

# Signature Investments, Inc.

## Firm Brochure

(Part 2A of Form ADV)

**6500 Poe Ave, Suite 110  
Dayton, OH 45414  
937-890-3101**

### **1. Cover Page**

This brochure provides information about the qualifications and business practices of Signature Investments, Inc. (hereinafter "SIGNATURE"). If you have any questions about the contents of this brochure, please contact us at 937-890-3101 or email at: [ops@signatureinvest.com](mailto:ops@signatureinvest.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about SIGNATURE is available on the SEC's web site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

We refer to ourselves as a "registered investment adviser". Registration does not imply a certain level of skill or training.

Dated Prepared: 5 May 2015

### **2. Material Changes**

Material changes to the ADV Brochure in future years will be provided as a separate document to clients who have received previous versions of this brochure. This Disclosure Brochure has been revised and updated to reflect all material changes that occurred since the previous release of the Firm Brochure. The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative "plain English format". The new final rule specifies mandatory sections and organization.

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## 4. Advisory Business

### OWNERSHIP

Signature Investments, Inc. (SIGNATURE) is an Investment Adviser. SIGNATURE was found on 2 February 2000, and is presently owned by TIS Holdings, Inc.

### Officers

David A. Lukas, President  
Sara A. Merrick, Secretary

### SERVICES

Signature Investments' main investment advisory business is to manage the investment portfolios of individuals and corporations. SIGNATURE's investment advisory services are tailored to the individual needs of its clients and are based on the client's goals, investment objectives, time horizon and risk tolerance, based upon information provided by the client and the nature of the services requested. In this capacity SIGNATURE and the investment advisor representative act as fiduciaries to the client, always striving to render our best judgment on behalf of the client.

Investment (Portfolio) Management; includes elements of financial statement analysis, asset selection, stock selection, plan implementation and ongoing monitoring of investments.

Often for Investment (Portfolio) Management services, SIGNATURE recommends Matson Money, Inc. ("Matson Money"), a registered investment adviser, who allocates client assets to any one or combination of three series of a no-load, open-end investment company (a mutual fund) operated under the name "Matson Money, Inc. Family of Funds of The RBB Fund, Inc." ("Matson Funds"). This recommendation stems from a fundamental alignment between Matson Money's investment philosophies and our own. When you participate in a Matson Money program, you enter into a tri-party agreement with Matson Money and the investor coaches at Signature Investments, Inc., who serve as Co-Advisor. Our role as a coach is to assist in determining the appropriate risk and return guidelines for your overall portfolio resulting in the choice of an investment policy statement in alignment with your personal objectives. The client grants discretionary authority to implement your investment policy statement to Matson Money, not Signature Investments, Inc.

Often for Investment (Portfolio) Management services, SIGNATURE recommends Betterment LLC ("Betterment"), a registered investment adviser, who allocates client assets to a widely diversified set of ETF (Electronically Traded Funds) securities that are available through its clearing firm known as Betterment Securities. This recommendation stems from a fundamental alignment between Betterment's investment philosophies and our own. When you participate in the Betterment program, you enter into a tri-party agreement with Betterment and the investor coaches at Signature Investments, Inc., who serve as Co-Advisor. Our role as a coach is to assist in determining the appropriate risk and return guidelines for your overall portfolio

resulting in the choice of an investment policy statement in alignment with your personal objectives. The client grants discretionary authority to implement your investment policy statement to Betterment, not Signature Investments, Inc.

Financial Planning; offering evaluation of financial situation, goals and risks via the collection of pertinent data, identification of goals, objectives, financial problems, potential solutions, preparation of recommendations and implementation advice thereon; provided on a comprehensive or a la carte basis.

We do not offer legal, tax or accounting advice or prepare any legal documents for the client. The client's personal attorney will be solely responsible for providing legal advice, legal opinions, legal determinations and legal documents. The client's personal tax adviser or accountant will be solely responsible for any tax or accounting services to the client.

SIGNATURE does not offer wrap fee programs.

DECLARATIVE

SIGNATURE does not act as a custodian of client assets. Clients' assets are held at the custodian of their choice. The client always maintains control of their accounts' assets; although they may be held at a clearing broker-dealer or other custodian.

SIGNATURE exercises discretion in investment selection in client(s) account(s).

As of 2 January 2015, our assets under management were \$107,731,400; managed on a discretionary basis with no assets managed on a non-discretionary basis.

Fees for the various services provided are detailed in #5 Fee and Compensation.

