

**Item 1 – Cover Page**

**The American Institute for Advanced Investment Management, LLP  
Doing Business Under the Name AIM Capital**

7337 E Doubletree Ranch Road Suite 195  
Scottsdale, AZ 85258  
480-346-1556

Date of Disclosure Brochure: February 2014

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This disclosure brochure provides information about the qualifications and business practices of The American Institute for Advanced Investment Management, LLP doing business under the name AIM Capital (also referred to as we, us and AIM Capital throughout this disclosure brochure). If you have any questions about the contents of this disclosure brochure, please contact Philip Nagel at 480-346-1556 or [phil@aimcapaz.com](mailto:phil@aimcapaz.com). The information in this disclosure brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about AIM Capital is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view our firm's information on this website by searching for The American Institute for Advanced Investment Management, LLP or our firm's CRD number 165183.

\*Registration as an investment adviser does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

Since our last ADV Part 2 amendment was filed in December 2013, the only material change to our disclosure brochure is an increase in the amount of client assets our firm manages. As of our last other than annual update in December 2013, we managed \$140,399,286. The current amount of client assets under our management is \$167,576,075. Please refer to Item 4 – Advisory Business for more details.

We will ensure that you receive a summary of any material changes to this and subsequent disclosure brochures within 120 days after our firm's fiscal year ends. Our firm's fiscal year ends on December 31, so you will receive the summary of material changes no later than April 30 each year. At that time we will also offer or provide a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

AIM Capital is an investment adviser registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability partnership (LLP) formed under the laws of the State of Arizona.

- William F. Hill is an Owner and Managing Partner of AIM Capital. William F. Hill owns 50.00% of AIM Capital.
- Philip L. Nagel is an Owner and Managing Partner and the Chief Compliance Officer (CCO) of AIM Capital. Philip L. Nagel owns 50.00% of AIM Capital.
- AIM Capital filed its initial application to become registered as an investment adviser in September 2012.

### **Introduction**

The investment advisory services of AIM Capital are provided to you through an appropriately licensed and qualified individual who is an investment adviser representative of AIM Capital (referred to as your investment adviser representative throughout this brochure).

### **Description of Advisory Services**

The following are descriptions of the primary advisory services of AIM Capital. Please understand that a written agreement, which details the exact terms of the service, must be signed by you and AIM Capital before we can provide you the services described below.

**Asset Management Services** – AIM Capital offers asset management services, which involves AIM Capital providing you with continuous and ongoing supervision over your specified accounts.

You must appoint our firm as your investment adviser of record on specified accounts (collectively, the “Account”). The Account consists only of separate account(s) held by qualified custodian(s) under your name. The qualified custodians maintain physical custody of all funds and securities of the Account, and you retain all rights of ownership (e.g., right to withdraw securities or cash, exercise or delegate proxy voting and receive transaction confirmations) of the Account.

The Account is managed by us based on your financial situation, investment objectives and risk tolerance. We actively monitor the Account and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Account.

We will need to obtain certain information from you to determine your financial situation and investment objectives. You will be responsible for notifying us of any updates regarding your financial situation, risk tolerance or investment objective and whether you wish to impose or modify existing investment restrictions; however we will contact you at least annually to discuss any changes or updates regarding your financial situation, risk tolerance or investment objectives. We are always reasonably available to consult with you relative to the status of your Account. You have the ability to impose reasonable

restrictions on the management of your accounts, including the ability to instruct us not to purchase certain securities.

It is important that you understand that we manage investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions taken for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed to be appropriate for your account(s) and other accounts advised by our firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

**Financial Planning & Consulting Services** - AIM Capital offers financial planning services, which involve preparing a written financial plan covering specific or multiple topics. We provide full written financial plans, which typically address the following topics: Investment Planning, Retirement Planning, Insurance Planning, Tax Planning, Education Planning, Portfolios Review, and Asset Allocation. When providing financial planning and consulting services, the role of your investment adviser representative is to find ways to help you understand your overall financial situation and help you set financial objectives. We also provide modular written financial plans which only cover those specific areas of concern mutually agreed upon by you and us. A modular written financial plan is limited or segmented and does not involve the creation of a full written financial plan. You should be aware that there are important issues that may not be taken into consideration when your investment adviser representative develops his or her analysis and recommendations under a modular written financial plan. Written financial plans prepared by us under this Agreement do not include specific recommendations of individual securities.

We also offer consultations in order to discuss financial planning issues when you do not need a written financial plan. We offer a one-time consultation, which covers mutually agreed upon areas of concern related to investments or financial planning. We also offer "as-needed" consultations, which are limited to consultations in response to a particular investment or financial planning issue raised or request made by you. Under an "as-needed" consultation, it will be incumbent upon you to identify those particular issues for which you are seeking our advice or consultation on.

Our financial planning and consulting services do not involve implementing any transaction on your behalf or the active and ongoing monitoring or management of your investments or accounts. You have the sole responsibility for determining whether to implement our financial planning and consulting recommendations. To the extent that you would like to implement any of our investment recommendations through AIM Capital or retain AIM Capital to actively monitor and manage your investments, you must execute a separate written agreement with AIM Capital for our asset management services.

**Retirement Plan Services** - AIM Capital offers retirement plan services to retirement plan sponsors and to individual participants in retirement plans. For a corporate sponsor of a retirement plan, our retirement plan services can include, but are not limited to, the following services:

### Fiduciary Consulting Services

AIM Capital provides the following Fiduciary Retirement Plan Consulting Services:

- Non-Discretionary Investment Advice. AIM Capital will provide you with general, non-discretionary investment advice regarding assets classes and investment options, consistent with your Plan's investment policy statement.
- Investment Selection Services. AIM Capital will provide you with recommendations of investment options consistent with ERISA section 404(c).
- Investment Monitoring. AIM Capital will assist in monitoring investment options by preparing periodic investment reports that document investment performance, consistency of fund management and conformation to the guidelines set forth in the investment policy statement and AIM Capital will make recommendations to maintain or remove and replace investment options.

For Fiduciary Consulting Services, all recommendations of investment options and portfolios will be submitted to you for your ultimate approval or rejection. For retirement plan Fiduciary Consulting Services, the retirement plan sponsor client or the plan participant who elects to implement any recommendations made by us is solely responsible for implementing all transactions.

Fiduciary Consulting Services are not management services, and AIM Capital does not serve as administrator or trustee of the plan. AIM Capital does not act as custodian for any client account or have access to client funds or securities (with the exception of, some accounts, having written authorization from the client to deduct our fees).

