

Part 2A of Form ADV: Firm Brochure

Item 1: Cover Page

March 2015



Inverness Investment Group, LLC
2000 Auburn Drive, Suite 440
Beachwood, OH 44122
Phone: (216) 839-5130
Fax: (216) 839-5131

www.InvernessWealth.com

This brochure (Part 2A of Form ADV) provides information about the qualification and business practices of Inverness Investment Group, LLC. If you have any questions about the contents of this brochure, please contact us at (216) 839-5133, or by email at bobr@invernesswealth.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 our firm is available on the SEC's website at www.adviserinfo.sec.gov. Our firm is a registered investment advisor. Registration of an investment advisor does not imply a certain level of skill or training.

Item 2: Material Changes

Annual Update

Inverness Investment Group, LLC is providing this information as part of our annual updating amendment which contains material changes from our last annual update.

Material Changes since the Last Update

The Securities and Exchange Commission adopted amendments to Part 2 of Form ADV effective October 2010. The newly revised Part 2 consists of Part 2A (the "Brochure") and Part 2B (the "Brochure Supplement"). Each update of the Brochure must now include a summary of all material changes since the last annual update.

This Brochure is dated March 5, 2015. The information below summarizes changes made to our brochure since March 1, 2014.

Updated Language In this Brochure:

The Firm added additional information under the subcategory "Other Fees" on Page 9 to better discuss mutual fund fees.

The Firm Added language under the subcategory "Sharing Capital Gains or Capital Appreciation" on Page 9 to discuss fees it may receive when the firm acts as a Solicitor for other investment advisors.

Full Brochure Availability

The Firm Brochure for our firm is available by contacting Robert Renner at (216) 839-5133 or by e-mail at bobr@investinverness.com. In 2015, all new clients are being sent a full copy of our brochure.

Item 3: Table of Contents

Item 1: Cover Page	1
Item 2: Material Changes	2
Annual Update.....	2
Material Changes since the Last Update	2
Full Brochure Availability	2
Item 3: Table of Contents	3
Item 4: Advisory Business	5
Firm Description	5
Principal Owners	5
Types of Advisory Services	5
Tailored Relationships	5
Wrap Fee Programs	5
Regulatory Assets Under Management	5
Item 5: Fees & Compensation	6
Other Fees	8
Termination of Advisory Services	8
Commissionable Securities Sales.....	8
Item 6: Performance-Based Fees & Side-By-Side Management	9
Sharing of Capital Gains or Capital Appreciation	9
Item 7: Types of Clients	9
Item 8: Methods of Analysis, Investment Strategies & Risk of Loss.....	9
Methods of Analysis	9
Investment Strategies.....	10
Risk of Loss.....	11
Item 9: Disciplinary Information	11
Legal & Disciplinary	11
Criminal or Civil Action	11
Administrative Proceeding	11
Self-Regulatory Proceeding.....	12
Item 10: Other Financial Industry Activities & Affiliations	12
Affiliated Entities.....	12

Selection of Other Investment Advisers	12
Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading.....	13
Code of Ethics	13
Recommend Securities with Material Financial Interest	13
Invest in Same Securities Recommended to Clients.....	13
Personal Trading Practices.....	14
Item 12: Brokerage Practices	14
Selecting Brokerage Firms	14
Soft Dollars.....	15
Brokerage for Client Referrals	16
Directed Brokerage.....	16
Order Aggregation	16
Item 13: Review of Accounts or Financial Plans.....	16
Periodic Reviews	16
Review Triggers	16
Regular Reports	16
Item 14: Client Referrals & Other Compensation.....	17
Economic Benefit	17
Third Party Solicitors	18
Item 15: Custody.....	18
Item 16: Investment Discretion.....	18
Discretionary Authority for Trading	18
Limited Power of Attorney.....	18
Item 17: Voting Client Securities	19
Item 18: Financial Information	19
Prepayment of Fees	19
Financial Condition	19
Bankruptcy	19

Item 4: Advisory Business

Firm Description

Inverness Investment Group, LLC is an investment advisor registered with the SEC. We specialize in customized portfolio management for individual investors, high net worth individuals and families, and pension, profit sharing and 401(k) plans.

