk. Prepayment risk occurs when the issuer of a security can repay principle prior to the security's maturity. Securities subject to prepayment can offer less potential for gains during a declining interest rate environment and similar or greater potential for loss in a rising interest rate environment. In addition, the potential impact of prepayment features on the price of a security can be difficult to predict and result in greater volatility.

Inflation Risk: This is the risk that the value of your assets or income from your investments will be less in the future as inflation decreases the value of your money. As inflation increases, the value (purchasing power) of your assets can decline. This risk increases as we invest a greater portion of your assets in fixed-income securities with longer maturities.

Liquidity Risk: Liquidity risk exists when particular investments are difficult to purchase or sell, possibly preventing us from selling out of these illiquid securities at an advantageous price.

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 our firm or the integrity of our management.

Our Firm does not have any material facts about legal or disciplinary events that are material to your evaluation of the integrity of our firm or its advisory agents to disclose. Your confidence and trust placed in our Firm and our advisory agents is something we value and endeavor to protect.

Item 10 Other Financial Industry Activities and Affiliations

Related Relationships:

Financial Industry:

We have a sub-advisory agreement with Inwood Asset Management, Inc. ("IAM"), a state registered investment advisory firm. IAM and Cashen Investments Advisors, Inc. ("Cashen") are affiliated in that Shack B. Cashen is President of IAM and President/Owner of Cashen. Clients will receive full disclosure, including services rendered and fee schedules at the time of the referral by delivery of a copy of our relevant brochure or equivalent disclosure document.

Sub Advisory:

We have entered into a sub-advisory agreement with Inwood Asset Management, Inc. ("IAM"), a state registered investment advisory firm. For entering into the sub-advisory agreement with Inwood Asset Management, Inc. (IAM), Inwood Bancshares, Inc., IAM's parent company and a client of Cashen, has provided Cashen with a sublease and certain other benefits, such as waived rent for the first nine months of the sublease, waived additional rent, office furnishings, and warehouse storage. As part of the sub-advisory agreement, IAM and Cashen have agreed that in the event the relationship between IAM and Cashen is terminated, Cashen will terminate its relationship with IAM's clients. Because of this arrangement there is a conflict of interest between IAM, Inwood Bancshares, and Cashen. Cashen may enter into similar sub-advisory arrangements for future subsidiaries or affiliates of Inwood Bancshares, Inc.

We have an arrangement to provide Envestnet Asset Management, Inc., a SEC registered investment advisor, with management services for investment strategies whereby clients will engage Envestnet to directly trade their assets pursuant to the investment strategies. We may enter into similar sub-advisory arrangements in our sole discretion.

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

Code of Ethics:

Our Firm has adopted a Code of Ethics Policy to prohibit conflicts of interest from personal trading by advisory personnel and has established standards of conduct expected of its advisory personnel. Our Firm has set forth in the Code of Ethics Policy statements of general principles, required course of conduct, reporting obligations, and review and enforcement of the Code of Ethics Policy. We will provide a copy of the Code of Ethics Policy to our clients or prospective client's upon written request.

Participation or Interest in Client Transactions / Personal Trading:

Our firm, Inwood Asset Management, Inc., Shack B. Cashen, and other advisory agents (including

officers, directors and employees) may purchase securities on their own behalf that we recommend to our clients. In such situations, we will ensure that the client's securities purchases are executed before the execution of the purchase of securities on behalf of it or such related persons.

Shack B. Cashen acts as portfolio manager for Cashen and Inwood Asset Management, Inc. and as a result a conflict of interest exists. Cashen has adopted internal procedures to reduce this conflict. In addition, it is the policy of Cashen to not engage in securities transactions for itself or related persons that would be contrary to the best interest of any client. Securities are bought and sold on the same basis as the clients. In all instances, the positions will be so small as to have no impact on the pricing or performance of the security.

Our firm and its advisory agents will act in a fiduciary manner, understand the prohibitions against the use of any insider information and will always act in your best interest.

Item 12 Brokerage Practices

Brokerage Selection:

Our firm has sole discretionary authority over your account(s) to determine the securities to be bought or sold, their amounts, the broker/dealer to be used (which may be based on the commissions charged), without specific consultation with you as deemed to be in your best interest and to achieve your stated investment objectives.

Factors we consider when selecting broker-dealers include their respective financial strength, reputation, execution, pricing, research and service. We understand and acknowledge that at all times we owe a fiduciary duty to you to obtain best execution for your transactions. We believe that our relationship with these various broker-dealers helps us to execute securities transactions for you in such a manner that your total cost in each transaction is as favorable as possible under prevailing market conditions. However, accounts with a full service broker/dealer, may not obtain best execution at all times. The commissions and/or transactional fees charged by these broker-dealers to you may be higher or lower than those charged by another broker-dealer. You are under no obligation to utilize the broker-dealers that we may recommend or suggest for your account.

Brokerage for Client Referrals:

Neither our Firm nor our Advisory Agents receive client referrals from a broker dealer or other third party when recommending to you a broker-dealer for the execution of securities transactions.

Directed Brokerage:

If you want to direct us to use a particular broker dealer to handle security transactions then you are responsible for the custodian fee arrangement. You should understand that this might prevent our Firm from effectively negotiating brokerage compensation or obtaining the most favorable net price and execution. When directing brokerage business, you should consider whether the commission expenses, execution, clearance and settlement capabilities that you will obtain through another broker dealer are adequately favorable in comparison to those that our Firm would otherwise obtain for you. Also, you may elect a custodian (bank or broker) from a range of choices that we have. We encourage you to discuss available alternatives with our advisory agents.