AIM Capital acknowledges that in performing the Fiduciary Consulting Services listed above that it is acting as a "fiduciary" as such term is defined under Section 3(21)(A)(ii) of Employee Retirement Income Security Act of 1974 ("ERISA") for purposes of providing non-discretionary investment advice only. AIM Capital will act in a manner consistent with the requirements of a fiduciary under ERISA if, based upon the facts and circumstances, such services cause AIM Capital to be a fiduciary as a matter of law. However, in providing the Fiduciary Consulting Services, AIM Capital (a) has no responsibility and will not (i) exercise any discretionary authority or discretionary control respecting management of Client's retirement plan, (ii) exercise any authority or control respecting management or disposition of assets of Client's retirement plan, or (iii) have any discretionary authority or discretionary responsibility in the administration of Client's retirement plan or the interpretation of Client's retirement plan documents, (b) is not an "investment manager" as defined in Section 3(38) of ERISA and does not have the power to manage, acquire or dispose of any plan assets, and (c) is not the "Administrator" of Client's retirement plan as defined in ERISA.

### Fiduciary Management Services

AIM Capital provides clients with the following Fiduciary Retirement Plan Management Services:

- Discretionary Management Services. AIM Capital will provide you with continuous and ongoing supervision over the designated retirement plan assets. AIM Capital will actively monitor the designated retirement plan assets and provide advice regarding buying, selling, reinvesting or holding securities, cash or other investments of the Plan. We have discretionary authority to make all decisions to buy, sell or hold securities, cash or other investments for the designated retirement plan assets in the our sole discretion without first consulting with you. We also have the power and authority to carry out these decisions by giving instructions, on your behalf, to

brokers and dealers and the qualified custodian(s) of the Plan for our management of the designated retirement plan assets.

If you elect to utilize any of AIM Capital's Fiduciary Management Services, then AIM Capital will be acting as an Investment Manager to the Plan, as defined by ERISA section 3(38), with respect to our Fiduciary Management Services, and AIM Capital hereby acknowledges that it is a fiduciary with respect to its Fiduciary Management Services.

#### Non-Fiduciary Services

Although an investment adviser is considered a fiduciary under the Investment Advisers Act of 1940 and required to meet the fiduciary duties as defined by the Advisers Act, the services listed here as non-fiduciary should not be considered fiduciary services for the purposes of ERISA since Advisor is not acting as a fiduciary to the Plan as the term "fiduciary" is defined in Section 3(21)(A)(ii) of ERISA. The exact suite of services provided to a client will be listed and detailed in the Qualified Retirement Plan Agreement.

AIM Capital provides clients with the following Non-Fiduciary Retirement Plan Consulting Services:

We can also meet with individual participants to discuss their specific investment risk tolerance, investment time frame and investment selections.

Securities and other types of investments all bear different types and levels of risk. Those risks are typically discussed with clients in defining the investment policies and objectives that will guide investment decisions for their qualified plan accounts. Upon request, as part of our retirement plan services, we can discuss those investments and investment strategies that we believe may tend to reduce these risks for a particular client's circumstances and plan participants.

Clients and plan participants must realize that obtaining higher rates of return on investments entails accepting higher levels of risk. Based upon discussions with the client, we will attempt to identify the balance of risks and rewards that is appropriate and comfortable for the client and other employees. It is still the clients' responsibility to ask questions if the client does not fully understand the risks associated with any investment. All plan participants are strongly encouraged to read prospectuses, when applicable, and ask questions prior to investing.

We strive to render our best judgment for clients. Still, AIM Capital cannot assure that investments will be profitable or assure that no losses will occur in their portfolios. Past performance is an important consideration with respect to any investment or investment advisor, but it is not necessarily an accurate predictor of future performance.

AIM Capital will disclose, to the extent required by ERISA Regulation Section 2550.408b-2(c), to you any change to the information that we are required to disclose under ERISA Regulation Section 2550.408b-2(c)(1)(iv) as soon as practicable, but no later than sixty (60) days from the date on which we are informed of the change (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable).

In accordance with ERISA Regulation Section 2550.408b-2(c)(vi)(A), we will disclose within thirty (30) days following receipt of a written request from the responsible plan fiduciary or Plan Administrator (unless such disclosure is precluded due to extraordinary circumstances beyond our control, in which case the information will be disclosed as soon as practicable) all information related to the Qualified Retirement Plan Agreement and any compensation or fees received in connection with the Agreement that is

required for the Plan to comply with the reporting and disclosure requirements of Title 1 of ERISA and the regulations, forms and schedules issued thereunder.

If we make an unintentional error or omission in disclosing the information required under ERISA Regulation Section 2550.408b-2(c)(1)(iv) or (vi), we will disclose to you the correct information as soon as practicable, but no later than thirty (30) days from the date on which we learns of such error or omission.

### **Limits Advice to Certain Types of Investments**

AIM Capital provides investment advice on the following types of investments:

- Mutual Funds
- Exchange Traded Funds (ETFs)
- Exchange-listed Securities
- Securities Traded Over-the-Counter
- Foreign Issues
- Warrants
- Corporate Debt Securities
- Commercial Paper
- Certificates of Deposit
- Municipal Securities
- Variable Annuities
- Variable Life Insurance
- US Government Securities
- Options Contracts on Securities
- Interests in Partnerships Investing in Real Estate

Although we generally provide advice only on the products previously listed, we reserve the right to offer advice on any investment product that may be suitable for each client's specific circumstances, needs, goals and objectives.

It is not our typical investment strategy to attempt to time the market, but we may increase cash holdings modestly as deemed appropriate based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations such as low basis stock, stock options, legacy holdings, inheritances, closely held businesses, collectibles, or special tax situations.

*(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)*

### **Participation in Wrap Fee Programs**

AIM Capital offer services through both wrap fee programs and non-wrap fee programs. A wrap fee program is defined as any advisory program under which a specified fee or fees not based directly upon transactions in a client's account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of client transactions. Whenever a fee is charged to a client for services described in this brochure (whether wrap fee or non-wrap fee), we will receive all or a portion of the fee charged.

### **Tailor Advisory Services to Individual Needs of Clients**

AIM Capital's advisory services are always provided based on your individual needs. This means, for example, that when we provide asset management services, you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with you on a one-on-one basis through interviews and questionnaires to determine your investment objectives and suitability information. Our financial planning and consulting services are always provided based on your individual needs.