Principal Owners

Richard B. Renner, Principal founded the firm December 1, 2002. Inverness Investment Group LLC is wholly owned by Inverness Holdings LLC. The majority owners of Inverness Holdings LLC are Richard B. Renner and Independent Advisors, Inc, which is wholly owned by John Bartels.

Types of Advisory Services

We specialize in customized portfolio management for individual investors, high net worth individuals, and pension, profit sharing and 401(k) plans. As part of this service, we generally create an investment portfolio to meet the client's particular investment goals. Portfolios may consist of a combination of individual stocks, individual bonds, Mutual Funds, ETFs, and other fixed income securities. Our firm may also perform the role of an asset allocator or consultant for the trustees of qualified plans, foundations or endowments, and affluent families.

Our firm also provides lifetime planning and wealth advisory services, where we work closely with clients and their industry professionals to help you define and set future needs and goals. Our review will include client assets, liabilities, current and future cash flow and income needs, insurance needs, estate planning and related legal documents, and projected Social Security and other pension benefits.

Our firm manages corporate retirement plans. As part of this service, we will, evaluate the firm's retirement plan needs, analyze and recommend plan structures, review existing plans, develop an investment policy statement, recommend diversification, provide due diligence reports, prepare fund replacement reports, and coordinate changes with the plan's third party administrator.

Tailored Relationships

We will work with clients to make customized portfolios and provide advice for special situations and needs.

Wrap Fee Programs

Our firm does not offer a wrap fee program.

Regulatory Assets Under Management

We manage your accounts on a discretionary basis or a non-discretionary basis depending on your preference. As of December, 31, 2014, we managed \$402,741,415 in client assets on a discretionary basis and \$28,452,294 on a non-discretionary basis.

Item 5: Fees & Compensation

Management fees are based on the value of assets managed and fees are calculated as a percentage of assets under management. Fees are negotiable or may be discounted for special situations.

Portfolio Management

Fees are based upon the client's total relationship with our firm. Our firm has two primary billing schedules for portfolio management. Your billing schedule will be included as part of your management agreement with us. Our firm has a minimum annual fee of \$6,000.00 per relationship. This minimum may be waived under special circumstances. We have included both schedules below. If you so choose, you may have your management fees deducted from your managed account(s). If your fees are not deducted from your managed account(s) you will receive an invoice on how much your quarterly fees are and where to mail your check.

Standard Investment Advisory Schedule (New in 2013)

This service does not include Wealth Planning or consulting services.

Assets Under Management	Annual Fee
Up to \$2,000,000	1.25%
\$2 million to \$5 million	0.75%
\$5 million to \$10 million	0.50%
\$10 million to \$25 million	0.35%
\$25 million to \$50 million	0.25%
Over \$50 million	Negotiated

The above fees are progressive and are for the management of a client's portfolio. For example, if your account is \$3 million in value, the quarterly fee is calculated by multiplying \$2 million by .0125 plus multiplying \$1 million by .0075 then take the total sum and divide by 4 to arrive at the total due. All of your accounts are grouped and added together when determining fee.

Alternative Investment Advisory Schedule (fka Primary Investment Advisory Schedule)

This service includes asset management and Wealth Planning, Consulting and reporting services.

Assets Under Management	Annual Fee	Wealth Planning
Up to \$2,000,000	1.25%	0.90%
\$2 million to \$5 million	1.00%	0.60%
\$5 million to \$10 million	0.70%	0.60%
\$10 million to \$25 million	0.60%	0.60%
\$25 million to \$50 million	0.50%	0.50%
Over \$50 million	Negotiated	Negotiated

The above noted fees in the Primary Fee Schedule are NOT progressive. Your total fee is the total of the above two fees unless the fees are discounted for special situations as noted above. On the left is the Investment Advisory Fee and on the right is the fee for Wealth Planning,

Consulting, and Reporting. For example, if your account is \$4 million in value, the quarterly fee is calculated by multiplying \$4 million by .013 divided by 4. All of your accounts are grouped when determining fee.

