

DISCLOSURE BROCHURE

THE INVESTMENT ADVISERS ACT OF 1940 RULE 203-1

Part 2A of Form ADV: Firm Brochure

Firm IARD/CRD #: 125738

SEC File #: 801-57292



ASSET MANAGEMENT

COLLEGE FUNDING

RETIREMENT PLANNING

MUTUAL FUNDS

Cover Page **ITEM 1**

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This Disclosure Brochure provides information about the qualifications and business practices of Fund Advisors of America, Inc. which should be considered before becoming a client. You are welcome to contact us should you have any questions about the contents of this brochure - our contact information is listed to the right. Additional information about Fund Advisors of America, Inc is also available on the SEC's website at www.adviserinfo.sec.gov.

The information contained in this Disclosure Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any State Securities Administrator. Furthermore, the term "registered investment advisor" is not intended to imply that Fund Advisors of America, Inc. has attained a certain level of skill or training.

BROCHURE
DATED

1
JANUARY
2015

MATERIAL CHANGES

ITEM 2

There are no material changes to report. This Disclosure Brochure has been reviewed and is current as of the date indicated on the cover.

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BROCHURE SUPPLEMENTS

ADVISORY BUSINESS

Who We Are

Fund Advisors of America, Inc. (hereinafter referred to as “the Company”, “we”, “us” and “our”) is a full-service registered investment advisor¹ incorporated in January of 1993 as a Florida corporation. We offer a wide range of financial management services designed to assist you, our client², in achieving your financial goals.

Owners

The following person controls the Company:

Name	Title	CRD#
Gregory B. Galloway	President, Director & Chief Compliance Officer	1834265

Assets Under Management

As of January 1, 2015, our assets under management totaled:

Client Discretionary Managed Accounts \$99,700,000

We do not offer non-discretionary investment management services. You will find more information about our fees and management under “Portfolio Management” in Item 5, “Fees & Compensation” below and further description of our investment strategies under Item 8, “Methods of Analysis, Investment Strategies & Risk of Loss.”

Mission and Objective

Our mission is to preserve wealth and promote financial independence and security in an economic environment that is increasingly becoming borderless, complex and volatile as our U.S. financial markets evolve to address the demands of a growing global economy.

What We Do

We manage wealth. We offer investment management services, which stress fiscal responsibility and disciplined economic decision-making, ultimately designed to protect your monetary needs for today, tomorrow, and in the future. We provide this service through:

- ❖ Advice on how to best navigate the current economic and investment environment.
- ❖ The design of an asset allocation guideline unique to your predefined goals and objectives.
- ❖ Implementation of the investment and risk management strategies necessary to attain your financial goals.

¹ The term “registered investment advisor” is not intended to imply that Fund Advisors of America, Inc. has attained a certain level of skill or training. It is used strictly to reference the fact that we are “Registered” as a licensed “Investment Advisor” with the United States Securities & Exchange Commission - and “Notice Filed” with such other State Regulatory Agencies that may have limited regulatory jurisdiction over our business practices.

² A client could be an individual, a corporation and/or small business, another fiduciary, a trust, an estate, a charitable organization and/or any other type of entity structure to which we choose to give investment advice.

- ❖ Monitoring the investment performance of such management strategies.

Earning your trust and confidence is a great compliment. We understand that when this is accomplished, you are at peace knowing your financial affairs are being managed with your best interest always in mind.

How We Get to Know You

We get to know you through one-on-one consultations to discuss issues such as your current personal goals, investment return expectations and prior investment experience. In addition, we have you complete a Confidential Financial Profile questionnaire³ to provide us a picture of your financial needs.

With the complexity of today's marketplace, it is critical for us to understand who you are and what you want to accomplish financially. We must have a clear picture of your unique financial composition and risk tolerance so that we can develop a successful investment plan and tailored asset allocation guideline.

Our meetings with you to discuss your finances will help to eliminate much of the guesswork in achieving the security and independence you desire and simplify your financial alternatives. In return, we will have:

- ❖ Defined and narrowed objectives and investment options;
- ❖ Identified areas of greatest distress;
- ❖ Developed a strategy for addressing concerns about the future; and,
- ❖ Created a unique picture of your overall economic personality.