We will not enter into an investment adviser relationship with a prospective client whose investment objectives may be considered incompatible with our investment philosophy or strategies or where the prospective client seeks to impose unduly restrictive investment guidelines.

### **Client Assets Managed by AIM Capital**

The amount of clients assets managed by Advisor totaled \$167,576,075 as of December 31, 2013, with \$139,659,402 managed on a discretionary basis, and \$27,916,673 managed on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

In addition to the information provided in *Item 4 – Advisory Business*, this section provides additional details regarding our firm's services along with descriptions of each service's fees and compensation arrangements. It should be noted that lower fees for comparable service may be available from other sources. The fees for our asset management services may be negotiable dependent on the type of client, the complexity of the client's situation, the composition of the client's account (i.e., equities versus mutual funds), the potential for additional account deposits, the relationship of the client with the investment adviser representative, and the total amount of assets under management for the client. Therefore the exact fees and other terms will be outlined in the agreement between you and AIM Capital.

### **Asset Management Services**

#### ***Traditional Asset Management Program***

For our Traditional Asset Management Program, client will be charged the following annual fee based upon the amount of assets under management:

<u>Assets Under Management</u>	<u>Maximum Annual Fees</u>
\$0 – \$500,000	1.500%
\$500,001 – \$1,000,000	1.250%
1,000,001 - \$5,000,000	1.00%
\$5,000,001 and above	0.750%

As a traditional asset management service all accounts in this program will be subject to transaction charges and/or commission charged by the broker dealer acting as custodian for the account. AIM Capital does not receive any portion of the transaction charges or commissions

### ***Wrap Fee Program***

We are the sponsor of the AIM Capital Asset Management Program ("AIM Program"), a wrap fee program developed through an arrangement using LPL Financial Corporation's ("LPL") Strategic Wealth Management platform. Through the AIM Program, we provide investment management services, including providing continuous investment advice to and making investments for you based on your individual needs. Through this service, we offer a customized and individualized investment program. A specific asset allocation strategy and suitability profile is crafted to focus on your specific goals and objectives. Your information should be updated regularly, but at a minimum every 2 years.

For our AIM Program asset management services, client will be charged the following annual fee based upon the amount of assets under management:

<u>Assets Under Management</u>	<u>Maximum Annual Fees</u>
\$0 – \$500,000	1.600%
\$500,001 – \$1,000,000	1.350%
1,000,001 - \$5,000,000	1.10%
\$5,000,001 and above	0.850%

The AIM Program account is a wrap fee account, meaning you do not pay transaction charges associated with trade execution. The AIM Program may cost you more or less than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged commissions for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If you plan to follow a buy and hold investment strategy for the account or do not wish to purchase ongoing investment advice or management services, you should consider opening a brokerage account rather than a AIM Program account.

This section is intended to be a summary of the AIM Program. If you contract for AIM Program services you are provided with a copy of the AIM Program Form ADV Part 2A Appendix Disclosure Brochure.

### **General Information on Asset Management Fees**

The asset management services continue in effect until terminated by either party (i.e., AIM CAPITAL or you) by providing written notice of termination to the other party. When fees are billed in advance, AIM Capital will prorate and refund any fees not charged but not earned during the final period. The amount of client assets on the termination date will be used to determine the final fee refund.

AIM Capital's managed accounts are custodied at LPL in its capacity as a registered broker/dealer, member FINRA/SIPC or other Broker Dealer Platforms approved by LPL. LPL is also an investment advisor registered with the SEC, but does not serve as an investment advisor for you through the AIM Program. LPL provides clearing, custody and other brokerage services for accounts established through the AIM Program. Therefore, you are required to establish a brokerage account(s) through LPL's Strategic Wealth Management platform or other Broker Dealer Platforms approved by LPL. Separate accounts are maintained for you, and you retain all rights of ownership of your accounts (e. g., the right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

AIM Capital's managed account programs allow you to authorize us to purchase and sell, on a discretionary or non-discretionary basis, portfolios consisting of securities and investments. We may limit

our discretion with respect to your account and the securities eligible to be purchased for your account. See, **Limits Advice to Certain Types of Investments** under **Item 4 - Advisory Business** relative to possible securities and investments utilized. See **Item 16 - Investment Discretion** for information concerning discretionary authority.

As stated previously our asset management fees are negotiable dependent upon the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account, the potential for additional account deposits, and the relationship of the client and the investment adviser representative.

Prior to engaging us to provide investment management services, you are required to enter into a formal investment advisory agreement with us setting forth Asset management Fees to be charged to your account and other the terms and conditions and also a separate custodial/clearing agreement with LPL or other Broker Dealer platform approved by LPL.

Fees charged for our asset management services are charged based on a percentage of assets under management, billed in advance (at the start of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. The initial Account Fee is due at the beginning of the quarter following execution of this Agreement and will include the prorated fee for the initial quarter in addition to the standard quarterly fee for the upcoming quarter. Subsequent Account Fee payments are due and will be assessed at the beginning of each quarter based on the value of the Account assets under management as of the close of business on the last business day of the preceding quarter as valued by an independent pricing service, where available, or otherwise in good faith as reflected on Client's quarterly portfolio evaluation report. Additional deposits and withdrawals will be added or subtracted from portfolio assets, as the case may be, which may lead to an adjustment of the Account Fee.

AIM Capital believes that its annual fee is reasonable in relation to: (1) services provided and (2) the fees charged by other investment advisers offering similar services/programs. However, our annual investment advisory fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to our compensation, you may also incur charges imposed at the mutual fund level (e.g., advisory fees and other fund expenses).

You can choose how to pay your investment advisory fees. The investment advisory fees can be deducted from your account and paid directly to our firm by the qualified custodian(s) of your account or you can pay our firm upon receipt of a billing notice sent directly to you.

If you choose to have the investment advisory fees deducted from your account, you must authorize the qualified custodian(s) of your account to deduct fees from your account and pay such fees directly to AIM Capital.

If you choose to pay the fees after receiving a statement, fees are due upon your receipt of a billing notice sent directly to you. The billing notice will detail the formula used to calculate the fee, the assets under management and the time period covered. Fees for the services of our firm will be due immediately after your receipt of the billing notice.

During any month that there is activity in a managed account, you receive a monthly account statement from LPL or other Broker Dealer Platform approved by LPL showing account activity as well as positions held in the account at month end. Additionally, you receive a confirmation of each transaction that occurs

within the managed account unless the transaction is the result of a systematic purchase, redemption or exchange. You also receive a detailed quarterly report showing performance, positions, and activity. All account data and statements are also available on-line through the account view portal through LPL or other Broker Dealer Platforms approved by LPL.