Secondary Investment Advisory Fee Schedule

This fee schedule is no longer made available to new clients. For certain clients that transferred their advisory assets from a specific Investment Advisory Relationship using an existing progressive fee schedule, the following investment advisory fee schedule may be used for these specific clients "grand-fathered" in from the previous Advisory Relationship.

Assets Under Management	Annual Fee	Wealth Planning
Up to \$1,000,000	1.25%	0.90%
\$1 million to \$2.5 million	1.00%	0.60%
\$2.5 million to \$5 million	0.50%	0.60%
\$5 million to \$10.0 million	0.40%	0.50%
Balance over \$10.0 million	0.30%	Negotiated

The above noted fees in the Secondary Investment Advisor Fee Schedule are progressive. Your fee is the total of the above two fees unless the fees are discounted for special situations as noted above. For example, if your account is \$3 million in value, the quarterly fee is calculated by multiplying \$1 million by .0215 plus multiplying \$1.5 million by .016 plus multiplying \$500,000 by .011, then take the total sum and divide by 4 to arrive at the total due. All of your accounts are grouped when determining fee.

Fees are charged quarterly (1/4 of annual fee) in advance based upon the value of assets managed based valuations done by the client's custodian or other pricing services at the end of each calendar quarter. These account values are then applied to your applicable fee schedule. When you sign your management agreement you may authorize our firm to invoice your custodian or broker dealer to deduct your management fees. By signing this "Letter of Authorization" or similar document, you authorize your custodian to automatically deduct the management fees from your account and send them to our firm. If your account does not have sufficient cash to or money market funds balance to cover the fees or is restricted from you may deposit additional funds (subject to certain restrictions for IRA account and qualified retirement plan accounts) or make payment in an alternative method acceptable to our firm. If you do not deposit additional funds to your account or make the payment in another manner, securities in your account will be sold in an amount sufficient to cover the fees due. Your account custodian or broker dealer statement will reflect the date and the amount deducted from your account. If you elect to pay our firm directly for management fees, you will receive a quarterly invoice with instructions on where to mail your payment.

Life Planning & Wealth Advisory Services

If not utilizing our Standard or Alternative Investment Advisory service, our firm charges a flat fee rate for Lifetime and Wealth Advisory Services based on the scope of the engagement, the depth of issues covered and time involved and preparation of the plan document(s). This is billed as a one year retainer billed quarterly. Subsequently, additional planning services are billed quarterly.

Corporate Retirement Planning

Assets Under Management	Annual Fee
Up to \$500,000	1.00% of Plan Assets
\$500,000 to \$999,999	0.75% of Plan Assets
\$1,000,000 to \$3,000,000	0.50% of Plan Assets
\$3,000,000 to \$7,000,000	0.25% of Plan Assets
Over \$7,000,000	Negotiable

The fee-paying arrangements for pension consulting service will be determined on a case-by-case basis and will be detailed in the signed agreement. Client(s) will be invoiced directly for the above fees.

Other Fees

Our management fees are separate from charges assessed by third parties such as broker dealers, custodians and mutual fund companies. Brokerage and other transaction costs charged by broker dealers executing transactions and custodians maintaining your assets are in addition to the management fees and are not negotiable. Mutual funds, variable annuities and or other platforms charge or may assess other fees and expenses such as 12B-1 fees or commissions in connection with the placement of your funds.