Once your financial parameters have been identified, we will prepare an allocation that is most suitable for your unique investment expectations and risk tolerance. This allocation plan will guide us in the management of your account(s), and as a standard against which to measure future results and to make modifications where necessary.

FEES & COMPENSATION

ITEM 5

Portfolio Management

Portfolio management is provided on an asset-based fee arrangement. Our management fee is calculated based on the aggregate market value of your account on the last business day of the previous calendar quarter multiplied by one-fourth of the corresponding annual percentage rate (i.e., $2.25\% \div 4 = 0.5625\%$).

We retain discretion to negotiate the management fee under 2.25% on a client-to-client basis. Generally, fee breaks will occur as assets in your portfolio increase past the following tiers:

³ The Confidential Financial Profile questionnaire we use is an important tool in gathering information about your investment methodology, risk tolerance, income/tax bracket, liquidity, time horizons, etc. If you elect not to answer the questionnaire or choose to respond with limited input, it is possible that we could operate in a handicapped capacity contrary to your investment needs. Therefore, if you desire the most effective and accurate recommendations regarding your managed account(s), you should make every effort to provide us with your detailed personal needs and objectives, along with detailed financial and tax information.

Account Value	Annual Fee Rate Not to Exceed
Up to \$100,000.....	2.25%
From \$100,001 to \$250,000	2.00%
From \$250,001 to \$500,000	1.75%
From \$500,001 to \$1,000,000	1.50%
\$1,000,001 and up.....	Negotiable

We generally require a minimum initial investment of **\$100,000** to open a managed account; however, we retain the right to **waived or reduced** this minimum if we feel circumstances are warranted.

Protocols for Portfolio Management

The following protocols establish how we handle our portfolio management accounts and what you should expect when it comes to: (i) managing your account; (ii) deposits and withdrawals in/from your account(s); (iii) your bill for investment services; (iv) other fees charged to your account(s); and, (iv) termination.

Discretion

Unless otherwise negated by you, we will establish discretionary trading authority on your management accounts to execute securities transactions at anytime without your prior consent or advice.

At anytime however, you may impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.)

Billing

Your account will be billed quarterly **in advance** based on the above fee arrangements. For **new managed accounts** opened mid-quarter, our fee will be based upon a pro-rata calculation of the fair market value of your assets to be managed for the period.

Advisory fees will be deducted first from any money market funds or cash balances. If such assets are insufficient to satisfy payment of such fees, a portion of the account assets will be liquidated to cover the fees. Such liquidation may affect the relative balances of the account.

Deposits and Withdrawals

Assets deposited by you into your management account between billing cycles will **not** result in additional management fees being billed to you.

For assets you may withdrawal during the quarter, we **do not make partial refunds** of your quarterly portfolio management fee. Any withdrawal of assets from your portfolio may require modifications and adjustments to be made in the account to correct your allocation of assets.

Fee Exclusions

The above fees for all of our management services are exclusive of any charges imposed by the custodial firm including, but not limited to: (i) any Exchange/SEC fees; (ii) certain transfer taxes; (iii) service or account charges, including, postage/handling fees, electronic fund and wire transfer fees, auction fees, debit balances, margin interest, certain odd-lot differentials and mutual fund short-term redemption fees; and (iv) brokerage and execution costs associated with securities held in your managed account. There can also be other fees charged to your account that are unaffiliated with our management services.

In addition, all fees paid to us for portfolio management services are separate from any fees and expenses charged on mutual fund shares by the investment company or by the investment advisor managing the mutual fund portfolios. These expenses generally include management fees and various fund expense, such as: redemption fees, account fees, and purchase fees may occur but are the exception within managed accounts at institutional custodians. A complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. You are encouraged to carefully read the fund prospectus.

