

# **Orion Investment Advisors, LLC**

**2010 Corporate Ridge, #560  
McLean, Virginia 22102**

**Telephone: (703) 720-5990  
Facsimile: (703) 720-5998**

**Website: [www.orionria.com](http://www.orionria.com)**

**3/31/2015**

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

This brochure provides information about the qualifications and business practices of Orion Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (703) 720-5990 or via e-mail at [ltokar@orionria.com](mailto:ltokar@orionria.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 Orion Investment Advisors, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Orion Investment Advisors, LLC is 148966.

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

## Item 2 Summary of Material Changes

The last annual update of the Form ADV Part 2 was 3/28/2014. Since the last annual update, Orion has made the following material changes to our Form ADV Part 2A (the “Brochure”). These changes are listed briefly below and disclosed more fully in the following sections.

- Item 4: We added language regarding different fee types that clients may have including fixed fees, one-time consulting fees and payment of fees in arrears. The applicable fees will be described in the client’s fee schedule.
- Item 5: We added language to state that going forward Orion will not send fee notices. If a client’s agreement has not been amended to reflect this change, we will continue to send the fee notice until the agreement is amended.
- Item 5: We added disclosure regarding “other fees” that clients will pay. These fees are separate and in addition to Orion’s fees.
- Item 8: We added descriptions for risks related to Equity Securities, Fixed Income Securities, Mutual Funds, ETFs and Alternative Investments.
- Item 11: We added disclosure related to charitable contributions that Orion makes to clients. These contributions create a conflict of interest.
- Item 12: In addition to maintaining accounts at Schwab Advisor Services (formerly called Schwab Institutional), Orion has added TradePMR Inc. as a new custodian for client accounts.
- Item 12: We added disclosure related to Soft Dollar Benefits. In connection with our client’s securities transactions, Orion receives research products and services, including proprietary research and research generated by third parties, as well as portfolio management tools from Schwab.

## Item 3 Table of Contents

### Contents

Item 2 Summary of Material Changes .....	2
Item 3 Table of Contents .....	3
Item 4 Advisory Business .....	4
Item 5 Fees and Compensation .....	8
Item 6 Performance-Based Fees and Side-By-Side Management .....	9
Item 7 Types of Clients .....	9
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss .....	9
Item 9 Disciplinary Information .....	12
Item 10 Other Financial Industry Activities and Affiliations .....	12
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	12
Item 12 Brokerage Practices .....	13
Item 13 Review of Accounts .....	16
Item 14 Client Referrals and Other Compensation .....	17
Item 15 Custody .....	17
Item 16 Investment Discretion .....	17
Item 17 Voting Client Securities .....	17
Item 18 Financial Information .....	18
Item 19 Requirements for State Registered Investment Advisers .....	18
Item 20 Additional Information .....	18

## Item 4 Advisory Business

### Description of Services and Fees

Orion Investment Advisors, LLC is a registered investment adviser primarily based in McLean, Virginia. We are organized as a limited liability company under the laws of the Commonwealth of Virginia and we have been providing investment advisory services since 2009. Orion is a wholly owned subsidiary of the Olcott Consulting Group, Inc., whose principal owners are Robert Olcott, Ahmed Farruk and Will Fisher. The Olcott Consulting Group, Inc. provides Pension Consulting Services, Institutional Investment Consulting Services and Asset Management Services for institutions and individuals, tailored to each client.

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

### Pension Consulting Services

We provide a variety of Pension Consulting Services to qualified and non-qualified retirement plans (collectively, "Plans"). Our Pension Consulting Services are custom tailored to meet the needs and objectives of the Plans and the Plan sponsors, investment committees, and other fiduciaries responsible for managing the Plan (individually, a "Plan Fiduciary" and collectively, the "Plan Fiduciaries"). Pension Consulting Services may include one or more of the following:

- Plan Design Consulting;
- Developing and implementing a written investment policy;
- Fee and service analysis of the Plan's current service providers;
- Evaluating the Plan's current investment options;
- Recommending an appropriate suite of investment options to the Plan Fiduciaries to make available to the Plan participants;
- Ongoing monitoring of the Plan's investment options;
- ERISA 3(38) investment management;
- Participant Education;
- Recommendations for replacing or substituting investment options in the Plan;
- Conducting annual due diligence meetings to review and discuss fiduciary requirements for the Plan and the Plan Fiduciaries; and
- Provider Searches.

The client's agreement with Orion will detail which of the services listed above will be provided to the client.

We may also design and recommend model asset allocation portfolios ("Model Portfolios") to the Plan Fiduciaries for use by a Plan or for inclusion with other recommended investment options the Plan Fiduciaries make available to their Plan participants. Pension Consulting Services are offered individually or as part of a comprehensive suite of services which can be used with any Plan provider, record keeper, or Plan administrator.