## **5. Fees and Compensation**

INVESTMENT (PORTFOLIO) MANAGEMENT

CUSTOM PORTFOLIO THROUGH SIGNATURE

Each client account is billed quarterly in arrears to the account based on the account's net value on the last day of the preceding calendar quarter. For the first billing quarter, if the account is not opened at the beginning/end of a quarter, the fee will be based upon a pro-rata calculation of the net value of the client's assets to be managed.

Fees will be taken first from fee credit balances or from any money market funds or 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.

There is no minimum fee; but not more than 2% of the net value of account's assets managed.

<u>Net Value of the Account's Assets Managed</u>	<u>Rates per Annum</u>
Up to \$100,000	1% to 2%
Next \$200,000	1% to 1.25%
In Excess of \$300,000	75% to 1%

Under some circumstances the fees are negotiable.

The firm does not receive compensation for investment management other than the fee noted above. The firm does not charge commissions for transactions conducted within a client's managed account. The firm does not share in services fees (12b-1s, trails) generated by assets in the clients' account(s).

Our fees do not include any transaction fees, maintenance fees, bank fees, margin interest, wire transfer fees or other costs or fees associated with securities transactions charged by a custodian.

There may be additional costs related to brokerage, custodial, transaction execution, etc. charged by the custodian of the account. See section 12. Brokerage Practices.

#### MATSON MONEY PROGRAM

When the client participates in a Matson Money program, ultimately, their investments bear all fund-related fees and expenses, including brokerage fees and operating expenses as well as the expenses derived from the underlying mutual funds in which the Matson Funds invest. As adviser to its funds, Matson Money receives fees of .50% on each fund's average daily net assets as described in the prospectus. No sales loads are paid to Matson Money, Signature Investments Inc., or any other parties with respect to fund investments. However, annual fees paid to Signature Investments, Inc. range from 0.25% to 1.40% of assets under management, charged quarterly in advance, at one-fourth of the annual rate. For non-ERISA accounts, Matson Money debits our fees from the client account and pays that amount directly to Signature Investments, Inc. For ERISA accounts, Matson Money instructs your third-party custodian to debit the fee and pay to Signature Investments, Inc. The fees are based on the market value of the clients account on the last business day of the preceding calendar quarter. Clients who invest in Matson Funds through different co-advisers may pay higher or lower fees to their co-adviser than other investors in the same funds.

Signature Investments, Inc. will not, and has no authority to, withdraw fees from the client account. With prior notice, Matson Money is willing to permit the client to pay the advisory fees directly to Signature Investments, Inc.

## BETTERMENT PROGRAM

When the client participates in the Betterment program, ultimately, their investments bear all related fees and expenses, including brokerage fees and operating expenses as well as the expenses derived from the underlying ETF's in which Betterment invests. As adviser to its portfolios, Betterment receives fees of an all-inclusive annualized wrap fee of 0.25% of the client's account balance. No sales loads are paid to Betterment, Signature Investments Inc., or any other parties with respect to ETF investments. However, annual fees paid to Signature Investments, Inc. range from 0.25% to 1.25% of assets under management, charged quarterly in arrears, at one-fourth of the annual rate. For non-ERISA accounts, Betterment debits our fees from the client account and pays that amount directly to Signature Investments, Inc. For ERISA accounts, Betterment instructs your third-party custodian to debit the fee and pay to Signature Investments, Inc. The fees are based on the market value of the clients account on an average daily balance of the preceding calendar quarter. Clients who invest in Betterment through different co-advisers may pay higher or lower fees to their co-adviser than other investors in the same portfolios.

Signature Investments, Inc. will not, and has no authority to, withdraw fees from the client account. With prior notice, Betterment is willing to permit the client to pay the advisory fees directly to Signature Investments, Inc.

## FINANCIAL PLANNING

Financial plans are offered at an hourly rate or fixed fee.

The hourly rate will not exceed \$500 per hour, including the cost of the assisting professional's services, if any; typical rates:

- Plan Formulation Services Base Rate @ \$200 per hour.
- Plan Formulation Services Requiring the Assistance of a CPA @ \$400 per hour.
- Plan Formulation Services Requiring the Assistance of an Attorney at Law @ \$500 per hour.

The maximum sum of hourly fees is \$20,000; minimum \$200.

