



**Firm Brochure
(Part 2A of Form ADV)**

***Commerce Advisors
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This brochure provides information about the qualifications and business practices of Commerce Advisors. If you have any questions about the contents of this Brochure, please contact us at 901-260-6050, William Woodmansee or at email, william.woodmansee@commerceadvisorsllc.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.

Commerce Advisors is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Commerce Advisors also is available at the SEC's website at www.adviserinfo.sec.gov.



Item 2 - Material Changes

CH is owned by members of management that include J. Vincent Robinson, 20% and Kurt Voldeng, 10% and the remaining owned by private equity investors the largest of which is BF Leasing LLC, a Tennessee Limited Liability Company, whose managing member is, Thomas J. Bryce with approximately 25%. Simultaneously with the merger, senior management of the lines of business were issued units of the respective subsidiaries as follows: William Woodmansee 10% of Commerce Advisors, LLC, Akos Belezny 20%, Commerce Asset Management, LLC.

We will further promptly provide you with a new Brochure as necessary based on material changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting William Woodmansee, william.woodmansee@commerceadvisorsllc.com or at 901-260-6050. Our Brochure may also be referenced through our website www.commerceadvisorsllc.com, also free of charge.

Additional information about Commerce Advisors is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Commerce Advisors who are registered, or are required to be registered, as investment adviser representatives of Commerce Advisors.



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Item 3 - Advisory Business

Firm Description and Principal Owners

Commerce Advisors, LLC (Commerce Advisors) began business in September, 2009 and is wholly owned by Commerce Holdings, LLC. Commerce Holdings, LLC is owned by senior management and private equity investors and has three financial services subsidiaries. The subsidiaries include 1) Commerce Advisors' line of business is comprehensive wealth management advisory services 2) Commerce Asset Management LLC, a related entity of Commerce Advisors, is an alternative investment asset management firm offering pooled investment vehicles, separately managed accounts, customized alternative investment solutions, a sub advisor to a public ETF fund (ticker symbol QEH) and advisor to a recently effective 40 Act Mutual fund specifically as an insurance dedicated fund 3) InterSec Research LLC, a research firm providing institutional investors and advisors market research and performance analytics.

Types of Advisory Services

Commerce Advisors provides comprehensive wealth management services that include, financial planning, investment strategy and asset class selection and reporting to high net worth individuals, family offices, trusts, estates, closely held businesses and on a selective basis small and medium sized pension and profit sharing plans and charitable organizations.

Commerce Advisors' contracted core service process includes financial planning that supports and develops client goals, objectives and risk profile, implementation of appropriate investment strategies to achieve goals and objectives, monitoring of investment managers and strategies and performance reporting and continuous communication with our clients throughout the year. Commerce Advisors utilizes National Financial Services LLC and Fidelity Brokerage Services LLC (collectively, and together with all affiliates, "Fidelity") as its primary custodian, brokerage transaction and supported technology. Special projects for customized segmented services, requested by a client, are accepted on a selective basis. Commerce Advisors' decision to accept a client relationship under a discretionary or non-discretionary services contract is based on the desire and complexity of the prospective client which enables Commerce Advisors to appropriately manage the risk associated with client relationships. Under both discretionary and non-discretionary contracts, Commerce Advisors communicates continuously with clients on substantive modifications to their plans.

Commerce Advisors furnishes advice to clients on matters beyond the investment portfolio, such as determination of financial objectives, identification of financial problems, cash flow management, insurance review, education funding, retirement planning, and planning for other future obligations.

Wrap Fee Programs

Commerce Advisors does not participate in wrap fee programs.



Client Assets Managed by Commerce Advisors

Commerce Advisors manages approximately \$372,961,862 in assets for approximately 94 clients. Approximately \$131,753,745 is managed on a discretionary basis, and \$241,208,117 is managed on a non-discretionary basis as of 12/31/2013.

Item 4 - Fees and Compensation

Description

The specific manner in which fees are charged by Commerce Advisors is established in a client's written agreement with Commerce Advisors. Commerce Advisors will generally bill its fees on a quarterly basis. Clients are being billed either in advance or arrears each calendar quarter. Current clients may also elect to be billed directly for fees through a third party provider, Envestnet Asset Management, Inc. or to authorize Commerce Advisors to directly debit fees from client accounts. Management or Advisement fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Commerce Advisors' fees are exclusive of brokerage commissions, transaction fees, third party reporting fees and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, investment asset managers such as fees charged by asset managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Such charges, fees and commissions are exclusive of and in addition to Commerce Advisors' fee, and Commerce Advisors shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Commerce Advisors considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Fees may be fixed dollar amounts or may be expressed as a percentage of assets. Commerce Advisors' standard fixed fees generally range from a minimum of \$5,000 per annum and up although exceptions may occur on a specific client basis and with approval of management. Both Fixed fees and asset fees are based upon client expectations of service, portfolio asset size, and scope of service provided, complexity of service, risk factors and input costs. Asset based fees generally range from .30% to 1.50% depending upon the particular client's portfolio size and specific service needs. Fees are open to negotiation subject to management approval.

