

# **Ingram Advisory Services, LLC**

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## **FORM ADV PART 2A BROCHURE**

This brochure provides information about the qualifications and business practices of Ingram Advisory Services, LLC. If you have any questions about the contents of this brochure, contact us at 863-326-9833. 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.

Additional information about Ingram Advisory Services, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Ingram Advisory Services, LLC is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Summary of Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Since our last Annual Updating Amendment, dated January 27, 2014, we amended Item 12 of our brochure to disclose that we do not block trade securities. The new language reads as follows:

*We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.*

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## Item 4 Advisory Business

### Description of Services and Fees

Ingram Advisory Services is a registered investment adviser based in Winter Haven, Florida. We are organized as a limited liability company under the laws of the State of Florida. We have been providing investment advisory services since 1999. Donnie E. Ingram is our principal owner. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- **Financial Planning/Consulting Services**
- **Portfolio Management Services**
- **Pension Consulting Services**

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs. As used in this brochure, the words "we", "our" and "us" refer to Ingram Advisory Services and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person or Investment Adviser Representative throughout this brochure. As used in this brochure, our Associated Persons or Investment Adviser Representatives are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

### Financial Planning/Consulting Services

We offer financial planning services which typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an analysis of their individual needs. These services can range from broad financial planning to single subject planning or consulting only. We also offer advisory consulting services which primarily involves advising clients on specific financial-related topics. The topics we address may include, but are not limited to, risk assessment/management, investment planning, financial organization, or financial decision making/negotiation. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. We may also use financial planning software to determine your current financial position and to define and quantify your long-term goals and objectives. Once we specify those long-term objectives (both financial and non-financial), we will develop shorter-term, targeted objectives. Once we review and analyze the information you provide to our firm and the data derived from our financial planning software, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives. Written plans may not be provided for consulting only services. Financial plans and advice are based on the financial information you provide to us and on your financial situation at the time we present the plan to you or consult with you. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

The fee is negotiable depending upon the complexity and scope of the plan, your financial situation, and your objectives. Generally, we charge a maximum fixed fee of \$5,000 for a broad-based financial plan. If you only require advice on a single aspect of your finances, we offer single subject financial planning/general consulting services. We charge an hourly fee up to \$300 per hour for single subject planning or advisory consulting services. Fees are negotiable depending on the scope and complexity of services to be rendered. Our consulting fee is payable upon completion of the agreed upon consulting services.

An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee. Fees are typically due at the inception of the advisory relationship. We will not require prepayment of a fee more than six months in advance and in excess of \$1,200. Should the engagement last longer than six months between acceptance of the

service agreement and delivery of the financial plan (or consultation), any prepaid unearned fees will be promptly returned to you less a pro rata charge for bona fide financial planning/consulting services rendered to date.

At our discretion, we may offset our financial planning fees to the extent you implement the financial plan through our Portfolio Management Services described below. You are under no obligation to act on our financial planning recommendations or advice. Should you choose to act on any of our recommendations, you are not obligated to implement the financial plan or advice through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

You may terminate the agreement for services by providing five (5) days written notice to our firm. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

### **Portfolio Management Services**

We offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients' needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information at the beginning of our advisory relationship. We will use the information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. We may also invest your assets using a predefined strategy, or we may invest your assets according to one or more model portfolios developed by our firm. Once we construct an investment portfolio for you, or select a model portfolio, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing. If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

<b>Assets Under Management</b>	<b>Annualized Fee*</b>
Under \$100,000	2.00%
\$100,000 - \$500,000	1.50%
\$500,001 - \$1,000,000	1.25%
Over \$1,000,000	1.00%

\*The annualized fee is generally up to the percentage amount shown in the fee schedule above; however, we may discount our fees.

Our annual portfolio management fee is billed and payable quarterly in arrears based on the value of your account on the last day of the quarter. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

You may terminate the portfolio management agreement within five days from the date of acceptance without penalty. After the five-day period, either you or our firm may terminate the portfolio management agreement upon written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. Refunds are not applicable since fees are paid in arrears.