Fixed fees range from \$250 to \$20,000; typical examples:

- Review of a Securities Investment Portfolio @ \$250.
- Review of Financial Position (includes Assets, Liabilities, Investments) @ 1,200.
- Analysis of Financial Position with Debt Reduction Plan @ \$3,500.
- Comprehensive Financial Plan (Initial Preparation) @ 10,000.
- Comprehensive Financial Plan with Tax Planning Provided with the Assistance of a Certified Public Accountant (Initial Preparation) @ \$15,000.

- Comprehensive Financial Plan with Estate and Generational Inheritance Planning being provided by an Attorney at Law (Initial Preparation) @ \$20,000.

A financial analysis or review will typically take 5 hours but may take as much as 20 hours.

A comprehensive financial plan will typically take 20 hours but may take as much as 80 hours.

All fees will be based on time to complete and/or complexity of the plan. The client will be billed upon delivery of a deliverable and/or monthly for services that do not comprise a deliverable.

Annual reviews and updates of financial plans are billed based on time and complexity.

#### GENERAL FINANCIAL ADVICE

General financial advice is offered on a “by the hour” basis with no maximum fee. The hourly rate will not exceed \$500 per hour, including the cost of the assisting professional’s services, if any; typical examples:

- Service Base Rate @ \$200 per hour.
- Service Requiring the Assistance of a Business Advisor (MBA required) @ \$350 per hour.
- Service Requiring the Assistance of a CPA @ \$400 per hour.
- Service Requiring the Assistance of an Attorney at Law @ \$500 per hour.

#### DECLARATIVE

**NOT ALL SERVICES ARE OFFERED TO ALL CLIENTS.** Services are recommended and/or provided based on the firm’s evaluation of the client’s needs.

All fees are negotiable. A deposit may be required.

For investment advice and financial planning, the client may purchase recommended products via any channel of distribution desired. When purchasing a mutual fund the fees and expenses of the fund paid to the mutual fund company are separate and distinct from the fees paid to this firm for advice.

An advisory client has a right to terminate the contract without penalty within five (5) business days after entering into the contract. Thereafter, fees will be prorated based on the date of termination by written notice.

To terminate our investment services a written notice should be submitted at least one week prior to the actual termination date, which provides clear instruction on what the client wants done with their account (i.e., liquidate the account, finalize all transactions and/or cease all

investment activity). Once the termination notice has been received and we have implemented the final instructions from the client, we are no longer responsible for the management of client assets. From the date that the termination goes into effect, the client becomes responsible for making their own investment decisions without expectation of reliance upon the firm's advice.

Any disputes that may arise regarding the management of the account and any or all services rendered by SIGNATURE in connection with investment management shall be subject to arbitration under the securities rules of the American Arbitration Association. Any such arbitration shall be before a panel of three arbitrators, at least one of whom shall be employed in the securities industry and be knowledgeable regarding the subject matter of the dispute. Any arbitration brought under this agreement shall be held in Montgomery County, Ohio and shall be governed by the laws of the State of Ohio.

Irrespective of the above, the client does not waive any rights provided by state or federal securities laws to pursue a remedy by other means.

The firm has no relationship or arrangement with any issuer of securities.

SIGNATURE receives fees from Third Party RIA's for introduction of client assets.

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

SIGNATURE does not charge performance-based fees, which are based on capital gains or capital appreciation of client assets in the client account.

## **7. Types of Clients**

SIGNATURE generally provides advisory service to individuals, trusts, estates, charitable organizations, corporations, pension and profit sharing plans and other employee benefit plans.

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

The planners utilize a fundamental, value based approach to making a market risk determination as to whether a particular security is a suitable investment for a client's goals and needs.

SIGNATURE utilizes research and input provided by private economists, market and security analysts, financial newspapers and magazines, press releases, prospectuses, corporate annual reports, third party money managers and research prepared by independent firms in determining a securities fundamental value. The investment strategies are implemented on a long and short term.

Additionally, SIGNATURE utilizes the services of Matson Money, a third party money



management firm. For further information regarding Matson Money, please see sections 4, 5, 10 and 12 in this brochure.

Additionally, SIGNATURE utilizes the services of Betterment, a third party money management firm. For further information regarding Betterment, please see sections 4, 5, 10 and 12 in this brochure.

It is important that clients realize that risk of loss is possible with all securities and the client needs to be able to bear that loss. A risk assessment is done on the client to better understand his/her tolerance and appetite for risk, thus facilitating a better portfolio design. The Advisor will then help the client formulate his financial goals.

## **9. Disciplinary Information**

SIGNATURE does not have any material disciplinary events necessitating disclosure.

SIGNATURE and/or its employees or advisors may have other; non-material disclosure items listed on the SEC website located at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) . We encourage our prospective clients to fully research your advisor before entering into an agreement. An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel.