You should review your account statements received from the qualified custodian(s) and verify that appropriate investment advisory fees are being deducted. The qualified custodian(s) will not verify the accuracy of the investment advisory fees deducted.

AIM Capital does not receive any portion of such commissions or fees from you or the qualified custodian. In addition, you may incur certain charges imposed by third parties other than AIM Capital in connection with investments made through your account including, but not limited to, transaction charges, mutual fund sales loads, 12(b)-1 fees and surrender charges, variable annuity fees and surrender charges, IRA and qualified retirement plan fees, and charges imposed by the qualified custodian(s) of your account. Management fees charged by AIM Capital are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

### **Financial Planning & Consulting Services**

Fees charged for our financial planning and consulting services are negotiable based upon the type of client, the services requested, the complexity of the client's situation, the composition of the client's account, other advisory services provided and the relationship of the client and the investment adviser representative. The following are the fee arrangements available for financial planning and consulting services offered by AIM Capital.

#### ***Fees for Financial Planning Services***

AIM Capital provides financial planning services under an hourly fee arrangement. An hourly fee of \$300 per hour is charged by AIM Capital for financial planning services under this arrangement. Before commencing financial planning services, AIM Capital provides an estimate of the approximate hours needed to complete the requested financial planning services. If AIM Capital anticipates exceeding the estimated amount of hours required, AIM Capital will contact you to receive authorization to provide additional services. You will pay in advance a mutually agreed upon retainer that will be available for AIM Capital to bill hourly fees against for our financial planning services; however, under no circumstances will AIM Capital require you to pay fees more than \$1,200 more than six months in advance. The standard billing dates and events of AIM Capital are the following: (1) the first business day of each month; (2) the date when incurred hourly fees and expenses will cause the retainer balance to be depleted to zero; (3) the date or thereafter that AIM Capital substantially provides the agreed upon services; and (4) the date the engagement is terminated by either you or AIM Capital. Upon presentment of the invoice to you, AIM Capital will deduct the hourly fees due AIM Capital against your current retainer balance and you are required to pay immediately AIM Capital any outstanding balance of hourly fees due.

Our fees for our financial planning services may be negotiable dependent upon the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account, and the relationship of the client and the investment adviser representative.

To the extent AIM Capital provides you with general investment recommendations as part of the financial planning services and you implement such investment recommendations through AIM Capital, we may offer in our agreement with you to waive or reduce the fees for financial planning services.

The financial planning services terminate upon delivery of the written financial plan or upon either party providing the other party with written notice of termination.

If you terminate the financial planning services after entering into an agreement with us, you will be responsible for immediate payment of any financial planning services performed by AIM Capital prior to the receipt by AIM Capital of your notice of termination. For financial planning services performed by AIM Capital under an hourly arrangement, you will pay AIM Capital for any hourly fees incurred at the rates described above. In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by AIM Capital to you.

### ***Fees for Consulting Services***

AIM Capital provides consulting services under an hourly fee arrangement. An hourly fee of \$300 per hour is charged by AIM Capital for consulting services. Before providing consulting service, AIM Capital will provide an estimate of the approximate hours needed to complete the consulting services. If AIM Capital anticipates exceeding the estimated amount of hours required, AIM Capital will contact you to receive authorization to provide additional services. You may be requested to pay in advance a mutually agreed upon retainer that will be available for AIM Capital to bill hourly fees against for our consulting services; however, under no circumstances will AIM Capital require you to pay fees more than \$1,200 more than six months in advance. The standard billing dates and events of AIM Capital are the following: (1) the first business day of each month; (2) the date when incurred hourly fees will cause the retainer balance to be depleted to zero; (3) the date or thereafter that AIM Capital substantially provides the agreed upon services; and (4) the date the engagement is terminated by either you or AIM Capital. Upon presentment of the invoice to you, AIM Capital will deduct the hourly fees due AIM Capital against your current retainer balance and you will immediately pay AIM Capital any outstanding balance of hourly fees due.

Our fees for our consulting services may also be negotiable dependent upon the investment adviser representative providing the services, the type of client, the complexity of the client's situation, the composition of the client's account, and the relationship of the client and the investment adviser representative.

To the extent AIM Capital provides you with general investment recommendations as part of our consulting services and you implement such investment recommendations through us, AIM Capital at our discretion may offer to waive or reduce the fee for certain consulting services.

The one-time consulting services will terminate upon completion of the consultation or either party providing the other party with written notice. The "as-needed" consulting services will terminate upon either you or AIM Capital providing written notice of termination to the other party.

If you terminate the consulting services after entering into an agreement with AIM Capital, you will be responsible for immediate payment of any consulting work performed by AIM Capital prior to the receipt by AIM Capital of your notice of termination. For consulting services performed by AIM Capital under an hourly arrangement, you will pay AIM Capital for any hourly fees incurred at the rates described above.

In the event that there is a remaining balance of any fees paid in advance after the deduction of fees from the final invoice, those remaining proceeds will be refunded by AIM Capital to you.

### ***Other Fee Terms for Financial Planning & Consulting Services***

You may pay the investment advisory fees owed for the financial planning services by submitting payment directly (for example, by check) or having the fee deducted from an existing investment account.

If you elect to pay by automatic deduction from an existing investment account, you will provide written authorization to AIM Capital for such charge.

You should notify AIM Capital within ten (10) days of receipt of an invoice if you have questions about or dispute any billing entry.

To the extent AIM Capital engages an outside professional (i.e. attorney, independent investment adviser or accountant) while providing financial planning and consulting services to you, AIM Capital will be responsible for the payment of the fees for the services of such an outside professional, and you will not be required to reimburse AIM Capital for such payments. To the extent that you personally engage such an outside professional, you will be responsible for the payment of the fees for the services of such an outside professional, and AIM Capital will not be required to reimburse Client for such payments. Fees for the services of an outside professional (i.e. attorney, independent investment adviser or accountant) will be in addition to and separate from the fees charged by AIM Capital, and you will be responsible for the payment of the fees for the services of such an outside professional. In no event will the services of an outside professional be engaged without your express approval.