Termination of Portfolio Management Services

To terminate our investment advisory services, either party (you or us) by **written notification** to the other party, may terminate the Investment Advisory Agreement at any time. **Termination will be effective on the business day we received such notification.** At that time, **neither party has any obligation to the other** - we no longer earn management fees or give investment advice and you become responsible for making your own investment decisions.

In the event termination does not fall on the last/first day of a calendar quarter, you shall be entitled to a pro-rated refund of the prepaid quarterly management fee calculated **beginning 30 days from the date of termination** through the end of the billing quarter (i.e.; Advisory services terminate on July 15th, the refund will be pro-rated from August 15th to September 30th).

PERFORMANCE-BASED FEES & SIDE-BY-SIDE MANAGEMENT

ITEM 6

We do not charge fees based on a share of capital gains or the capital appreciation of the assets held in your accounts.

TYPES OF CLIENTS

ITEM 7

The types of clients we offer advisory services to are described above under “**Who We Are**” in the Advisory Business section. Our minimum account size for portfolio management is disclosed above under “**Portfolio Management**” in the Fees & Compensation section of this Brochure.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES & RISK OF LOSS

Our portfolio management services are designed to build long-term wealth while maintaining risk tolerance levels acceptable to you. We combine your financial needs and investment objectives, time horizon, and risk tolerance, as disclosed to us during the “get-to-know-you” process. Your portfolio is then tailored to these unique investment parameters using primarily equities (stocks), investment company products (mutual funds), exchange traded funds (“ETFs”), closed-end funds (“CEFs”), leveraged index funds, and option strategies to design your unique investment strategy.

In addition, depending on your risk tolerance, we may also recommend using other investment vehicles to achieve your desired investment objective, such as: option strategies and leveraged index funds. However, these investment vehicles bring on a whole different risk dynamic. If we recommend investment in one of these securities, we will discuss with you the limitations of such securities and the potential risk factors to your portfolio.

Methods of Analysis

In analyzing stocks, mutual funds, ETF, and CEF investments, we will use combinations of fundamental, technical, and cyclical approach to gathering information and to guide us in our allocation decisions.

Fundamental Analysis

Fundamental analysis considers: economic conditions, earnings, cash flow, book value projections, industry outlook, politics (as it relates to investments), historical data, price-earnings ratios, dividends, general level of interest rates, company management, debt ratios and tax benefits.

Technical Analysis

Technical analysis utilizes current and historical pricing information to help us identify trends in the broader domestic and foreign equity and fixed income markets, and in the underlying assets themselves. This may involve the use of various technical indicators, such as moving averages and trend-lines, among others.

Cyclical Analysis

Market cycles provide historic tried and true timing mechanisms to indicate turning points in future market prices. By tracking historic data through charts and graphs we can improve entry and exit timing strategies. Coupling cyclical analysis with technical analysis helps to ensure the most favorable buy/sell signal.

Fundamental analysis provides us with a broad long-term view of a security that begins with determining a company’s value and the strength of its financials while technical analysis is short-term focusing on the statistics generated by market activity. Cyclical analysis provides us with historical data on market trends to focus our technical analysis for ideal entry/exit points.

Investment Strategy

We are not bound to a specific investment strategy or ideology for the management of your investment portfolio except for how such strategy might affect the risk tolerance levels we pre-defined for you during the “get-to-know-you” process. However, our investment strategies generally incorporate these methodologies:

Modern Portfolio Theory

Modern Portfolio Theory (“MPT”)⁴ is the analysis of a portfolio of stocks as opposed to selecting stocks based on their unique investment opportunity. The objectives of MPT is to determine your preferred level of risk then construct a portfolio that maximizes your expected return for that given level of risk. Our investment methodology follows five (5) basic premises, each of which is derived from MPT.

1. You, as with all clients, are inherently risk-averse.
2. The markets are basically efficient.
3. The focus of attention is shifted away from individual securities analysis to consideration of portfolios as a whole, predicated on explicit risk-reward parameters.
4. For any level of risk that you are willing to accept, there is a rate of return that should be targeted.
5. Portfolio diversification is not so much a function of how many issues are involved, but more a function of the relationships and proportions of each asset to its correlating asset.