Our fees may also be discounted for portfolios that hold a high percentage allocated to mutual funds. For managed portfolios we may sometimes purchase open end or closed end mutual funds. The mutual funds selected by our firm are purchased at net asset value ("NAV"). Our firm does pay attention to the internal fees of mutual funds, but is seeking strong investment choices. In accounts where Inverness Securities LLC, an affiliated broker dealer, member FINRA/SIPC is the broker dealer of record, the mutual funds chosen will typically pay out a 12B-1 fee and/or a Finder's Fee of 1% at the time of purchase to Inverness Securities LLC as disclosed herein and in the fund prospectus.

Termination of Advisory Services

Clients may terminate their advisory contract with Inverness Investment Group in writing to our firm at any time. We recommend you use a mail service where a signed receipt is required. Fees will be refunded through the end of the calendar quarter on a pro-rated basis. We may terminate relationships with clients, in writing, upon 30 days' notice and will refund fees through the end of the calendar quarter. Client death will not terminate the Investment Management Agreement or authority granted to our firm until we have received actual written notification of the client's death.

Commissionable Securities Sales

In order to sell securities for a commission, our supervised persons are registered representatives of Inverness Securities, LLC and First Allied Securities, Inc, members FINRA/SIPC. Inverness Securities, LLC is an affiliate of our firm, and is owned wholly by Inverness Holdings LLC. Our supervised persons may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds.

Our firm's affiliation with Inverness Securities LLC presents a conflict of interest and gives our firm and/or our supervised persons an incentive to recommend investment products based on the compensation received. If your broker dealer is Inverness Securities LLC, you will be charged commissions on your trades at a level intended to cover ticket charges that are charged to Inverness Securities LLC by Pershing LLC and Ancora Securities, Inc. for custodial and clearing services. Because you are an investment advisory client we do not pay your investment advisor representative commissions on investment advisory transactions. If you have a brokerage account with Inverness Securities LLC that is not an investment advisory account, our firm's representative will receive commissions but our firm will not charge an investment advisory management fee.

Item 6: Performance-Based Fees & Side-By-Side Management

Sharing of Capital Gains or Capital Appreciation

Our firm does not charge performance based fees. In cases where our firm acts as a solicitor for other investment advisors, Inverness may receive part of the performance based fees charged by that advisor as part of its solicitor fee.

Item 7: Types of Clients

We specialize in customized portfolio management for individual investors, high net worth individuals and families, and pension, profit sharing and 401(k) plans.

Each client account has a minimum of \$750,000 unless related to other accounts which together total \$750,000. In instances where there is reason to believe there may be additions to your account to bring it to \$750,000, this minimum may be waived.

Our firm has a minimum annual fee of \$6,000.00 per relationship. This minimum may be waived under special circumstances.

Item 8: Methods of Analysis, Investment Strategies & Risk of Loss

Methods of Analysis

Equity Securities

Our equity investment methodology uses a combination of fundamental research and technical security analysis to identify individual securities that are likely to generate superior returns over time while minimizing risk of loss. We start with top down analysis to judge risk versus return by looking at where we are in the current economic cycle, by comparing market valuations relative to history, deciding which sectors will be positively affected by current market conditions,

identifying themes that will drive markets over the next market cycle, by examining the current political and regulatory environment, examining current Federal Reserve Bank policy, and finally by looking at current market technical conditions. We emphasize downside protection in our security selection. We favor high-quality companies that possess sustainable competitive advantages, management teams, strong financials and predictable earnings, cash flow and dividends, global footprints, and a consistent record of rewarding shareholders over the long-term. We look for securities fitting this general profile that are priced at or below their five-year average multiples of earnings or cash flow. Our portfolios typically exhibit a contrarian bent with a valuation discount and yield advantage to broad market averages such as the Standard and Poor's 500 Index. We believe risk management is of primary importance.

Portfolios are structured based on our outlook for the market and our opinion on various market sectors. Portfolio are designed and managed individually through human direction rather than a quantitative model. When managing portfolios we may use a combination of individual securities, mutual funds, and exchange traded funds to achieve appropriate diversification and to achieve targeted exposure to attractive segments of the markets. We may also employ alternative investments such as private equity, energy, and real estate investments to add diversification or to hedge portfolios to stock market and interest rate risk.