Fidelity, the current custodian of the majority of assets under advisement, charges transaction fees on the purchase or sale of some of the mutual funds we select for client accounts (currently \$35 flat ticket on all buys and sells). As broker-dealer on each managed account, Fidelity will also charge a



small fee or commission on the purchase or sale of government/corporate bonds, closed-end mutual funds, exchange traded funds (ETFs) and most other stock and bond purchases and sales.

Every mutual fund and ETF has internal management fees, legal, accounting, brokerage, custodial and operating expenses that are borne by the fund investor. The total of such charges vary and are more fully set forth via the particular investment prospectus. These expenses are netted against gross returns and the net returns are reported to shareholders.

Performance-Based Fees

Commerce Advisors does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

Item 5 - Types of Clients

Description

Commerce Advisors generally provides wealth management and investment advice to high net worth individuals and family offices. On a selective basis to corporate pension and profit sharing plans, charitable institutions, foundations, endowments, trusts, estates, and corporations or business entities. Client relationships vary in scope of service.

Item 6 - Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Commerce Advisors emphasizes diversification as well as risk measures when evaluating investment strategies for inclusion in a client's asset allocation and portfolio. Investment asset managers are evaluated upon relative performance such as peer group and market comparisons focusing on risk adjusted returns.

Commerce Advisors compiles specific client information from bank custodian and brokerage statements and utilizes this information as a component of client analysis in the preparation of charts and graphs to assist in the account review process with clients. Investing in securities directly or money manager strategies involves risk of loss that clients should be prepared to bear.

Commerce Advisors has a contractual arrangement in place to receive research services from Consulting Services, Group, LLC. Consulting Services Group is an institutional based Registered Investment Advisor and provides Commerce Advisors with proprietary research and opinion on investment managers and strategic asset allocations. Commerce Advisors also relies on internally generated research when making investment recommendations. Commerce Advisors' principal sources of information include publicly available information as well as subscription databases regarding money managers; public filings of issuers and money managers with governmental authorities; annual reports; industry data; interactions with money managers via the telephone, web or face-to-face meetings. In addition, trade publications, charts and other statistical material are



furnished by outside vendors. Commerce Advisors will assist all clients with determining the appropriate investment goals, objectives and asset allocations based on that client's risk tolerance and time horizon. These factors are updated through continual communication with clients no less frequent than annually.

Other sources of information that Commerce Advisors may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, eVestment Alliance, Investor Force, Envestnet Asset Management, PerTrac, Zephyr, Advisor Intelligence, and the World Wide Web.

Investment Strategies

Commerce Advisors focuses on strategic asset allocation and the selection of active investment managers. Portfolios are diversified to manage the risk associated with traditional markets. Commerce Advisors utilizes both actively managed strategies, index-based investments and ETFs in the implementation of client portfolio strategies. Commerce Advisors uses and recommends both traditional and alternative investments. In addition, Commerce Advisors employs a variety of vehicles to gain access to the desired investment manager or passive strategy (e.g. separate accounts, institutional no-load mutual funds, commingled trusts, limited partnerships, closed-end fund, other pooled investment vehicles, etc.).

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Commerce Advisors documents in the client profile investment objective and assesses risk tolerance for each client.

Underlying investment manager strategies may utilize long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors should review underlying disclosure information provided by investment managers such as the prospectus, private placement memorandum, etc. Investors typically face the following investment risks, however, this list is not meant to be comprehensive or address all risks that may be present in an underlying investment manager's strategy:

- Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.



- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.
- **Custody Risk:** The risk of loss of securities held in custody occasioned by the insolvency, negligence or fraudulent action of the custodian or sub-custodian. Even if an appropriate legal framework is in place, which eliminates the risk of loss of value of the securities held by the custodian in the event of its failure, the ability of participants to transfer the securities might be temporarily impaired.
- **Fraud Risk:** Risk associated with third party advisors seeking to outperform peer groups or beat historical performance through taking excessive risk and deviating from investment philosophy and strategy. An employee advisor engaging a third party to management client funds for self-enrichment without regard to the clients overall financial plan and risk tolerance.