Asset Allocation

Asset Allocation is a broad term used to define the process of selecting a mix of asset classes and the efficient allocation of capital to those assets by matching rates of return to a specified and quantifiable tolerance for risk. From this there are more narrow and aggressive Asset Allocation derivatives that we may use.

Dollar-Cost Averaging

Dollar-cost averaging is the technique of buying a fixed dollar amount of securities at regularly scheduled intervals, regardless of the price per share. This will gradually, over time, decrease the average share price of the security. Dollar-cost averaging lessens the risk of investing a large amount in a single investment at the wrong time.

Managing Risk

The biggest risk to you is the risk that the value of your investment portfolio will decrease due to moves in the market. This risk is referred to as the **market risk** factor, also known as variability or volatility risk. Other important risk factors:

- ❖ **Interest Rate Risk** - Interest rate risk affects the value of bonds more than stocks. Essentially, when the interest rate on a bond begins to rise, the value (bond price) begins to drop; and vice versa, when interest rates on a bond fall, the bond value rises.

⁴ Modern Portfolio Theory was developed and introduced by Harry M. Markowitz in his paper “Portfolio Selection” published in 1952 by the *Journal of Finance*.

- ❖ **Equity Risk** - Equity risk is the risk that the value of your stocks will depreciate due to stock market dynamics causing one to lose money.
- ❖ **Currency Risk** - Currency risk is the risk that arises from the change in price of one currency against that of another. Investment values in internationally securities can be affected by changes in exchange rates.
- ❖ **Inflation Risk** - The reduction of purchasing power of investments over time.
- ❖ **Commodity Risk** - Commodity risk refers to the uncertainties of future market values and the size of future income caused by the fluctuation in the prices of commodities (i.e., grains, metals, food, electricity, etc...).

The risk factors we have cited here are not intended to be an exhaustive list, but are the most common risks your portfolio will encounter. Other risks that we haven't defined could be political, over-concentration, and liquidity to name a few. However notwithstanding these risk factors, the most important thing for you to understand is that regardless of how we analyze securities or the investment strategy and methodology we use to guide us in the management of your investment portfolio, **investing in a security involves a risk of loss that you should be willing and prepared to bear; and furthermore, past market performance is no guarantee that you will see equal or better future returns on your investment.**

DISCIPLINARY INFORMATION

ITEM 9

There are no legal or disciplinary events to report at this time that are material to your evaluation of our advisory business.

OTHER FINANCIAL INDUSTRY ACTIVITIES & AFFILIATIONS

ITEM 10

Financial Industry Activities

We are a fee-only registered investment advisor; none of our supervised persons are licensed, or are related to, another financial industry participant and therefore no disclosure is necessary for this item.

CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS & PERSONAL TRADING

ITEM 11

Code of Ethics

As a fiduciary, the Company has an affirmative duty to render continuous, unbiased investment advice, and at all times act in your best interest. To maintain this ethical responsibility, the Company has adopted a Code of Ethics that establishes the fundamental principles of conduct and professionalism expected by all personnel in discharging their duties. This Code is a value-laden guide committing such persons to uphold the highest ethical standards, rooted in the most elementary maxim. The Company's Code of Ethics is designed to deter inappropriate behavior and heighten awareness as to what is right, fair, just and good by promoting:

- ❖ Honest and ethical conduct.
- ❖ Full, fair and accurate disclosure.
- ❖ Compliance with applicable rules and regulations.

- ❖ Reporting of any violation of the Code.
- ❖ Accountability.

To help you understand our ethical culture and standards, how we control sensitive information and what steps have been taken to prevent personnel from abusing their inside position, a copy of our Code of Ethics is available for review upon request.

Client Transactions

We have a fiduciary duty to ensure that your welfare is not subordinated to any interests of ours or any of our personnel. The following disclosures are internal guidelines we have adopted to assist us in protecting all of our clientele.