Additional Services Received by our Firm:

We may participate in the programs of several broker/dealers. While there is no direct link between the investment advice given and participation in the programs, economic benefits are received. These benefits may include receipt of duplicate clients confirmations and bundled duplicate statements; access to a trading desk serving adviser participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate share to client accounts; access to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum

initial investments or are generally available only to institutional investors. The benefits received do not necessarily depend upon the proportion of transactions directed to the respective broker/dealer. You should be aware that the receipt of economic benefits by us or our advisory agents in and of itself creates a potential conflict of interest.

Neither this Firm nor our advisory agents receive any products, research or services other than those disclosed.

Trade Aggregation:

We provide investment management services to various clients. We may, in our sole discretion, aggregate purchases or sales of any security, instrument or obligation effected for various client accounts with purchases or sales, as the case may be, of the same security, instrument or obligation effected on the same day for the accounts of one or more of our other clients. Although such concurrent aggregations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when we believe that to do so will be in the best interest of the affected accounts. When transactions are so aggregated, (a) the actual prices applicable to the aggregated transaction will be averaged, and each client account participating in the aggregated transaction will be deemed to have purchased or sold its share of the security, instrument or obligation involved at that average price and (b) all transaction costs incurred in effecting the aggregated transaction, except to the extent that certain broker-dealers that also furnish custody services may impose minimum transaction charges applicable to some of the participating accounts. When such concurrent aggregation occurs, the objective will be to allocate executions in a manner that is deemed equitable to the accounts involved.

Item 13 Review of Accounts

Account reviews will be provided on a yearly basis or by client request. Reviews may be warranted more frequently due to tax law changes, market changes, market conditions or changes in personal circumstances. Reviews initiated by you may be for personal objectives or for any reason you so desire. The accounts are reviewed for including, but not limited to, continued suitability, comfort level, risk tolerance relative to returns, and appropriateness. The reviews will be conducted by Shack B. Cashen, President & Chief Compliance Officer.

Statements, confirmations and/or performance reports are furnished at least quarterly from various financial services institutions/firms with which you transact business. These firms may include, and are not limited to, brokerages, investment companies, insurance companies, trust companies, other registered investment advisors, banks and credit unions. You will receive account statements from these entities and not our Firm. The account statements from the custodian indicate activity, previous portfolio balances, current portfolio balances, and account summary. We will also provide you a monthly statement of assets under management.

Item 14 Client Referrals and Other Compensation

Client Referrals:

We do not have any arrangements to compensate another for client referrals.

Other Compensation:

We have a sub-advisory agreement with Inwood Asset Management, Inc. (IAM), where we retain 50% on the initial \$750,000 of the management fees collected annually and 35% of the amount in excess of the initial \$750,000. We retain 100% of the administrative/accounting fee collected by us for providing services to IAM clients. These fees are not part of the shared fees with IAM.

Additionally, for entering into the sub-advisory agreement with IAM, Inwood Bancshares, Inc., IAM's parent company and a client of Cashen, has provided Cashen with a sublease and certain other benefits, such as waived rent for the first nine months of the sublease, waived additional rent, office furnishings, and warehouse storage.

We may participate in the programs of several broker/dealers. While there is no direct link between the investment advice given and participation in the programs, economic benefits are received. These benefits may include receipt of duplicate clients confirmations and bundled duplicate statements; access to a trading desk serving adviser participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate share to client accounts; access to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received do not necessarily depend upon the proportion of transactions directed to the respective broker/dealer. You should be aware that the receipt of economic benefits by us or our advisory agents in and of itself creates a potential conflict of interest.

We try at all times to put the interest of you first as part of our fiduciary duty. However, you should be aware that the receipt of additional compensation creates a potential conflict of interest and may affect judgment when making these recommendations.

Item 15 Custody

Your funds and securities will be maintained with a "qualified custodian" as required under Rule 206(4)-2 under the Advisers Act and we will not take physical possession of any funds or securities. Custody of your accounts for both securities and funds will be maintained at a selected designated custodian or another qualified designated custodian as directed by us or you. Account statements are sent no less than quarterly from the custodian and you should carefully review those statements including comparison to any reports we may send to you.

Item 16 Investment Discretion

Unless otherwise negotiated, you have granted us sole and absolute discretion in the management of your portfolio and periodic re-balancing to the asset class target percentages as outlined in your Advisory Agreement except with respect to payment of the Firm's Fees. In the exercise of authority, we are fully authorized and empowered to place orders to brokers, dealers, mutual funds, or other persons with respect to the purchase, sale, exchange, disposition or liquidation of any assets held in your portfolio.

Item 17 Voting Client Securities

We do not vote client proxies and will instruct the Custodian to forward all proxy material directly to you. We shall forward to you, or to the Advisor(s) for an employee benefit plan covered by ERISA, unless the plan's trust agreement provides otherwise, any proxy materials it receives that pertain to the Assets in your account. You can contact our office at 972-715-1860 for any questions about a particular solicitation.

Item 18 Financial Information

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. We do not have any financial condition that is reasonably likely to impair the ability to meet contractual commitments to you and has not been the subject of a bankruptcy proceeding.

Item 19 Requirements for State Registered Advisers

Not applicable, we are a SEC registered investment adviser.