We will provide Pension Consulting Services to Plans and their Plan Fiduciaries as described above. The appropriate Plan Fiduciary designated in the Plan documents (e.g., the Plan sponsor or named fiduciary) will (i) make the decision to retain our firm; (ii) agree to the scope of the services that we will provide; and (iii) make the ultimate decision as to accepting any of the recommendations that we may provide. The Plan

Fiduciaries are free to seek independent advice about the appropriateness of any recommended services for the Plan.

For our Pension Consulting Services, we generally charge an annual fee up to 1.5% of your Plan's assets. Our annual fee is billed and payable quarterly in advance based on the value of the Plan's assets on the last day of the previous quarter. If the client's agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the fee is payable in proportion to the number of days in the quarter for which you are a client. Our fee is negotiable, depending on individual client circumstances.

In certain circumstances, we may charge a fixed fee for Pension Consulting Services, instead of an asset-based fee. This fixed annual fee will range from \$5,000 to \$250,000 and will be paid quarterly in advance.

We may also charge a fixed fee for one time consulting service contracts. In this case, fifty percent of the fixed fee will be due in advance with the remainder due upon completion of the services rendered.

Other fee paying arrangements, including payment of a quarterly fee in arrears, may be made on a case-by-case basis and will be described in the client's agreement with Orion, or in corresponding amendments and/or the fee schedule.

Payment under the scenarios described above will be made by the client, the Plan's Administrator or the Third Party Administrator ("TPA") as stated in the client's agreements with their Plan provider or Administrator/TPA.

Either party to the agreement for Pension Consulting Services may terminate the agreement with 30-days' written notice to the other party. The applicable fees will be prorated for the quarter in which the termination notice is given, and any unearned fees will be refunded to you. Any changes to fees or fee paying arrangements must be approved by you in writing.

### **Institutional Investment Consulting Services**

We provide Investment Consulting Services to institutional clients including but not limited to Non Profits, Endowments, Foundations, Charitable Organizations and Trusts where the Investment Consulting Services provided are designed to meet the needs and investment objectives of the client. Investment Consulting Services may include one or more of the following:

- Clarification of investment needs and objectives;
- Development of an investment policy statement;
- Formulating an asset-allocation strategy;
- Identifying and recommending investment managers and investment vehicles consistent with the client's investment needs and objectives and the investment policy statement; and
- Monitoring performance of portfolios, investment managers and investment vehicles.

If you select a complete investment consulting services package, we will utilize a disciplined, five-step process which includes an interview to assess your financial condition, available resources, spending priorities, performance expectations, risk sensitivity and time horizon. Based on the information compiled during the interview process, we will assist you in developing an investment policy statement based on your stated needs and objectives. The investment policy statement serves as the cornerstone of your investment program and includes milestones against which you can evaluate your investment portfolio performance. Based on the asset-allocation criteria adopted in the investment policy statement, we will assist you in identifying a blend of investments within asset classes that offers the appropriate reward potential for the level of investment risk you are willing to accept.

In pursuit of your investment objectives, we will recommend investment managers, funds and other investment vehicles based on qualitative and quantitative analysis. The final function in this investment process is to provide objective and ongoing analysis of the performance of your portfolio and the

recommended investment managers and investment vehicles, including information regarding their organization and investment team, philosophy, process, style consistency and investment performance track record.

For our Institutional Investment Consulting Services, we generally charge an annual fee up to 1.5% of the client's account assets. Our annual fee is billed and payable quarterly in advance based on the value of the client's account assets on the last day of the previous quarter. If the client's agreement with Orion is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the fee is payable in proportion to the number of days in the quarter for which you are a client. Our fee is negotiable, depending on individual client circumstances.

In certain circumstances, we may charge a fixed fee for Institutional Investment Consulting Services, instead of an asset-based fee. This fixed annual fee will range from \$5,000 to \$250,000 and will be paid quarterly in advance.

We may also charge a fixed fee for one-time consulting service contracts. In this case, fifty percent of the fixed fee will be due in advance with the remainder due upon completion of the services rendered.

Other fee paying arrangements, including payment of quarterly fee in arrears, may be made on a case-by-case basis and will be described in the client's agreement with Orion, in an amendment to the agreement and/or the corresponding fee schedule.

Generally, the custodian for your account will directly debit our fee from your account. The custodian will deduct our fee only when you have given written authorization permitting the fees to be paid directly from your account. Further, the custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. If you would prefer to pay your fee directly to Orion, please contact Orion to set up appropriate arrangements.