### **Pension Consulting Services**

We offer pension consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include any one or all of the following:

- a. **Comprehensive Marketplace Search**- We will search the marketplace and provide quotations from leading retirement plan service providers.
- b. **Service Provider Analysis** - We will analyze data regarding fees and services of responding retirement plan service providers, including plan features and service standards.
- c. **Recommendations** - We will make recommendations regarding plan service provider selection and investment lineup based upon study results and the client's goals and objectives.
- d. **Development of Investment Policy Statement** - We will assist you in developing a written investment policy statement that defines the plan's purpose and provides a clear understanding concerning the investment policies and objectives of the plan assets.
- e. **Existing Plan Review** - A plan review is a comprehensive exam of major components of the client's retirement plan in order to identify strengths and weaknesses. The review can cover such areas as overall plan structure, related costs, and plan documentation.

- f. **Communication and Education** - We will help you coordinate and deliver meaningful information regarding the retirement plan to its participants.

We offer our pension consulting services on a fixed fee basis, which is generally payable in arrears on completion of services rendered. Pension consulting fees and payment arrangements are negotiable on a case-by-case basis based on the scope of the contracted services and will be outlined in the advisory service agreement.

Either party may terminate the pension consulting agreement within five days of the date of acceptance without penalty. However, you will incur a pro rata charge for consulting services rendered prior to such termination. After the five-day period, either party to the pension consulting agreement may terminate the agreement upon written notice to the other party. The pension consulting fees will be prorated for the quarter in which the termination notice is given. In rare cases where there are unearned fees, they will be refunded to you. Otherwise, refunds are not applicable since fees are generally payable in arrears.

### **Advisory Services to Retirement Plans**

As disclosed above in this Form ADV Part 2A, we offer various levels of advisory services to employee benefit plans ("Plan"). The services are designed to assist plan sponsors in meeting their management and fiduciary obligations to plan participants under the Employee Retirement Income Securities Act ("ERISA") to the extent the Plan is subject to ERISA. Pursuant to adopted regulations of the U.S. Department of Labor, we are required to provide the Plan's responsible plan fiduciary (the person who has the authority to engage us as an investment adviser to the Plan) with a written statement of the services we provide to the Plan, the compensation we receive for providing those services, and our status (which is described below).

The services we provide to your Plan are described below, and in the service agreement that you have previously signed. Our compensation for these services is described below, and also in the service agreement. We do not reasonably expect to receive any other compensation, direct or indirect, for the services we provide to the Plan, unless the plan sponsor directs us to deduct our fee from the plan or directs the plan record-keeper to issue payment for our fee out of the plan. If we receive any other compensation for such services, we will (i) offset the compensation against our stated fees, and (ii) we will promptly disclose to you the amount of such compensation, the services rendered for such compensation, and the party paying such compensation.

In providing services to the Plan, our status is that of an investment adviser registered under the Investment Advisers Act of 1940, and we are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting either as a non-discretionary fiduciary of the Plan as defined in Section 3(21) under ERISA and/or, to the extent applicable, as a discretionary fiduciary of the plan as defined in Section 3(38) under ERISA.

We offer these services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review and analysis, plan-level advice regarding fund selection and investment options, education services to plan participants, investment performance monitoring, investment management on a non-discretionary basis, and/or ongoing consulting. The ultimate decision to act on behalf of the plan shall remain with the plan sponsor or other named fiduciary.

## **Types of Investments**

We offer advice on equity securities, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual funds, exchange traded funds, variable annuities, variable life insurance, U.S. Government securities, options contracts on securities, and interest in partnerships investing in real estate, oil and gas interests, leasing interests, and others.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

## **Assets Under Management**

As of January 16, 2015, we managed \$136,300,000 in client assets, \$120,200,000 of which was managed on a discretionary basis, and \$16,100,000 on a non-discretionary basis.

## **Item 5 Fees and Compensation**

Please refer to the "Advisory Business" section in this brochure for information on our advisory fees, fee payment arrangements, and refund policy according to each service we offer.

## **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure.

## **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are registered representatives with Investors Capital Corp. ("ICC"), an unaffiliated securities broker-dealer, member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, 12b-1 fees for the sale of investment company products.

Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Persons providing investment advice on behalf of our firm may also be licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these



persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Based on your individual needs and circumstances, we may recommend that you purchase variable annuities or alternative investments, such as real estate investment trusts (REITs), to be included in your investment portfolio(s). Where applicable, persons providing investment advice on behalf of our firm may earn commissions on the sale of these types of investments in his or her capacity as a registered representative of ICC. If these persons earn commission on the sale of these types of investments with respect to purchases made after 4/1/2013, we will not include the value of those investments in the total value used for our advisory billing/fee computation for the first 24 months you hold such investments. After the twenty-four month period, the value of the annuity sub accounts or alternative investment product will be added to the value of your total assets for billing purposes. Such investments will be purchased for your account only after you receive a prospectus or relevant disclosures documents describing the terms of the investments. You are under no obligation, contractually or otherwise, to purchase annuities or alternative investments through any person affiliated with our firm.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the "Advisory Business" section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we have the right to terminate your Account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage.

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

### **Our Methods of Analysis and Investment Strategies**

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Technical Analysis - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks. The risk of market timing based on technical analysis is that charts may not accurately predict future price movements.

Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

- Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.
- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

On occasion, we may engage in margin or option transactions. However, these transactions are not part of our core strategy and are implemented based on individual client circumstances.

- Margin Transactions - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. If the value of the shares drops sufficiently, the investor will be required to either deposit more cash into the account or sell a portion of the stock in order to maintain the margin requirements of the account. This is known as a "margin call." An investor's overall risk includes the amount of money invested plus the amount that was loaned to them.
- Option Writing - a securities transaction that involves selling an option. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller pays the buyer a premium (the market price of the option at a particular time) in exchange for writing the option. Options are complex investments and can be very risky, especially if the investor does not own the underlying stock. In certain situations, an investor's risk can be unlimited.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

We primarily recommend long term purchases, which may be affected by unforeseen long term changes in the company in which you are invested or in the overall market. We may use short-term trading (in general, selling securities within 30 days of purchasing the same securities), short-term purchases, margin transactions, and option writing when managing your account(s) when we determine that it is suitable given your stated investment objectives and tolerance for risk. However, these strategies are not a fundamental part of our overall investment strategy and are used in limited circumstances.

The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy. The risk of fundamental analysis is that information

obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

As disclosed under the "Advisory Business" section in this Brochure, we offer advice on many types of securities; however, we primarily recommend mutual funds (including no-load funds) and exchange traded funds (ETFs). Since each client has different needs and different tolerance for risk, we may recommend other types of investments as appropriate for you. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds and ETFs are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

## Item 9 Disciplinary Information

Neither our firm nor any of our management persons has any reportable disciplinary information.

## Item 10 Other Financial Industry Activities and Affiliations

Our firm offers electronic document storage services to our advisory clients at an additional charge. The fees for such services depend either on the amount of assets under management or on your income. Generally, annual fees range from \$250 to \$1,250 or more. You are under no obligation to purchase our electronic document storage services.

### Registrations with Broker-Dealer and Investment Adviser

Persons providing investment advice on behalf of our firm are registered representatives with Investors Capital Corporation, an unaffiliated securities broker-dealer, member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Please see the "Fees and Compensation" and "Brokerage Practices" section of this brochure for more information.

### Arrangements with Affiliated Entities

We are affiliated with Ingram Financial Group, Inc. ("IFG"), through common control and ownership. IFG is a licensed insurance agency in the State of Florida. Therefore, persons providing investment advice on behalf of our firm are licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

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

### Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

### Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

Persons providing investment advice on behalf of our firm who are registered representatives of Investors Capital Corporation ("ICC") will recommend ICC to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from ICC unless ICC provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through ICC. It may be the case that ICC charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through ICC, these individuals (in their separate capacities as registered representatives of ICC) may earn commission-based compensation as result of placing the recommended securities transactions through ICC. This practice presents a conflict of interest because these registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as, we recommend. However, if you do not use ICC, we may not be able to accept your account. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### **Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

### **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (the practice of combining multiple orders for shares of the same securities is commonly referred to as "block trading"). Accordingly, you may pay different prices for the same securities transactions than other clients pay. Furthermore, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than other clients.

