

Item 1: Cover Page

PAUL MANNERS & ASSOCIATES, INC.

Registered Investment Adviser

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This Part II of Form ADV Brochure was completed as of September 29, 2015

This brochure serves as a replacement to Part II of Form ADV Uniform Application for Investment Adviser Registration, which gives information about an investment adviser and its business for the use of clients and prospective clients. This information has not been approved or verified by any governmental authority. Registration of an investment adviser does not imply that the adviser possesses a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 404-231-8611 and/or jknope@paulmanners.net. Additional information about Paul Manners & Associates, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

2. Material Changes

There were no material changes to report as of the date of this filing.

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4. Advisory Services

Paul Manners & Associates, Inc. (“the Firm”) is a registered investment adviser that provides investment supervisory services to individuals, pension plans, charitable foundations, and trusts. The Firm’s primary service is managing separate long-only portfolios on behalf of clients who grant the Firm discretionary investment authority. As of June 30, 2015, the Firm managed \$181,718,206.00 of client assets on a discretionary basis and \$77,426,145.00 of client assets on a non-discretionary basis. Total assets as of June 30, 2015, were \$259,144,351.00.

This service consists of an assessment of the clients goals and risk tolerance, preparation of an investment plan based on the clients goals and constraints, execution of trades in accordance with the investment plan, ongoing management of the investment portfolio, quarterly reporting of portfolio positions and performance, and a review with the client of the portfolio and reassessment of goals

and risk tolerance at least annually. The Firm was established in 1979 by Paul E. Manners, Chairman Emeritus, and is now owned by Larry P. Forbus and Jason P. Knope.

Larry P. Forbus is a senior partner with Paul Manners & Associates, Inc. He joined the organization in 1990 following distinguished stints with both Morgan Keegan and Merrill Lynch, where he began his 25 year career in investment management. Larry's academic path began at Auburn University and soon after obtained an MBA from the University of Missouri.

Jason P. Knope, CFA, CMT, is a partner with Paul Manners & Associate, Inc. He is responsible for coordinating the firm's investment process and is a member of the investment committee. Jason joined the organization in 2002 following five year with SouthTrust Investment Advisors working in Research, Portfolio Management and Trust. Jason earned both a B.S. in Business Administration and Masters in Finance from Louisiana State University. He received the Chartered Financial Analyst (CFA) designation in 2002, and the Chartered Market Technician (CMT) designation in 2006.

5. Fees and Compensation

The fee schedule for these services is 1.00% per annum on assets up to \$2,000,000, 0.75% per annum on assets between \$2,000,001 and \$5,000,000, and 0.50% per annum on all assets in excess of \$5,000,000. Fees are negotiable. These fees are assessed quarterly in arrears based on the value of the assets under management on the last day of the quarter, prorated for capital flows that occur during the quarter. The fees are deducted from client assets at the end of the quarter unless the client requests to pay by check upon receipt of physical bill via mail. Client or advisor may terminate the contract at any time by providing written notice to the other, and client is responsible for all unpaid fees due through the date of termination.

The firm seeks to provide a high degree of transparency with regard to fees and expenses. Clients receive a confirmation of each transaction clearly disclosing the commission, and monthly statements summarizing all activity and charges. In addition to advisory fees charged by Paul Manners & Associates, Inc., there may be additional charges resulting from custodial fees, mutual fund expenses, brokerage commissions, etc. All fees paid to the Firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders or the transaction fees charged by the custodian(s). Mutual fund expenses are described in each fund's prospectus. These expenses will generally include a management fee, other fund expenses, and possibly a distribution fee.

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

Paul Manners & Associates, Inc. does not engage in compensation arrangements involving Performance-Based Fees or Side-By-Side Management agreements.

7. Types of Clients

Most of the Firm's clients are wealthy individuals and families. Many have maintained accounts with the Firm for many years. The Firm also manages portfolios and provides investment advice for financial institutions, charitable foundations, and trusts. The Firm generally requires a minimum of \$500,000 to open an advisory account. It believes that this is the minimum amount required to

successfully execute its investment strategies for an individual portfolio. However, smaller accounts may be accepted at the discretion of management.

8. Methods of Analysis, Sources of Information, and Investment Strategies

The Firm employs a wide range of methods for evaluating investments and managing portfolios, including fundamental analysis, some aspects of technical analysis and study of price trends, and analysis of economic, market, industry, firm, and product cycles and trends. Typical sources of information include company SEC filings, press releases, company websites, company earnings calls, financial news and quotation services, financial data providers, financial newspapers and magazines, corporate rating services, analyst research reports, financial weblogs, internet discussion boards, financial websites, and, where practical, inspections of company activities.