Item 7 - 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 Commerce Advisors or the integrity of Commerce Advisors' management.

Item 8 - Other Financial Industry Activities and Affiliations



Commerce Advisors has arrangements that are material to its advisory business or its clients with related entities as described below.

Commerce Advisors' parent company, Commerce Holdings, LLC, owns 80% of Commerce Asset Management, LLC.

Commerce Asset Management, LLC, ("CAM") is a related registered investment adviser providing investment management services in respect of various types of alternative investments such as the Heritage Hedged Equity Funds or QAM (ETF based) liquid alternative strategies. Generally these asset management services are only provided to certain qualified and accredited clients. CAM is the sub advisor to AdvisorShares Trust, a Delaware trust registered under the Investment Company Act of 1940 and offering a number of professionally managed investment portfolios or funds. The specific fund CAM advises is QAM Equity Hedge ETF and is listed on the NYSE Arca, ticker: QEH. CAM owns 85% of Quantitative Alternative Management, LLC. Quantitative Alternative Management, LLC is an affiliated entity that seeks to design and develop alternative investment management strategies. Matt Robinson, an outside consultant and trading advisor to the QAM strategy, owns 15% of Quantitative Alternative Management.

Commerce Advisors president, Woody Woodmansee, is a registered representative of Purshe Kaplan Sterling Investments, an unaffiliated broker dealer, in order to provide clients advice and selection of various insurance products such and annuities and variable life insurance. Funds invested by clients in these insurance products are not charged an advisory fee by Commerce Advisors although Mr. Woodmansee is paid commissions as a registered representative.

Potential Conflicts of Interests

Because of Commerce Advisors affiliations noted above the potential for conflict of interests exists in providing services to its clients. A conflict of interest can result in the impairment of Commerce Advisor's professional objectivity when servicing a client's account.

Potential Conflict - Affiliation with Commerce Asset Management, investment manager of both Heritage Hedged Equity Funds and the QAM liquid alternative strategies. Because Commerce Asset Management is the investment manager of those funds and strategies and Commerce Asset Partners, the general partner of Heritage Hedged Equity Fund, L.P., Commerce Advisors may have an incentive to recommend investments in these pooled investment vehicles over other appropriate vehicles because Commerce Holdings, the parent of Commerce Advisors, may receive profits from its ownership in Commerce Asset Management. Pooled investment vehicles are restricted to qualified accredited clients exclusively on a "private placement" basis. The underlying affiliated ownership of Commerce Asset Management is disclosed to the client of Commerce Advisors. Commerce Advisor's professionals must make the decision whether any investment strategies offered by CAM are appropriate for a client portfolio and such professionals are not compensated for allocating client funds to any of CAM's investment strategies.

Potential Conflict --- Woody Woodmansee, President of Commerce Advisors, and Michael Robinson, a member of Commerce Holdings LLC, were appointed trustees of several trusts on behalf



and at the request of a Commerce Advisors' client. Mr. Woodmansee and Mr. Robinson through their advice and counsel to the respective trust could direct that these trusts invest in strategies that could benefit Commerce Advisors or an affiliated entity without regard to appropriateness of the investment strategy for the trust.

Mitigating Process and Procedures ---- Commerce Advisors' Compliance Manual and Commerce Holdings Compliance Committee provide a means for review of related party transactions and conflicts of interest at an operational level through a review of material transactions including the placement of client assets. All staff are required to report potential conflicts and outside business activities engaged with clients. Commerce Advisors monitors all of the aforementioned relationships in order to put procedures in place to reduce the probability of any improprieties occurring. Commerce Advisors works in teams to develop asset allocations and investment strategy selections consistent with a client's financial plan while considering risk tolerance and time horizons. Further Commerce Advisors makes available to clients and interested parties a comprehensive financial disclosure document that outlines the compliance review of potential conflicts of interest at the investment manager level.

Item 9 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Description

Commerce Advisors has adopted a Code of Ethics for all employees of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures. All employees at Commerce Advisors must acknowledge the terms of the Code of Ethics annually, or as amended.

Commerce Advisors' clients or prospective clients may request a copy of the firm's Code of Ethics by contacting William Woodmansee at 901-260-6050.

Commerce Advisors anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Commerce Advisors has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of investments in which Commerce Advisors, its affiliates and/or clients, directly or indirectly, have a position of interest. Commerce Advisors' employees and persons associated with Commerce Advisors are required to follow Commerce Advisors' Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Commerce Advisors and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Commerce Advisors' clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Commerce Advisors will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that



these would materially not interfere with the best interest of Commerce Advisors' clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Commerce Advisors and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Commerce Advisors' obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Commerce Advisors will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

It is Commerce Advisors' policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Commerce Advisors will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer. As July 1, 2012 Commerce Advisors, a registered investment advisor, does not have an affiliated broker dealer.