## **10. Other Financial Industry Activities and Affiliations**

SIGNATURE's investment adviser representatives may not both receive a commission on the sale of an insurance or securities product and a fee for investment management of that product. Generally, we do not allow our advisors to place insurance products within investment management accounts.

Signature Investments, Inc. is related to Tower Equities Insurance Agency, Inc., an insurance agency, through common ownership and control persons.

SIGNATURE has working relations with other registered investment advisors and broker-dealers. Associated companies and persons of SIGNATURE receive fees from the companies when their respective financial products or services are utilized. SIGNATURE considers factors such as timely execution, reporting capabilities and competitive cost structures when referring to other registered investment advisors and broker-dealers.

As described in section 4 above, SIGNATURE has a contractual "Co-Advisor" agreement with Matson Money, Inc., an Ohio corporation, registered as an investment advisor with the Securities and Exchange Commission. For additional information regarding Matson Money, please see their ADV Part 2A - Firm Brochure and Matson Money, Inc. Family of Funds of The RBB Fund, Inc. fund prospectus.

As described in section 4 above, SIGNATURE has a contractual “Co-Advisor” agreement with Betterment LLC., a New York corporation, registered as an investment advisor with the Securities and Exchange Commission. For additional information regarding Betterment, please see their ADV Part 2A - Firm Brochure.

Each client account is established at the client’s custodian of choice.

SIGNATURE does not charge commission, service fees, or transaction related fees for transactions conducted in a client’s custodian held account. All commission, service fees, or transaction related charges are controlled by and retained by the custodian.

Our professional staff is composed of individuals who have attained a high degree of expertise in their fields. Generally, although not always, a bachelor's degree is required of all professional employees and a M.B.A. or other advanced degree or equivalent professional designation in an appropriate field (e.g., economics, finance, law, mathematics, education) is preferred. We generally seek graduates with a prior business experience.

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

SIGNATURE maintains a Code of Ethics. The Code of Ethics sets forth standards of conduct expected of our employees, officers and directors. A copy of the SIGNATURE’s Code of Ethics is available for review upon request.

Advisors affiliated with SIGNATURE may affect securities transactions for clients and may be compensated through fees. Client securities transactions are internally restricted through procedures used by SIGNATURE requiring management approval of each and every security transaction at the local office level. In addition, SIGNATURE has internal policies and procedures to notify clients of conflicts of interest when appropriate.

SIGNATURE or individuals associated with SIGNATURE may buy or sell securities identical to those recommended by SIGNATURE and the independent managers to clients for their personal accounts. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of SIGNATURE that no person employed by SIGNATURE may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

As these situations represent a conflict of interest, SIGNATURE has established the following restrictions in order to ensure its fiduciary responsibilities:

- A. A director, officer or employee of SIGNATURE shall not 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 or reasonable inquiry. No person of SIGNATURE shall prefer his or her own interest to that of the advisory client.
- B. SIGNATURE maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of SIGNATURE.
- C. All clients are fully informed that certain individuals may receive separate compensation when affecting insurance transactions during the implementation process.
- D. SIGNATURE emphasizes the unrestricted right of the client to decline to implement any advice rendered.
- E. SIGNATURE requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- F. Any individual not in observance of the above may be subject to termination.

SIGNATURE may effect securities transactions for compensation for any client. Clients should be aware that securities purchased in corporate or employee accounts may or may not meet the same criteria as those used in advice provided to clients.

## **12. Brokerage Practices**

We do not select broker-dealers for client transactions in individually managed accounts. We give our clients the option of using the services of SIGNATURE, who clears its transactions on a fully disclosed basis through Matson Money, Inc. or Betterment LLC or another broker-dealer of their choosing. Our goal is to obtain best execution for each client transaction.

Clients with individually managed accounts may elect to have their assets held at the custodian of their choice.

We do not participate in wrap fee programs. We do not charge a commission on transactions in clients' managed accounts. The custodian of a managed account may charge execution and/or service fees relating to the account.

SIGNATURE does not custody client assets. Therefore, SIGNATURE does not have an opportunity to aggregate orders. The custodian manages order execution, including, any opportunities for order aggregation.

### **13. Review of Accounts**

The financial planner develops a mutual understanding with each client in areas such as: client's objectives, balance of risk, return potentials, diversification ranges, performance standards, expectations, risk tolerance, and any financial or investment restrictions or restraint that might apply. Working within these guidelines, the financial planner evaluates the appropriateness of particular securities in an effort to develop and maintain a financial strategy and portfolio structured to meet the client's goals. Financial planners have primary responsibility for reviewing client accounts annually or at client's request.