Paul Manners & Associates, Inc. will typically create a portfolio of individual stock and bond positions, tailored to a client's specific needs. The Firm pursues an actively managed strategy that offers broad diversification and low turnover. For clients with a substantial equity allocation, individual equity securities are used to gain diversification and pursue a strategy of growth at a reasonable price. In some instances, use of equity mutual fund or exchange traded fund may be required, if inadequate funds are available to ensure proper diversification. Investing in any of the aforementioned equity securities or mutual funds involve risk and offer no guarantee of future return.

For clients with a substantial fixed income allocation, the Firm generally recommends a combination of bond funds and individual fixed income investments, with actual investments dependent upon the views of the risk/return relationship for various forms of fixed income investments or bond funds. A secondary consideration is income requirements. All individual fixed income securities recommended by Paul Manners & Associates, Inc. will be investment-grade at the time of the recommendations and can be government, agency or municipal issues. Investing in any of the aforementioned fixed income securities or mutual funds involve risk and offer no guarantee of future return.

On rare occasions, the Firm will purchase shares of preferred stock to augment client income requirements, if prudent.

9. Disciplinary Information

No employee(s) or owner(s) of the Firm are involved in any legal or disciplinary events that are material to a client's or prospective client's evaluation of our services.

10. Other Financial Industry Activities and Affiliations

Neither Paul Manners & Associates, Inc., nor its employees, engages in any other business activity than rendering investment advice to clients for a fee. Additionally, the Firm or related persons are not a general partner in any partnership in which clients are solicited to invest.

11. Code of Ethics, Participation of Interest in Client Transactions & Personal Trading

Rule 204A-1 under the Investment Advisers Act requires registered Investment Advisers to adopt a code of ethics. Each Investment Adviser's code of ethics must set forth the standard of business

conduct that the Investment Adviser requires of all supervised persons. A code of ethics should set out ideals for ethical conduct grounded in the fundamental principles of openness, integrity, honesty, and trust. A good code of ethics should effectively convey to employees the value the advisory firm places on ethical conduct, and should challenge employees to live up not only to the letter of the law, but also to the ideals of the organization. Specifically, the Code of Ethics covers a range of topics that may include: general ethical principles, receipt and giving of gifts, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code of Ethics, review and enforcement processes, amendments to Form ADV and supervisory procedures. The Firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Client transactions are always given priority over those of employees and related persons in an attempt to ensure that the clients receive the best pricing. The prices for transactions in a given security on a given day typically are averaged so that no one account or client receives preference. Employees are prohibited from trading in any individual security that has been, or is planned to be transacted by the firm during that trading day.

The Chief Compliance Officer reviews transactions executed by the Firm daily, and conducts an additional review of all securities transactions by officers and employees quarterly. In the case of mutual funds that are transacted at end of day pricing, orders for employees and related persons are communicated to custodians at the same time as client orders to ensure all accounts receive the same pricing. All transactions for employees and related accounts must be approved prior to execution by the Firm's Chief Compliance Officer.

12. Brokerage Practices

Investment Advisers must obtain best execution, which the SEC generally describes as a duty to execute securities transactions so that a client's total costs or proceeds in each transaction are the most favorable under the circumstances. The SEC also has stated that in seeking best execution, the determining factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution. Accordingly, an adviser should consider the full range and quality of a broker's services, including execution capability, commission rate, financial responsibility, and responsiveness to the adviser. Paul Manners & Associates, Inc. will periodically and systematically evaluate the performance of broker-dealers executing their transactions. Reports will be prepared to determine if best execution was received for client transactions.

Paul Manners & Associates, Inc. prefers brokerage and custodial services provided by Charles Schwab & Co., but the Firm does allow clients to direct brokerage. In our opinion, Charles Schwab & Co. offers the best service, execution and custodial services for our clients. If a client chooses a brokerage firm other than Charles Schwab & Co., the Firm requires the client to "appoint" a brokerage firm when completing Exhibit B of the Firm's Investment Advisory Agreement. By completing Exhibit B, the client acknowledges that Paul Manners & Associates, Inc. has relationships with a number of broker-dealers that may offer lower commission rates on trades and better execution. Additionally, the client acknowledges that directing brokerage may result in certain costs or disadvantages due to higher commissions, more expensive products or less favorable execution.

When at all possible, the Firm will aggregate all equity, mutual fund and bond trades in an effort to gain the best price and execution for all clients. The trades are allocated based on average cost.

13. Review of Accounts

The Firm's portfolio managers and compliance officer continuously monitor accounts to identify and correct any transaction or valuation errors, and to implement investment strategies that serve each client's investment objectives. At a minimum, a review is conducted at the end of each month. More frequent account reviews are triggered by such factors as: a) awareness of a material change in a client's circumstances or investment objectives, b) significant changes in market conditions, c) changes in the portfolio manager's assessment of a security held in an account, and d) divergence of an account's investment performance from management's expectations. The Firm maintains approximately 100 relationships for which it provides investment advisory services. Two investment professionals have review responsibility for these accounts—Larry P. Forbus, Partner and Portfolio Manager and Jason P. Knope, CCO and Portfolio Manager.