Participation or Interest

It is against our policies for any of our employees to invest with you or with a group of clients, or to advise you or a group of clients to invest in a private business interest or other non-marketable investment unless prior approval has been granted by Mr. Greg B. Galloway, our Chief Compliance Officer, and such investment is not in violation of any SEC and/or State rules and regulations.

Class Action Policy

The Company, as a general policy, does not elect to participate in class action lawsuits on your behalf. Rather, such decisions shall remain with you or with an entity you designate. We may assist you in determining whether you should pursue a particular class action lawsuit by assisting with the development of an applicable cost-benefit analysis, for example. However, the final determination of whether to participate, and the completion and tracking of any such related documentation, shall generally rest with you.

Personal Trading

Employees of ours are permitted to personally invest their own monies in securities, which may also be, from time to time, recommended to you. Most of the time, such investment purchases are independent of, and not connected in any way to, the investment decisions made on your behalf. However, there may be instances where investment purchases for you may also be made in an employee's account. In these situations we have implemented the following guidelines in order to ensure our fiduciary integrity:

1. No employee acting as an Investment Advisor Representative, or who has discretion over your account, shall buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment, unless the information is also available to the investing public on reasonable inquiry. No employee of ours shall prefer his or her own interest to that of yours or any other advisory client.
2. We maintain a list of all securities holdings for all our access employees. Mr. Galloway reviews these holdings on a regular basis.
3. We require that all employees act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
4. Bunched orders (See "Trading Allocation" above) may include employee accounts. In such cases, priority and advantage will be given to satisfy your order first regardless of the situation.
5. Any individual not in observance of the above may be subject to termination.

Personal trading activities are monitored by Mr. Galloway to ensure that such activities do not impact upon your security or create conflicts of interest.

BROKERAGE PRACTICES

ITEM 12

Custodial Services

The Company maintains custodial arrangements with Charles Schwab & Company, Inc. ("Schwab"), a licensed broker-dealer (member FINRA/SIPC), through its Schwab Advisor Services to financial advisors. Schwab offers us services which include custody of securities, trade execution, clearance and settlement of transactions.

Our recommendation for you to custody your assets with Schwab has no direct correlation to the services we receive from Schwab and the investment advice we offer you, although we do receive economic benefits through our relationship with Schwab that are typically not available to Schwab retail clients. 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 dedicated trading desk; access to batch trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to accounts); the ability to have advisory fees deducted directly from accounts; access to an electronic communications network for order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers.

We are not a subsidiary of, or an affiliated entity of Schwab. We have sole responsibility for investment advice rendered, and our advisory services are provided separately and independently from Schwab.

Direction of Transactions and Commission Rates (Best Execution)

We have a fiduciary duty to put your interests before our own. Schwab's advisory support services create an economic benefit to us and a potential conflict of interest to you; in that, our recommendation to custody your account(s) with Schwab may have been influenced by these arrangements/services. This is not the case; we have select Schwab as the custodian of choice based on:

1. Schwab's competitive transaction charges, trading platform, and on-line services for account administration and operational support.
2. Schwab's general reputation, trading capabilities, investment inventory, their financial strength, and our personal experience working with Schwab staff.

Since we do not recommend, suggest, or make available a selection of custodians other than Schwab, and we have not verified whether their transaction fees are competitive with another custodian, **best execution may not always be achieved**. Therefore, **you do not have to accept our recommendation to use Schwab as your custodian**. However if you elect to use another custodian, **we may not be able to provide you complete institutional services**.

Aggregating Trade Orders

Our objective in order execution is to act fairly, impartially, and to take all reasonable steps to obtain the best possible results (known as “best execution”) for our clients. Therefore, we will not bunch (aggregate) orders for a block trade unless: (i) the bunching of orders is done for the purpose of achieving best execution; and, (ii) no client is systematically advantaged or disadvantaged by bunching the orders.