All fees paid to AIM Capital for services are separate and distinct from the commissions, fees and expenses charged by insurance companies associated with any disability insurance, life insurance and annuities subsequently acquired by you. If you sell or liquidate certain existing securities positions to acquire any insurance or annuity, you may also pay a commission and/or deferred sales charges in addition to the financial planning and consulting fees paid to AIM Capital and any commissions, fees and expenses charged by the insurance company for subsequently acquired insurance and/or annuities.

If you elect to have your investment adviser representative, in his or her separate capacity as an insurance agent, implement the recommendations of AIM Capital, your investment adviser representative at his or her discretion may waive or reduce the investment advisory fee charged for these services by the amount of the commissions received by your investment adviser representative as an insurance agent. Any reduction of the investment advisory fee will not exceed 100% of the insurance commission received.

All fees paid to AIM Capital for advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each mutual fund's prospectus. These fees will generally include a management fee, other fund expenses and a possible distribution fee. If the fund also imposes sales charges, you may pay an initial or deferred sales charge.

If you retain AIM Capital to implement the recommendations provided under this service, AIM Capital may recommend load or no-load mutual funds that charge you 12(b)-1 fees. Your investment adviser representative may receive a portion of these 12(b)-1 fees in his or her separate capacity as a registered representative of a securities broker-dealer. The receipt of 12(b)-1 fees could represent an incentive for

AIM Capital or your investment adviser representative to recommend mutual funds with 12(b)-1 fees or higher 12(b)-1 fees over mutual funds with no 12(b)-1 fees or lower 12(b)-1 fees and therefore creates a conflict of interest.

All fees paid to AIM Capital for financial planning and consulting services are separate and distinct from the commissions charged by a broker-dealer or asset management fees charged by an investment adviser to implement such recommendations.

If you elect to have your investment adviser representative, in his or her separate capacity as a registered representative, implement the recommendations of AIM Capital, your investment adviser representative at his or her discretion may waive or reduce the investment advisory fee charged by the amount of the commissions received as a registered representative. Any reduction of the investment advisory fee will not exceed 100% of the commission received as a registered representative.

If you elect to implement the recommendations of AIM Capital through our other investment advisory programs, AIM Capital may waive or reduce a portion of the investment advisory fees for such investment advisory program(s). Any reduction will be at the discretion of your investment adviser representative and disclosed to you prior to contracting for additional investment advisory services.

It should be noted that lower fees for comparable services may be available from other sources.

### **Retirement Plan Services**

For retirement plan sponsor clients, AIM Capital will charge an annual fee that is calculated as a percentage of the value of plan assets. This fee is negotiable based upon the complexity of the plan, the size of the plan assets, the actual services requested and the potential for additional deposits.

If AIM Capital charges an annual fee based upon the value of the plan assets, we charge an annual fee based on the following schedule:

<u>Assets Under Management</u>	<u>Maximum Annual Fees</u>
\$0 – \$500,000	1.500%
\$500,001 – \$1,000,000	1.250%
1,000,001 - \$5,000,000	1.00%
\$5,000,001 and above	0.750%

For retirement plan sponsors and participants, fees are billed in arrears (at the end of the billing period) on a quarterly calendar basis and calculated based on the fair market value of your account as of the last business day of the previous billing period. Fees are prorated (based on the number of days service is provided during the initial billing period) for your account opened at any time other than the beginning of the billing period. Retirement plan sponsors may also elect to pay all or a portion of fees for the individualized services provided by us to the plan participants.

Fee will be directly deducted from clients' accounts. Clients are required to provide the custodian with written authorization to deduct the fees from the account and pay the fees to AIM Capital. We will provide the custodian with a fee notification statement.

The services will terminate upon thirty (30) days following either party providing the other party with written notice. If services are terminated within five business days of signing the client agreement,

services are terminated without penalty. Any prepaid but unearned fees are promptly refunded to the client at the effective date of termination.

AIM Capital does not reasonably expect to receive any other compensation, direct or indirect, for its Services. If we receive any other compensation for such services, we will (i) offset that compensation against our stated fees, and (ii) will disclose the amount of such compensation, the services rendered for such compensation and the payer of such compensation to you.

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

Performance-based fees are defined as fees based on a share of capital gains on or capital appreciation of the assets held in a client's account. *Item 6* is not applicable to this Disclosure Brochure because we do not charge or accept performance-based fees.

## **Item 7 – Types of Clients**

AIM Capital generally provides investment advice to the following types of clients:

- Individuals
- High net worth individuals
- Pension/Profit Sharing Plans
- Trusts, estates, or charitable organizations
- Corporations or business entities other than those listed above

You are required to execute a written agreement with AIM Capital specifying the particular advisory services in order to establish a client arrangement with AIM Capital.

### **Minimum Investment Amounts Required**

There are no minimum investment amounts or conditions required for establishing an account managed by AIM Capital. However, all clients are required to execute an agreement for services in order to establish a client arrangement with AIM Capital.

The minimum fee generally charged for financial planning services provided on an hourly basis is \$300.

The minimum hourly fee generally charged for consulting services is \$300.

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

### **Methods of Analysis**

AIM Capital uses the following methods of analysis in formulating investment advice:

Cyclical – This method analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and in higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.

While most economists and investors agree that there are cycles in the economy that need to be respected, the duration of such cycles is generally unknown. An investment decision to buy at the bottom of a business cycle may actually turn out to be a trade that occurs before or after the bottom of the cycle. If done before the bottom, then downside price action can result prior to any gains. If done after the bottom, then some upside price action may be missed. Similarly, a sell decision meant to occur at the top of a cycle may result in missed opportunity or unrealized losses.

Fundamental – This is a method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of a company). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). Fundamental analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

The risk associated with fundamental analysis is that it is somewhat subjective. While a quantitative approach is possible, fundamental analysis usually entails a qualitative assessment of how market forces interact with one another in their impact on the investment in question. It is possible for those market forces to point in different directions, thus necessitating an interpretation of which forces will be dominant. This interpretation may be wrong, and could therefore lead to an unfavorable investment decision.

There are risks involved in using any analysis method.

To conduct analysis, AIM Capital gathers information from financial newspapers and magazines, inspection of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses and filings with the SEC, and company press releases.

### **Investment Strategies**

AIM Capital uses the following investment strategies when managing client assets and/or providing investment advice:

Long term purchases. Investments held at least a year.

Short term purchases. Investments sold within a year.

Option writing including cover options, uncovered options or spreading strategies. (Only for client accounts that are approved for option trading activity.) Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

### **Primarily Recommend One Type of Security**

We do not primarily recommend one type of security to clients. Instead, we recommend any product that may be suitable for each client relative to that client's specific circumstances and needs.