In addition to the account statements sent to clients on a monthly basis by the custodian of their accounts, all clients receive a quarterly report from Paul Manners & Associates, Inc. which provides a list of the most recent holdings of the of the client's portfolio and any transactions done during the most recent period. Other reports may be provided from time to time, including a realized gains and losses report (typically provided in January, for the prior calendar year, for taxable accounts).

14. Client Referrals and Other Compensation

The Firm and its related persons restrict its compensation solely and exclusively to the professional fees it receives directly from clients. Neither the Firm nor any of its employees will accept any sales commissions, referral fees, or soft dollars. The Firm and its employees will not accept prizes, travel, gifts or meals valued in excess of \$100 from any financial product vendor, custodian or other financial service provider. The Firm does not receive any compensation from investment companies and does not have an arrangement for receiving compensation for client referrals.

Paul Manners & Associates, Inc. currently compensates one unsupervised person for legacy client referrals. As long as the Firm continues to manage any of the accounts referred by the unsupervised party, the Firm will pay a referral fee in the amount of 25% of each quarterly fee collected. The unsupervised party has not referred business to the Firm in over 10 years and only one account remains under the purview of Paul Manners & Associates, Inc. for which the company pays a referral fee. On termination of this lone relationship, the Firm will no longer pay unsupervised parties for referrals.

15. Custody

Paul Manners & Associates, Inc. recommends that clients use Charles Schwab & Co., Inc. for the custody and brokerage of their accounts. In recommending a custodian, the Firm considers primarily the ability to execute a trade promptly at a competitive price and the financial stability of the custodian. Clients may pay transaction fees higher than those obtainable from other brokers, but the Firm feels that clients are receiving the best custodial and execution services available for the

transaction fees paid to Charles Schwab & Co., Inc. for execution. The Firm receives no research or other consideration for recommending Charles Schwab & Co., Inc. as custodian to clients.

16. Investment Discretion

As described in Item 4, the Firm is a registered investment advisor whose primary business is managing portfolios on behalf of clients who grant the Firm discretionary investment authority. This authority gives the firm the power to decide which securities to buy and sell and in what quantities. Before the Firm assumes discretionary authority, the following process must be completed:

- Initial meeting and interview process to determine risk tolerance, return objective, tax considerations, unique circumstances, etc.
- Execution of the Investment Advisory Agreement, which makes required disclosures and gives the firm authorization to act in the client's best interest. Execution of the contract also address establishment of a custodian, verification of investment objectives, directing brokerage, and agreement on the fee schedule.
- Asset transferred to new custodian, if necessary, and investment discretion given to the Firm at the custodian.

17. Voting Client Securities

As a matter of firm policy and practice, Paul Manners & Associates, Inc. does not accept the authority to and does not vote proxies on behalf of clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. However, clients may call or email their advisor with questions regarding a particular proxy or other solicitation, and the Firm may provide advice to clients regarding clients' voting of proxies or such solicitations, upon request of a client or clients or in unusual circumstances. Proxy materials and other solicitations will be delivered directly to the client from the custodian or transfer agent.

Historically, Paul Manners & Associates, Inc. has performed proxy voting for clients if requested to do so. At any time, clients may contact the Firm via telephone, email or in person to request records on past proxy voting. The Firm maintains records on proxies voted for at least five years. The following procedures apply to all accounts that the Firm maintains proxy voting responsibility:

All proxy voting materials received by the Firm will be forwarded to Operations whose responsibilities will include:

- Reconciliation of proxies received against securities held and obtaining any missing proxy materials / ballots prior to the voting deadline.
- Forwarding all applicable proxy materials to those clients who have retained authority to vote proxies.
- Voting proxies in accordance with the Compliance Committee's recommendations and guidelines.
- Transmitting voted proxies to the appropriate issuers.
- Recording how each proxy was voted for the Firm's clients.
- Maintaining appropriate proxy voting records by issuer and for clients.
- Preparing and providing proxy voting reports to the CCO upon request.

If any conflict or potential conflict of interest arises in the execution of proxy voting responsibilities, Operations will refer the matter to the Compliance Committee who will review and resolve any such conflict in the best interests of all affected clients. The Chief Compliance Officer will maintain adequate records to document the voting process for all clients.

Clients are free to direct the voting of any proxy they chose. The client is required to provide written instruction on how the proxy is to be voted so the Firm can maintain a copy of the clients' instruction regardless if the vote is in agreement with, or opposed to the firm's decision on a given issue. In all cases, the direction of the client as to how to vote the proxy will supersede that of the Firm on a given issue.