### **Internal Cross Transactions**

It may be the case that we effect a transaction between two or more of our managed accounts. This would occur where one client desires or needs to purchase certain securities which another client desires or needs to sell. In such transactions a potential conflict of interest exists in that one client may be disadvantaged by the transaction. For example, we could cause a transaction in a security to occur at a price above the market price for such security that would then be available on the open market, which would benefit the selling account and harm the buying account. As a fiduciary, we effect cross transactions only to the extent such transactions are consistent with our duty to obtain best execution, and seek to ensure that no client is disfavored by the cross trade. We do this primarily in the case of bond trades, where we may instruct the broker to effect a cross trade from one client to another which eliminates the spread on each side of the transaction. We will maintain a written record of each cross transaction annotated to disclose the terms of the transaction. In doing so, we do not receive additional compensation other than our advisory fees, as disclosed above at Item 4, Advisory Business.

## Item 13 Review of Accounts

The Investment Adviser Representative assigned to you will monitor your accounts on an ongoing basis and will conduct account reviews at least annually and upon your request to ensure that the advisory services provided to you and/or the portfolio mix are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- contributions and withdrawals,
- year-end tax planning,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will not provide you with additional or regular written reports in conjunction with account reviews; instead, we provide written reports on an "as needed" or "as requested" basis. You will receive trade confirmations, monthly or quarterly statements, and year-end tax statements from the custodian(s) of your accounts.

The investment adviser representative working with you will review financial plans as needed, depending on the arrangements made with you at the inception of your advisory relationship to ensure that the planning advice and/or asset allocation recommendations made to you are consistent with your previously stated and/or updated investment needs and objectives. You should contact immediately with any changes to your financial situations, goals, or objectives to determine whether any updates may be needed based on changes in your circumstances. Changed circumstances may include, but are not limited to marriage, divorce, birth, death, inheritance, lawsuit, retirement, job loss, and/or disability, among others. Where warranted, we will provide you with updates to the financial plan in conjunction with the review. We recommend meeting with you at least annually to review and update your plan if needed. Additional reviews will be conducted upon your request. Such reviews and updates will be provided for all portfolio management clients. Extraordinary circumstances and updates to financial plans for financial planning only clients may be subject to our then current hourly rate. We will not provide regular written reports for financial planning and consulting services. If you implement financial planning advice through our firm or ICC, you will receive trade confirmations and monthly or quarterly statements from relevant custodians.

## Item 14 Client Referrals and Other Compensation

Please refer to the "Brokerage Practices" section above for disclosures on research and other benefits we may receive resulting from our relationship with Investors Capital Corporation ("ICI").

Our firm may provide various client events, such as dinner or attendance to sporting events that will include representatives from various investment firms. Under such arrangements, our firm may be reimbursed for some or all expenses associated with holding these events by the specific sponsor(s) whose representative(s) support the event.

As disclosed under the "Fees and Compensation" section in this brochure, persons providing investment advice on behalf of our firm are registered representatives with ICI and may also be licensed insurance agents either independently or through our affiliated firm, Ingram Financial Group, Inc. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

Mr. Don E. Ingram, Managing Member of our firm, sits on the Board of Directors of several companies, including a hospital, a foundation for a hospital, and a bank. Some of these companies are advisory clients of our firm. In this capacity, Mr. Ingram will attend board meetings, and will assist in making decisions regarding the operations of the hospital. Mr. Ingram may be compensated for these activities as a Board Member. Other associated persons of our firm may act in a similar capacity for community organizations as well, which may or may not be clients of our firm. Any referrals to or from one of these companies or organizations will be done so as a professional courtesy only. There is no compensation from either party based on the referral.

Mr. Ingram is also on the Board of Directors for ICC, the broker-dealer firm with which certain persons associated with our firm, including Mr. Ingram, are registered representatives and through which your securities transactions are executed. A potential conflict of interest exists as Mr. Ingram and other persons associated with our firm have a financial incentive to utilize the services of ICC. Please see Item 5, Fees and Compensation, Item 10, Other Financial Industry Activities and Affiliations, Item 12, Brokerage Practices, above and relevant Form ADV Part 2B brochure supplements for additional information on our relationship with ICC.

We directly compensate non-employee (outside) individuals and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires or a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We recommend that you request Solicitors to disclose to you whether multiple referral relationships exist and whether comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.



## Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

## Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of applicable securities, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

## Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

## Item 19 Additional Information

### Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure. We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to



ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. Generally, if a trade error results in a profit, the trade error will be corrected in the trade error account of the executing broker-dealer and you will not keep the profit.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.