### **Risk of Loss**

Past performance is not indicative of future results. Therefore, you should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, mutual funds, and bonds, etc.) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. You should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There are certain additional risks associated with investing in securities through our investment management program, as described below:

- Market Risk – Either the stock market as a whole, or the value of an individual company, goes down resulting in a decrease in the value of client investments. This is also referred to as systemic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that the issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.

- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When investing in a an ETF or mutual fund, you will bear additional expenses based on your pro rata share of the ETF's or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. You will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produce the expected returns, the value of the investment will decrease.

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

*Item 9* is not applicable to this Disclosure Brochure because there are no legal or disciplinary events that are material to a client's or prospective client's evaluation of our business or integrity.

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

AIM Capital is **not** and does **not** have a related person that is a broker/dealer, municipal securities dealer, government securities dealer or broker, an investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund), another investment adviser or financial planner, a futures commission merchant, commodity pool operator, or commodity trading advisor, a banking or thrift institution, an accountant or accounting firm, a lawyer or law firm, an insurance company or agency, a pension consultant, a real estate broker or dealer, and a sponsor or syndicator of limited partnerships.

We are an independent registered investment registered adviser and only provide investment advisory services. We are not engaged in any other business activities and offer no other services except those described in this Disclosure Brochure. However, while we do not sell products or services other than investment advice, our representatives may sell other products or provide services outside of their role as investment adviser representatives with us.

#### **Registered Representative of a Broker-Dealer**

Our representatives are also registered representatives of LPL Financial, a securities broker-dealer. You may work with your investment adviser representative in his or her separate capacity as a registered representative of LPL Financial. When acting in his or her separate capacity as a registered representative, your investment adviser representative may sell, for commissions, general securities products such as stocks, bonds, mutual funds, exchange-traded funds, and variable annuity and variable life products to you. As such, your investment adviser representative may suggest that you implement investment advice by purchasing securities products through a commission-based brokerage account in

addition to or in lieu of a fee-based investment-advisory account. This receipt of commissions creates an incentive to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as a registered representative of a securities broker-dealer. Consequently, the objectivity of the advice rendered to you could be biased.

You are under no obligation to use the services of our representatives in this separate capacity or to use LPL Financial and can select any broker/dealer you wish to implement securities transactions. If you select our representatives to implement securities transactions in their separate capacity as registered representatives, they must use LPL Financial. Prior to effecting any such transactions, you are required to enter into a new account agreement with LPL Financial. The commissions charged by LPL Financial may be higher or lower than those charged by other broker/dealers. In addition, the registered representatives may also receive additional ongoing 12b-1 fees for mutual fund purchases from the mutual fund company during the period that you maintain the mutual fund investment.

### **Insurance Agent**

You may work with your investment adviser representative in his or her separate capacity as an insurance agent. When acting in his or her separate capacity as an insurance agent, the investment adviser representative may sell, for commissions, general disability insurance, life insurance, annuities, and other insurance products to you. As such, your investment adviser representative in his or her separate capacity as an insurance agent, may suggest that you implement recommendations of AIM Capital by purchasing disability insurance, life insurance, annuities, or other insurance products. This receipt of commissions creates an incentive for the representative to recommend those products for which your investment adviser representative will receive a commission in his or her separate capacity as an insurance agent. Consequently, the advice rendered to you could be biased. You are under no obligation to implement any insurance or annuity transaction through your investment adviser representative.

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

### **Code of Ethics Summary**

According to the *Investment Advisers Act of 1940*, an investment adviser is considered a fiduciary and has a fiduciary duty to all clients. AIM Capital has established a Code of Ethics to comply with the requirements of Section 204(A)-1 of the *Investment Advisers Act of 1940* that reflects its fiduciary obligations and those of its supervised persons. The Code of Ethics also requires compliance with federal securities laws. The Code of Ethics covers all individuals that are classified as “supervised persons”. All employees, officers, directors and investment adviser representatives are classified as supervised persons. AIM Capital requires its supervised persons to consistently act in your best interest in all advisory activities. AIM Capital imposes certain requirements on its affiliates and supervised persons to ensure that they meet the firm’s fiduciary responsibilities to you. The standard of conduct required is higher than ordinarily required and encountered in commercial business.

This section is intended to provide a summary description of the Code of Ethics of AIM Capital. If you wish to review the Code of Ethics in its entirety, you should send us a written request and upon receipt of your request, we will promptly provide a copy of the Code of Ethics to you.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

AIM Capital or associated persons of the firm may buy or sell for their personal accounts, investment products identical to those recommended to clients. This creates a potential conflict of interest. It is the express policy of AIM Capital that all persons associated in any manner with our firm must place clients' interests ahead of their own when implementing personal investments. AIM Capital and its associated persons will not buy or sell securities for their personal account(s) where their decision is derived, in whole or in part, by information obtained as a result of employment or association with our firm unless the information is also available to the investing public upon reasonable inquiry.

We are now and will continue to be in compliance with applicable state and federal rules and regulations. To prevent conflicts of interest, we have developed written supervisory procedures that include personal investment and trading policies for our representatives, employees and their immediate family members (collectively, associated persons):

- Associated persons cannot prefer their own interests to that of the client.
- Associated persons cannot purchase or sell any security for their personal accounts prior to implementing transactions for client accounts.
- Associated persons cannot buy or sell securities for their personal accounts when those decisions are based on information obtained as a result of their employment, unless that information is also available to the investing public upon reasonable inquiry.
- Associated persons are prohibited from purchasing or selling securities of companies in which any client is deemed an "insider".
- Associated persons are discouraged from conducting frequent personal trading.
- Associated persons are generally prohibited from serving as board members of publicly traded companies unless an exception has been granted to the Chief Compliance Officer of AIM Capital.

Any associated person not observing our policies is subject to sanctions up to and including termination.

### **Item 12 – Brokerage Practices**

Clients are under no obligation to act on the financial planning recommendations of AIM Capital. If the firm assists in the implementation of any recommendations, we are responsible to ensure that the client receives the best execution possible. Best execution does not necessarily mean that clients receive the lowest possible commission costs but that the qualitative execution is best. In other words, all conditions considered, the transaction execution is in your best interest. When considering best execution, we look at a number of factors besides prices and rates including, but not limited to:

- Execution capabilities (e.g., market expertise, ease/reliability/timeliness of execution, responsiveness, integration with our existing systems, ease of monitoring investments)
- Products and services offered (e.g., investment programs, back office services, technology, regulatory compliance assistance, research and analytic services)
- Financial strength, stability and responsibility
- Reputation and integrity
- Ability to maintain confidentiality

We exercise reasonable due diligence to make certain that best execution is obtained for all clients when implementing any transaction by considering the back office services, technology and pricing of services offered.