Fixed Income Securities

We analyze and invest in fixed income securities based on the current interest rate, economic, and inflationary environment of the markets. We will structure fixed income portfolios using instruments issued by the United States Government or agencies of the United States Government, states and municipalities, Investment grade and non-investment grade U.S. and foreign corporations, foreign governments, and convertible bonds or preferred stocks of high quality U.S. and foreign corporations. Fixed Income mutual funds or exchange traded funds may also be utilized. As to maturity and quality, the U.S. Treasury yield curve and interest rate spreads (differential between treasuries and other types of securities) dictate how bond portfolios are structured. Portfolio holdings are also structured to meet the income needs and risk tolerance of the individual investor's needs and our own interest rate and spread forecasts when considered in relation to the individual investor's specific circumstances.

Mutual Funds

For our managed portfolios we will sometimes purchase open end or closed end mutual funds. Inverness uses mutual funds to diversify across asset classes or gain quick exposure to a certain industry. The mutual funds selected by Inverness are purchased at NAV. Inverness does pay attention to the internal fees of mutual funds, but is seeking strong investment choices. The mutual funds chosen may pay out a 12B-1 fee or a Finder's Fee of 1% at the time of purchase to Inverness Securities LLC as disclosed herein and by prospectus. Inverness fees may also be discounted for portfolios that hold high expense mutual funds. Mutual funds may be sold to purchase another if Inverness believes that an asset allocation change is warranted.

Investment Strategies

Custom Portfolios

We manage portfolios by first determining your risk profile and goals. Based on this an asset allocation strategy is determined. The portfolio can consist of a diverse mix of core equities, mutual funds, fixed income investments, and special situations. The core equities consist of well-known

companies in their industries and are chosen because we believe they offer superior long term total return. They are bought at reasonable historic valuations. We use equity mutual funds or I shares to diversify quickly across all areas of the stock market. Special situations consist of companies which may be smaller that are undergoing restructuring in their markets. These securities tend to be more risky but offer greater upside potential. Income investments are typically bought to preserve capital. They are generally government, corporate or municipal bonds. Income investments could also be in more "aggressive income" securities such as high yield mutual funds, REITS or preferred stocks. Cash or money markets may be held in your account depending on the availability of attractive investment opportunities.

Model Portfolios – ETFs/Mutual Funds

The process begins with a detailed client discussion of risk tolerance and goals. We have created four asset allocation ranges and match the client's risk and goals to an asset allocation range. Within each range we will utilize either mutual funds or ETFs to create a comprehensive diversified model. The model will be diversified across multiple asset classes and be managed on a tactical basis. The goal is to maximize returns while minimizing risk for each stated risk level. Mutual funds and ETFs are screened using proprietary metrics with a focus on low cost, performance and yield. The best opportunities are placed into the portfolios and allocated across all accounts invested in the model.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. Investment values will fluctuate both up and down, are subject to market volatility, and may be worth more or less than the original cost. All securities with the exception of US Treasury Bills involve the loss of principal. In addition, while we believe our methodology and strategies will be profitable, there is no assurance this will always be the case. While your brokerage account may allow margin transactions, we generally do not recommend the use of margin. We want you to understand the risks of margin transactions and recommend that you read your broker dealer's written disclosure document describing margin trading and its related risks. We will be happy to answer any questions you may have related to margin.

Item 9: Disciplinary Information

Registered investment advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of our firm and the integrity of our management of your assets.

Legal & Disciplinary

We have no information that applies to this item.

Criminal or Civil Action

We have no information that applies to this item.

Administrative Proceeding

We have no information that applies to this item.

Self-Regulatory Proceeding

We have no information that applies to this item.