SIGNATURE does not custody client assets. The custodian provides the client with account statements and transaction confirmations.

### **14. Client Referrals and Other Compensation**

SIGNATURE may compensate third parties for referrals of clients. Advisors may also be licensed as insurance or securities representatives and affect, if appropriate, insurance and/or securities transactions for the client and receive fully disclosed commissions.

Referral Compensation:

SIGNATURE may directly compensate persons for client referrals, provided that those persons are qualified and have entered an agreement with SIGNATURE. Under such arrangements, the client will be provided full disclosure of the compensation paid to the solicitor and whether such referral will result in higher management fees.

### **15. Custody**

SIGNATURE does not serve as a custodian for client funds or securities. All assets are held at qualified custodians, the custodians provide account statements directly to clients at their address of record or elect to receive them in paperless form through the internet at least quarterly.

The Client is urged to review custodial account statements for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

### **16. Investment Discretion**

Pursuant to the discretionary authority granted SIGNATURE, we generally determine which securities are purchased and sold for client accounts as well as the amount. Such transactions are restricted to execution through the custodian chosen by the client and our authority may be further limited by specific instructions from the client.

SIGNATURE does not have the discretionary authority to determine the broker-dealer to be used or the commission rates to be paid. The choice of brokerage firm to act as the custodian over each client account will always be approved by the client.

SIGNATURE does not have authority to withdraw funds or to take custody of client funds or securities, other than under the terms of the Fee Payment Authorization clause in the Agreement with the client.

Virtually all of our client assets are managed on a discretionary basis. Clients opening discretionary accounts are required to execute an investment advisory agreement that, among other things, grants us the authority to manage their assets on a discretionary basis. Clients must establish their own custodial arrangements and provide the custodian with a letter granting us the authority to manage their assets. Clients can ask us to use a broker, by opening a brokerage account with the broker of their choice and providing us with written instructions that includes account information. Clients that wish to restrict us from using their assets to invest in certain companies or types of companies should provide us with written instructions containing a list of the restricted companies

#### Investment Services Benefits & Conflicts

There are potential conflicts of interest when SIGNATURE and its RAs suggest the need for outside consultations and coordination (i.e., attorneys, CPAs) to implement certain aspects of an estate or tax plan. Even though SIGNATURE does not share in any fees earned by the attorneys or CPA when implementing an estate or tax plan, those entities to which SIGNATURE refers business do earn fees. This creates incentive on the part of SIGNATURE and the RA to refer client business to only those entities that in turn refer potential clients to SIGNATURE. This can eliminate the possibility for the client to be referred to someone who may provide better services at lower cost. Therefore, to ensure clients understand the full relationship of SIGNATURE to any related parties that SIGNATURE may refer business, as well as the choices and risks clients have in receiving investment services, the following disclosures are provided:

- A. Clients may choose any broker/dealer to execute their securities transactions.
- B. Investments involve risk and some investment decisions will result in losses.
- C. Clients should understand that SIGNATURE cannot guarantee that their investment objectives will be achieved by working with us.
- D. Clients are under no obligation to have any related parties that SIGNATURE recommends prepare planning documents (i.e., estate, retirement, tax, etc...).
- E. Clients are free to choose those entities to implement any recommendations.

- F. SIGNATURE does not receive any economic benefit from referring clients to another professional without first notifying the client of such possibilities.

Notwithstanding such potential conflicts of interest, SIGNATURE strives to serve the best interest of the client; as well as, ensuring such disclosure is being properly made to clients in compliance with the Investment Advisor Act of 1940.

## **17. Voting Client Securities**

SIGNATURE does not vote proxies. Clients understand and agree that the client retains the right to vote all proxies. Clients will receive proxy materials directly from the custodian. Any proxy solicitations received at SIGNATURE's place of business will be immediately forwarded to the client for their evaluation and decision. Clients are encouraged to call us if they have questions regarding the voting of proxies.

## **18. Financial Information**

As a matter of policy the firm does not risk its capital. Firm assets are maintained in insured bank deposit accounts. SIGNATURE is not currently engaged in any litigation or arbitration.

SIGNATURE does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided because

SIGNATURE does not serve as a custodian for client funds or securities, does not require or solicit prepayment of investment management fees of more than \$500 per client, and does not charge investment management fees more than six (6) months in advance.