**Broker/Dealer Affiliation (LPL Financial)**

You are under no obligation to act on the financial planning recommendations of AIM Capital. If you wish to implement our advice you are free to select any broker you wish. If we assist you in the implementation of any recommendations, we are responsible to ensure that you receive the best execution possible.

If you wish to have our representatives implement the advice in their separate capacity as registered representatives, LPL is used. Our representatives are registered representatives of LPL and are required to use the services of LPL or other brokerage platforms approved by LPL when acting in this capacity. LPL has a wide range of approved securities products for which it performs due diligence prior to selection. LPL's registered representatives are required to adhere to these products when implementing securities transactions through LPL or other approved broker dealer custodians. Commissions charged for these products may be higher or lower than commissions clients may be able to obtain if transactions were implemented through another broker/dealer.

Because our representatives are also registered representatives of LPL, LPL provides compliance support to them. LPL also provides our representatives, and therefore us, with back-office operational, technology and other administrative support.

If you wish to implement our advice through any of the programs described in this Disclosure Brochure, LPL's approved broker dealer platforms will be used as the broker/dealer and/or custodian. LPL will be the primary broker/dealer and custodian recommended due to the relationship our representatives have with LPL. We recommend broker/dealers and custodians that we feel provide services in a manner and at a cost that will allow us to meet our duty of best execution. However, we may be limited in the broker/dealer or custodians that we are allowed to use due to our representatives' relationship with LPL. LPL may limit or restrict the broker/dealer or custodial platforms for its registered representatives that are also independently licensed due to its duty to supervise the transactions implemented by these individuals.

While there is no direct linkage between the investment advice given to you and our recommendation of LPL, economic benefits may be provided to us by LPL that are not be provided if you select another broker/dealer or account custodian. These benefits may include:

- Negotiated costs for transaction implementation
- A dedicated trade desk that services LPL participants exclusively
- A dedicated service group and an account services manager dedicated to our accounts
- Access to a real-time order matching system
- Electronic download of trades, balances and position information
- Access, for a fee, to an electronic interface with the account custodian's software
- Duplicate and batched client statements, confirmations and year-end reports

Please all see **Item 5, Fees and Compensation**, for additional information about advisory services and implementing recommendations.

### **Directed Brokerage**

Clients should understand that not all investment advisors require the use of a particular broker/dealer or custodian. Some investment advisors allow their clients to select whichever broker/dealer the client decides. By requiring clients to use a particular broker/dealer, AIM Capital may not achieve the most favorable execution of client transactions and the practice requiring the use of specific broker/dealers may cost clients more money than if the client used a different broker/dealer or custodian. However, for compliance and operational efficiencies, AIM Capital has decided to require our clients to use broker/dealers and other qualified custodians determined by AIM Capital.

### **Soft Dollar Benefits**

An investment adviser receives soft dollar benefits from a broker-dealer when the investment adviser receives research or other products and services in exchange for client securities transactions or maintaining an account balance with the broker-dealer.

AIM Capital does not have a soft dollar agreement with a broker-dealer or a third-party.

### **Block Trading Policy**

We may elect to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by our firm when AIM Capital believes such action may prove advantageous to clients. If and when we aggregate client orders, allocating securities among client accounts is done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently.

AIM Capital uses the pro rata allocation method for transaction allocation.

Under this procedure, pro rata trade allocation means an allocation of the trade at issue among applicable advisory clients in amounts that are proportional to the participating advisory client's intended investable assets. AIM Capital will calculate the pro rata share of each transaction included in a block order and assigns the appropriate number of shares of each allocated transaction executed for the client's account.

If and when we determine to aggregate client orders for the purchase or sale of securities, including securities in which AIM Capital or our associated persons may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* Neither we nor our associated persons receive any additional compensation as a result of block trades.

### **Agency Cross Transactions**

Our associated persons are prohibited from engaging in agency cross transactions, meaning we cannot act as brokers for both the sale and purchase of a single security between two different clients and cannot receive compensation in the form of an agency cross commission or principal mark-up for the trades.

### **Item 13 – Review of Accounts**

#### **Account Reviews and Reviewers**

Managed accounts are reviewed at least annually or more frequently as required based upon market conditions. While the calendar is the main triggering factor, reviews can also be conducted at your request. Account reviews will include investment strategy and objectives review and making a change if strategy and objectives have changed. Reviews are conducted by Philip Nagel and/or William Hill, with reviews performed in accordance with your investment goals and objectives.

Our financial planning services terminate upon the presentation of the written plan. Our financial planning and consulting services do not include monitoring the investments of your account(s), and therefore, there is no ongoing review of your account(s) under such services.

#### **Statements and Reports**

For our asset management services, you are provided with transaction confirmation notices and regular quarterly account statements directly from the qualified custodian.

Financial planning clients do not receive any report other than the written plan originally contracted for and provided by AIM Capital.

You are encouraged to always compare any reports or statements provided by us, a sub-adviser or third-party money manager against the account statements delivered from the qualified custodian. When you have questions about your account statement, you should contact our firm and the qualified custodian preparing the statement.

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

AIM Capital does not directly or indirectly compensate any person for client referrals.

The only compensation received from advisory services is the fees charged for providing investment advisory services as described in *Item 5* of this Disclosure Brochure. AIM Capital receives no other forms of compensation in connection with providing investment advice.

AIM Capital does not directly or indirectly compensate anybody for client referrals.

However, as disclosed under *Item 12* above, AIM Capital participates in TD Ameritrade's institutional customer program and Adviser may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between AIM Capital's participation in the program and the investment advice it gives to its Clients, although we receive economic benefits that are typically not available to TD Ameritrade retail investors through our participation in the program. These benefits include the following

products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving our participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to AIM Capital by third-party vendors. TD Ameritrade may also have paid for business consulting and professional services received by our related persons. Some of the products and services made available by TD Ameritrade through the program may benefit AIM Capital but may not benefit your accounts. These products or services may assist AIM Capital in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help AIM Capital manage and further develop its business enterprise. The benefits received by AIM Capital or our personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, we endeavor at all times to put clients' interests first. You should be aware, however, that the receipt of economic benefits by AIM Capital or our related persons in and of itself creates a potential conflict of interest and may indirectly influence AIM Capital's choice of TD Ameritrade for custody and brokerage services.