Item 10: Other Financial Industry Activities & Affiliations

Affiliated Entities

In addition to our firm, Inverness Holdings, LLC is the owner of Inverness Securities, LLC, member FINRA/SIPC. Inverness Securities, LLC, is a registered broker-dealer, with whom our firm's supervised persons may be registered. Inverness Securities, LLC custodies assets through Pershing LLC and utilizes the clearing services of Ancora Securities, Inc. As such they may accept compensation for the sale of securities or other investment products, including distribution or service ("trail") fees from the sale of mutual funds. In accounts where Inverness Securities LLC, an affiliated broker dealer, member FINRA/SIPC is the broker dealer of record, the mutual funds chosen will typically pay out a 12B-1 fee and/or a Finder's Fee of 1% at the time of purchase to Inverness Securities, LLC as disclosed herein and in the fund prospectus. All mutual funds in investment advisory relationships are purchased at net asset value. Our firm's clients are under no obligation to utilize these services.

Inverness Life Services LLC, an affiliate of our firm, is an insurance agency with whom our supervised persons may be licensed. As such, they may offer products and receive normal and customary commissions as a result of these transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation they may earn and may not necessarily be in the best interests of the client.

Some of our supervised persons may also be registered representatives of First Allied Securities, Inc, member FINRA/SIPC. As such, they may offer products and receive normal and customary commissions as a result of these transactions. A conflict of interest may arise as these commissionable securities sales may create an incentive to recommend products based on the compensation they may earn and may not necessarily be in the best interests of the client.

Selection of Other Investment Advisers

We may also perform the role of the asset allocator or consultant for the trustees of qualified plans, foundations or endowments, and sometimes affluent families. The services we provide are as follows:

- (a) Develop a formal written Investment Strategy Statement;
- (b) Conduct all necessary 3rd party manager searches and conduct due diligence.
- (c) Perform on-going asset allocation studies; and recommend investment managers or securities based on client needs.
- (d) Provide research assistance regarding stock, bonds and mutual funds held in client portfolios.
- (e) Review all portfolios to make sure they are consistent with the investment strategy.

- (f) Meet with the client or committee and provide asset allocation and performance reports periodically (to be determined on strategy statement).
- (g) Make sure all managers are complying with the Investment Strategy Statement;
- (h) Help the client negotiate and reduce costs with 3rd party investment managers.
- (i) Complete any specific projects the client may wish to review.

Item 11: Code of Ethics, Participation or Interest in Client Transactions & Personal Trading

Code of Ethics

Our firm has adopted a Code of Ethics that its officers and staff members are to abide by. Our officers and staff members are required to provide Inverness Investment Group, LLC with a written acknowledgement regarding the Code of Ethics. This Code of Ethics covers the following areas:

1. Definition of Terms
2. Standard of Conduct & Statement of General Fiduciary Principles
3. Protecting Inside Information
4. Restrictions of Personal Investing
5. Reporting Personal Securities Transaction and Accounts
6. Monitoring Personal Securities Transactions
7. Administration of Code of Ethics and Violations
8. Acknowledgement of Code of Ethics

We will provide a copy of Code of Ethics to clients and prospective clients upon request. Contact Robert Renner at (216) 839-5133 or by email to bobr@investinverness.com.

Recommend Securities with Material Financial Interest

Our firm and its investment advisor representatives do not have any material financial interest in any public companies.

Invest in Same Securities Recommended to Clients

On occasion, Inverness Investment Group, LLC staff members may also buy or sell securities that they recommend to clients. This practice would create a conflict of interest if the transactions were structured to trade on market impact caused by recommendations made to our clients. Our Code of Ethics and Personal Securities Trading Policy requires that personal securities transactions receive pre-approval. When we are conducting trades for our client accounts in a particular security, we do not approve employee transaction requests until client trades are completed for the day. As a general rule if there is a situation where an investment conflict of interest occurs between a client and one of our associates or affiliates, the conflict of interest will be resolved in the best interests of the client. Our Compliance Officer also reviews quarterly Personal Securities Transaction Reports that our staff are required to complete and submit quarterly.