Item 10 - Brokerage Practices

Selecting Brokerage Firms

Specific custodian/brokerage recommendations are made to clients based on their need for such services. Commerce Advisors recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates. Fidelity is the custodian for a majority of Commerce Advisors' client accounts and typically charges a flat fee per transaction executed. As Fidelity's transaction charge does not generally vary with the transaction amount, smaller transactions will incur a higher execution cost as a percentage of the principal amount traded. Third party money managers are generally responsible for making transaction decisions on behalf of Commerce Advisors clients.

Commerce Advisors does not receive fees or commissions from client custodian relationships.



Item 11 - Review of Accounts

Periodic Reviews

Client reviews are tailored to the desired frequency of the particular client and occur on either a monthly, quarterly or annual basis with a designated adviser or team. Account reviews are performed more frequently when market conditions or other factors dictate.

Commerce Advisors depends on its clients or the investment manager's custodians of its clients to provide the information necessary to properly evaluate the client's account. Once Commerce Advisors understands the client's specific needs and objectives, Commerce Advisors develops a strategy to meet those goals. Advice is given on a "best efforts basis" and is communicated verbally and/or in written format. Generally, client reviews entail a comparison of performance to market and peer group benchmarks as well as established goals and adherence to risk tolerance guidelines. Other factors subject to review may include investment manager allocations and rebalancing, concentration among investment managers, or investment style adherence.

Review Triggers

Factors which may trigger a special review include, but are not limited to client meeting dates, market conditions, internal events such as a merger or sale, or changes in investment objectives such as underlying investor demographics or inheritance issues.

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Each client's custodian sends detailed monthly or quarterly reports directly to Clients either electronically or by US mail. These reports detail all transactions since the last report, indicate dividends and interest credited and show all positions held on the date of the report.

Commerce Advisors prepares or outsources its client reports to Envestnet Asset Management no less often than quarterly. These reports show investments held at the date of the report. Client reports may be custom designed to meet individual client needs and preferences. Special reports are produced on an as-requested basis under terms provided for in the relevant client contract.

Additionally, from time to time, Commerce Advisors may also provide clients with reports such as market commentaries and economic outlooks.

Item 12 — Client Referrals and Other Compensation

Referrals Out



Commerce Advisors does not participate in referral fees or any form of remuneration from other professionals when a prospect or client is referred to them. No fees are received from those clients that utilize Fidelity.

Referrals In

Commerce Advisors seeks solicitation agreements whereby the solicitors' referring clients to the company would be compensated. As of March 29, 2013 there are no such arrangements in place.

Item 13 – Custody/ Reporting

Account Statements

Clients should receive at least quarterly statements from the broker dealer, bank, administrator or other qualified custodian that holds, maintains or reports client's investment assets. Commerce Advisors urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Fidelity's Wealth Central platform allows clients to monitor all account activity daily, weekly or monthly by accessing a secure web based client account.

Item 14 - Investment Discretion

Discretionary Authority for Trading

Commerce Advisors can accept discretionary authority to manage investment manager accounts and/or securities on behalf of clients. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account. Investment guidelines and restrictions are provided to Commerce Advisors either through oral communication or in writing.

Under discretionary arrangements, Commerce Advisors has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However under a non-discretionary contract, Commerce Advisors consults with the client prior to each trade to obtain concurrence if a blanket trading authorization has not been given.

The Commerce Advisors client approves the custodian to be used as well as the commission rates paid to the custodian. Commerce Advisors does not receive any compensation for transactions executed at Fidelity which serves as the custodian for most discretionary client relationships.

Limited Power of Attorney



A limited power of attorney is a trading authorization for discretionary authority. Commerce Advisors clients may execute a limited power of attorney so that Commerce Advisors may execute trades on behalf of its clients for purposes of implementing portfolio rebalancing, fund additional asset managers and to provide liquidity for distribution to clients all in compliance with client developed and approved goals and objectives

Item 15 - Voting Client Securities

Proxy Votes

As a matter of firm policy and practice, Commerce Advisors lacks any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Commerce Advisors may provide advice to clients regarding the clients' voting of proxies if requested by the client in writing.

Item 16 - Financial Information

Financial Condition

Commerce Advisors' financial condition does not preclude the firm from meeting contractual commitments to clients. Commerce Advisors has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.