AIM Capital also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment advisors participating in the program. Specifically, the Additional Services include access to on-line investment research services at no cost. TD Ameritrade provides the Additional Services to AIM Capital in its sole discretion and at its own expense, and we do not pay any fees to TD Ameritrade for the Additional Services. AIM Capital and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

AIM Capital's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to AIM Capital, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, our Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with AIM Capital, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, AIM Capital may have an incentive to recommend to you that the assets under management by AIM Capital be held in custody with TD Ameritrade and to place transactions for your accounts with TD Ameritrade. AIM Capital's receipt of Additional Services does not diminish its duty to act in your best interests, including seeking best execution of trades for your accounts.

*Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations and Item 12, Brokerage Practices, for additional discussion concerning other compensation.*

We may from time to time receive expense reimbursement for travel and/or marketing expenses from distributors of investment and/or insurance products. Travel expense reimbursements are typically a result of attendance at due diligence and/or investment training events hosted by product sponsors. Marketing expense reimbursements are typically the result of informal expense sharing arrangements in which product sponsors may underwrite costs incurred for marketing such as client appreciation events, advertising, publishing, and seminar expenses. Although receipt of these travel and marketing expense reimbursements are not predicated upon specific sales quotas, the product sponsor reimbursements are

typically made by those sponsors for which sales have been made or for which it is anticipated sales will be made. This creates a conflict of interest in that there is an incentive to recommend certain products and investments based on the receipt of this compensation instead of what is in the best interest of our clients. We attempt to control for this conflict by always basing investment decisions on the individual needs of our clients.

### **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

AIM Capital is deemed to have custody of client funds and securities whenever AIM Capital is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody AIM Capital will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which AIM Capital is deemed to have custody, we have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. Clients should carefully review those statements and are urged to compare the statements against reports received from AIM Capital. When clients have questions about their account statements, they should contact AIM Capital or the qualified custodian preparing the statement.

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

When providing asset management services, AIM Capital maintains trading authorization over your Account and can provide management services on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities, the amount of securities that can be bought or sold and the broker or dealer to be used for your portfolio without obtaining your consent for each transaction.

If you decide to grant trading authorization on a **non-discretionary** basis, we will be required to contact you prior to implementing changes in your account. Therefore, you will be contacted and required to accept or reject our investment recommendations including:

- The security being recommended
- The number of shares or units
- Whether to buy or sell

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if we are not able to reach

you or you are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

You will have the ability to place reasonable restrictions on the types of investments that may be purchased in your Account. You may also place reasonable limitations on the discretionary power granted to AIM Capital so long as the limitations are specifically set forth or included as an attachment to the client agreement.

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

AIM Capital does not vote proxies on behalf of Clients. We have determined that taking on the responsibilities for voting client securities does not add enough value to the services provided to you to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in Account.

You will receive proxies directly from the qualified custodian or transfer agent; we will not provide you with the proxies. You are encouraged to read through the information provided with the proxy-voting documents and make a determination based on the information provided. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us. However, you will have the ultimate responsibility for making all proxy-voting decisions.

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

This *Item 18* is not applicable to this brochure. AIM Capital does not require or solicit prepayment of more than \$1200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for the most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, AIM Capital has not been the subject of a bankruptcy petition at any time.

### **Customer Privacy Policy Notice**

In November of 1999, Congress enacted the Gramm-Leach-Bliley Act (GLBA). The GLBA requires certain financial institutions, such as investment advisor firms, to protect the privacy of customer

information. In situations where a financial institution does disclose customer information to nonaffiliated third parties, other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure. AIM Capital does not share or disclose customer information to nonaffiliated third parties except as permitted or required by law.

AIM Capital is committed to safeguarding the confidential information of its clients. AIM Capital holds all personal information provided by clients in the strictest confidence and it is the objective of AIM Capital to protect the privacy of all clients. Except as permitted or required by law, AIM Capital does not share confidential information about clients with nonaffiliated parties. In the event that there were to be a change in this policy, AIM Capital will provide clients with written notice and clients will be provided an opportunity to direct AIM Capital as to whether such disclosure is permissible.

To conduct regular business, AIM Capital may collect personal information from sources such as:

- Information reported by the client on applications or other forms the client provides to AIM Capital
- Information about the client's transactions implemented by AIM Capital or others
- Information developed as part of financial plans, analyses or investment advisory services

To administer, manage, service, and provide related services for client accounts, it is necessary for AIM Capital to provide access to customer information within the firm and to nonaffiliated companies, (optional to include examples of outside firms), with whom AIM Capital has entered into agreements with. To provide the utmost service, AIM Capital may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on AIM Capital's behalf.

- Information AIM Capital receives from the client on applications (name, social security number, address, assets, etc.)
- Information about the client's transactions with AIM Capital or others (account information, payment history, parties to transactions, etc.)
- Information concerning investment advisory account transactions
- Information about a client's financial products and services transaction with AIM Capital

Since AIM Capital shares nonpublic information solely to service client accounts, AIM Capital does not disclose any nonpublic personal information about AIM Capital's customers or former customers to anyone, except as permitted by law. However, AIM Capital may also provide customer information outside of the firm as required by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas. In the event that AIM Capital has a change to its customer privacy policy that would allow it to disclose non-public information not covered under applicable law, AIM Capital will allow its clients the opportunity to opt out of such disclosure.

### **Business Continuity Plan**

AIM Capital has a business continuity and contingency plan in place designed to respond to significant business disruptions. These disruptions can be both internal and external. Internal disruptions will impact our ability to communicate and do business, such as a fire in the office building. External

disruptions will prevent the operation of the securities markets or the operations of a number of firms, such as earthquakes, wildfires, hurricanes, terrorist attack or other wide-scale, regional disruptions.

Our continuity and contingency plan has been developed to safeguard employees' lives and firm property, to allow a method of making financial and operational assessments, to quickly recover and resume business operations, to protect books and records, and to allow clients to continue transacting business.

The plan includes the following:

- Alternate locations to conduct business;
- Hard and electronic back-ups of records;
- Alternative means of communications with employees, clients, critical business constituents and regulators; and
- Details on the firms' employee succession plan

Our business continuity and contingency plan is reviewed and updated on a regular basis to ensure that the policies in place are sufficient and operational.