Personal Trading Practices

Inverness Investment Group, LLC has a formal a Personal Securities Trading Policy. As part of this policy we require that our employees and affiliated persons submit all personal trading requests to the compliance officer for approval prior to placing our personal transactions. Our employees and affiliated persons are required to submit personal securities transaction reports the compliance officer quarterly.

Item 12: Brokerage Practices

Selecting Brokerage Firms

We seek to recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, these:

- Responsiveness and timely support for our client needs
- Client choice and preference
- Historical client relationship with a custodian/broker
- Ease of use
- Timeliness of execution
- Timeliness and accuracy of trade confirmations
- Research services provided
- Ability to provide investment ideas
- Execution facilitation services provided
- Record keeping services provided
- Custody services provided
- Frequency and correction of trading errors
- Ability to access a variety of market venues
- Expertise as it relates to specific securities
- Financial condition
- Business reputation
- Quality of services

With this in consideration, our firm has arrangements with Charles Schwab & Co., Inc. ("Schwab"), TD Ameritrade, Inc. ("TD Ameritrade") and Pershing LLC ("Pershing"); collectively known as the Recommended Custodians. Our custodians offer services to independent investment advisers which include custody of securities, trade execution, clearance, firm best practice consulting and settlement of transactions.

Inverness Securities, LLC executes securities transactions and maintains client accounts through a correspondent relationship with Ancora Securities, Inc. and Pershing, LLC. Our firm requires clients who choose Pershing as custodian to initial an addendum to its Advisory agreement, which sets forth the commissions charged by Inverness Securities, LLC.

Recommended Custodians may also make certain research and brokerage services available at no additional cost to our firm all of which qualify for the safe harbor exemption defined in Section 28(e) of the Securities Exchange Act of 1934. These services may be directly from independent

research companies, as selected by our firm (within specific parameters). Research products and services provided by the Recommended Custodians may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; back office functions, record keeping, client reporting and other products or services that provide lawful and appropriate assistance by the Recommended Custodians to our firm in the performance of our investment decision-making responsibilities.

We do not use client brokerage commissions to obtain research or other products or services. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

As a result of receiving these services, we may have an incentive to continue to use or expand the use of Recommended Custodians' services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with the Recommended Custodians and we have determined that the relationship is in the best interest of our firm's clients and satisfies our fiduciary obligations, including our duty to seek best execution.

Recommended Custodians charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Recommended Custodians enable us to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. Recommended Custodians commission rates are generally discounted from customary retail commission rates. The commission and transaction fees charged by Recommended Custodians may be higher or lower than those charged by other custodians and broker-dealers.

Our clients may pay a transaction fee to the Recommended Custodians that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit of all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

Soft Dollars

Although the investment research products and services that may be obtained by our firm will generally be used to service all of our clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

Our firm does not accept products or services that do not qualify for Safe Harbor outlined in Section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution.

Brokerage for Client Referrals

Our firm does not engage in the practice of directing brokerage trades to outside broker dealers for client referrals.

Directed Brokerage

In most cases our firm directs trades based on your instructions and directions. Typically, our trades are placed directly with your custodian broker dealer. In some cases, trades may be done with Inverness Securities LLC and settled with the client's account at another broker dealer as part of a COD transaction. This is always done per your instruction.

Order Aggregation

Most transactions for each client account are entered on a transaction-by-transaction basis. If we decide to purchase or sell the same securities for several clients at approximately the same time, we might combine (otherwise known as aggregating or batching transactions) for these orders. This process occurs through the use of an average price account. By aggregating orders of the same securities, the broker dealer may be able to obtain a better overall execution price. In addition, we may be able to obtain lower transaction costs that might or might not have been obtained had multiple orders been placed independently. When aggregating trades in the average price account the brokerage firm generally averages the price and charges one commission per client per security. We receive no additional compensation, fees or remuneration from the aggregation of client trades in an average price account.