In consideration of these objectives, we will take into account the unique execution factors of the buy/sell order before bunching accounts for a block trade. A few of those factors are:

- ❖ **Security Trading Volume** - Bunching orders in a block trade can secure price parity and continuity for our clients during heavy trading activity.
- ❖ **Number of Clients** - The fewer the number of client accounts involved in the bunched order may not yield better pricing or order execution; it may be more advantageous to perform an individual market order for each client. In addition preparing individual market orders, for the small number accounts involved, may be quicker to complete than preparing a bunch order.
- ❖ **Financial Instruments** - The type of security involved as well as the complexity of order can affect our ability to achieve best execution.

REVIEW OF ACCOUNTS

ITEM 13

Portfolio Management Reviews

Each account is reviewed on an ongoing basis to ensure that your needs and objectives are being met. All accounts are reviewed in the context of your stated investment objectives and guidelines. Cash needs will be adjusted as necessary. You will receive, at least quarterly, statements from Charles Schwab & Company, Inc. where your account is custodied. Each statement will summarize the specific investments currently held, the value of your portfolio and account transactions.

It is recommended that we review your account with you at least annually. Material changes in your personal circumstances, the general economy, or tax law changes can trigger more frequent reviews. **However, it is your responsibility to communicate these changes to us so that the appropriate adjustments can be made.**

CLIENT REFERRALS & OTHER COMPENSATION

ITEM 14

Referral Compensation

We do not receive any economic benefit from an independent party for managing any of our clients’ accounts. In addition, we do not compensate persons/firms for client referrals.

Other Compensation (Indirect Benefit)

The Company receives an indirect economic benefit from Schwab (See “Custodial Services” above under Item 12, “**Brokerage Practices**” for more detailed information on these services and products could be.).

CUSTODY

ITEM 15

Management Fee Deduction

We do not take possession of or maintain custody of your funds or securities, but will simply monitor the holdings within your portfolio and trade your account based on your stated investment objectives and guidelines. Physical possession and custody of your funds and/or securities shall be maintained with Schwab as indicated above in Item 12, “**Brokerage Practices.**”

We are however defined as having custody since you have authorized us to deduct our advisory fees directly from your account. Therefore to comply with the United States Securities and Exchange Commission’s Custody Rule (1940 Act Rule 206(4)-2) requirements, and to protect you as well as to protect our advisory practice, we have implemented the following regulatory safeguards:

- ❖ Your funds and securities will be maintained with a qualified custodian (Charles Schwab & Company, Inc.) in a separate account in your name.
- ❖ Authorization to withdrawal our management fees directly from your account will be approved by you prior to engaging in any portfolio management services.

In addition, Schwab is required by law to send you, at least quarterly, brokerage statements summarizing the specific investments currently held in your account, the value of your portfolio, and account transactions. **You are encouraged to compare the financial data contained in any report we may prepare for you with the financial information disclosed in your account statement from Schwab to verify the accuracy and correctness of our reporting.**

INVESTMENT DISCRETION

ITEM 16

Securities & Amount Bought or Sold

We have you complete our Investment Advisory Agreement which sets forth our authority to buy and sell securities in whatever amounts are determined to be appropriate for your account and whether such transactions are with, or without, your prior approval.

You may, at anytime, impose restrictions, **in writing**, on our discretionary authority (i.e., limit the types/amounts of particular securities purchased for your account, exclude the ability to purchase securities with an inverse relationship to the market, limit our use of leverage, etc.).

VOTING CLIENT SECURITIES

ITEM 17

We do not vote client proxies. You understand and agree that you retain the right to vote all proxies, which are solicited for securities held in your managed accounts. Any proxy solicitations inadvertently received by us will be immediately forwarded to you for your evaluation and decision.

However if you have specific questions regarding an action being solicited by the proxy that you do not understand or you want clarification, you may contact us and we will explain the particulars. Keep in mind we will not advise you in a direction to vote, that ultimate decision will be left to you.

FINANCIAL INFORMATION

ITEM 18

We are not required to include financial information in our Disclosure Brochure since we will not take physical custody of client funds or securities or bill client accounts six (6) months or more in advance for more than \$1,200.

We are not aware of any current financial conditions that are likely to impair our ability to meet our contractual commitments to you.

END OF DISCLOSURE BROCHURE