Item 13: Review of Accounts or Financial Plans

Periodic Reviews

Your portfolio manager(s) review each portfolio bi-monthly. Our portfolio managers may handle a maximum of 100 client relationships. It is recommended that we meet with you at least twice a year to review and go over your account(s) with you in person. We will meet more often with you if you find this beneficial.

Review Triggers

When any security held by you is sold, your account(s) is/are reviewed immediately; either just prior to or after the security is sold. When security is bought for you, your account(s) is/are reviewed immediately; either just prior to or after the security is purchased.

Regular Reports

The broker dealer handling your account or custodian sends your account statements at least quarterly, but usually monthly. These Account statements show money balances, securities held in the account, investment values and transactions made. Our firm also sends out customized reports at the request of clients or provided at client meetings that include the same information noted above and other information such as performance of your investments. We encourage

you to review and compare the brokerage account statements with our quarterly reports. If you see a discrepancy, please contact your investment representative and bring it to their attention.

Item 14: Client Referrals & Other Compensation

Economic Benefit

Charles Schwab & Co., Inc.

We receive an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

TD Ameritrade, Inc.

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

Pershing LLC

We may receive research and execution related services from Pershing LLC to assist our firm in managing its accounts. These services and products would include financial publications, pricing information and other products or services. Such research and execution related services are offered to all investment advisers who utilize these firms. However, the commissions charged by these parties may be higher than those charged by a broker who does not provide the aforementioned research and execution related services.

Third Party Solicitors

Our firm may use solicitors to introduce potential clients. These solicitors have a written agreement with our firm regarding their role and responsibilities as a solicitor. Solicitors meeting the responsibilities of the written agreement will receive compensation from our firm for the services rendered. Those clients who establish a relationship with our firm will sign a "Solicitor Disclosure Statement" acknowledging the existence of the solicitor relationship as it pertains to their account(s). The fee we pay to the solicitor will be paid from fees from the account(s) received by our firm. Clients introduced by a solicitor pay the same fees as non-solicitor clients. This means that no additional fees or charges will be charged to our client because of the solicitor relationship.

Item 15: Custody

We do not take custody of your funds and securities. Because of this, our firm does not accept securities or forward securities to your brokerage firm or custodian. The only checks payable to our firm that we are permitted to accept are those payable for advisory fees. Clients will not give us authority to withdraw securities of funds (other than for payment of advisory fees) from their account(s). We are deemed to have constructive custody solely due to the ability to deduct management fees in accordance with the advisory agreement, but does not otherwise have any access to client assets. As such, the broker dealer or custodian handling your account sends your account statements at least quarterly, but usually monthly. These account statements show money balances, securities held in the account, investment values and transactions made.

Item 16: Investment Discretion

Discretionary Authority for Trading

Most clients give our firm discretion over the selection, amount and timing of securities to be bought and sold. This means that the portfolio manager or advisor representative may purchase or sell securities consistent with your investment objectives without contacting you prior to entering the transaction.

Limited Power of Attorney

Investment authority may be subject specific investment objectives and guidelines and/or conditions imposed by you. For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of your portfolio or you

may have restriction or prohibitions of transactions in the securities of a specific company industry such as no tobacco stocks. Please detail any such specifications or exception in writing prior to engaging our services.

Item 17: Voting Client Securities

We do not accept authority to vote securities on your behalf. Your brokerage firm or custodian sends proxies or other solicitations about your securities directly to you. If you questions about a particular solicitation, you can contact your representative for advice. You are not obligated to follow your representative's advice on voting your securities.

Item 18: Financial Information

Prepayment of Fees

Fees for your investment advisor services are charged quarterly in advance based upon the value of assets managed based valuations done by the client's custodian or other pricing services at the end of each calendar quarter. We do not require more than one quarter of pre-paid fees.

Financial Condition

Our firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients.

Bankruptcy

Our firm has not been subject to a bankruptcy proceeding.