Either party to the client's agreement with Orion may terminate the agreement with 30-days' written notice to the other party. The applicable fees will be prorated for the quarter in which the termination notice is given, and any unearned fees will be refunded to you. Any changes to fees or fee paying arrangements must be approved by you in writing.

### **Asset Management Services**

We provide discretionary Asset Management Services to institutional clients including but not limited to Non Profit Organizations, Endowments, Foundations, Charitable Organizations, Trusts and Pension Plans where the investment advice provided is custom tailored to meet the needs and investment objectives of the client.

At the inception of the relationship, we will conduct interviews with you to determine your investment objectives, risk tolerance and other relevant information and may review and/or develop an Investment Policy Statement. Based on the Investment Policy Statement and/or other relevant information, we will create an initial portfolio to you which may consist of model portfolios developed by our firm.

Once we construct an investment portfolio for you, we will monitor your portfolio's performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

To receive our Asset Management Services, we require you to grant our firm discretionary authority to manage your account. Discretionary authorization will allow our firm to determine the specific securities and the amount of securities to be purchased or sold for your account as well as the commission rates to be paid without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing

our firm with your restrictions and guidelines in writing.

We will often engage unaffiliated third-party investment managers (“Managers”) to manage a portion of your account. You will receive full disclosure of the Manager’s services, fees and other relevant information at the inception of the relationship by way of the third-party Manager’s disclosure document. Fees charged by the Manager are separate, and in addition to, the advisory fees charged by Orion.

Our annual fee for Asset Management Services ranges up to 1.5% of your assets under management, including assets placed with third-party managers. Our annual fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter. If the client agreement with Orion is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our fee is negotiable, depending on individual client circumstances.

Generally, the custodian of your account will directly debit our fee from your account. The custodian will deduct our fee only when you have given written authorization permitting the fees to be paid directly from your account. Further, the custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. If you would prefer to pay your fee directly to Orion, please contact Orion to set up appropriate arrangements.

Either party to the agreement for Asset Management Services may terminate the agreement with 30-days’ written notice to the other party. Our fees will be prorated for the quarter in which the termination notice is given and any unearned fees will be refunded to you. Any changes to fees or fee paying arrangements must be approved by you in writing.

### **Wrap Fee Program**

Orion also provides Consulting and Asset Management Services to clients via a wrap fee program where clients pay a single fee for Asset Management Services and custodial/brokerage services. Out of this fee, we will receive an investment advisory fee that ranges up to 1.5% of assets under management. We manage wrap fee program accounts in the same manner as non-wrap accounts. You should refer to the Orion Investment Advisors Wrap Fee Program Brochure, Appendix 1 for further details on our Wrap Fee Program.

The wrap fee will cover:

- Review/Development of Investment and Spending Policies
- Asset Allocation Studies
- Asset Manager/Index Fund Searches
- Quarterly consolidated performance reporting
- Ongoing Manager Due Diligence (for Active Managers)
- Ongoing Investment Policy and Asset Allocation Review
- Commissions and Transaction fees

The wrap fee does not include advisory fees charged by third-party investment managers hired by Orion to provide services to your account. The fee also does not cover advisory fees and other costs associated with mutual funds, ETFs or other products that Orion may recommend and invest client assets in. The fee does not cover commissions, mark-ups and/or mark-downs that the client will pay when the custodian/broker-dealer steps-out transactions to other broker-dealers. These commissions, mark-ups and/or mark-downs will be netted into the price of the security when the trade is executed. See Item 12 of this Brochure for more description on step-out transactions.

### **Types of Investments**

We primarily only offer advice on mutual funds, exchange traded funds, separately managed accounts and alternative investments. For more information on the risks involved with these types of investments please

see Item 8 of this Brochure. Where suitable, we generally recommend no load or load-waived mutual funds. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 31, 2014, we manage \$ 191,740,367 in client assets on a discretionary basis, and 775,779,469 in client assets on a non-discretionary basis. As of December 31, 2014, we provide reporting and monitoring for ERISA plans with an aggregate value of \$429,853,008.

## **Item 5 Fees and Compensation**

Please refer to Item 4, the "Advisory Business" section of this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

In the past, Orion has sent fee notices to all clients; however, going forward Orion will discontinue this practice unless specifically requested by the client. For those clients who have not yet amended their contracts to reflect this change, Orion will continue to send fee notices until the contracts are amended. If you receive a fee notice, we encourage to compare this notice to your custodial statement to ensure accuracy. If you have any questions, please contact us at the number provided on the cover page of this Brochure.

### **Additional Fees and Expenses**

Asset Management and Consulting fees charged by Orion are separate and distinct from fees charged by third-party managers. Our fees are for services provided by us and do not include other costs that the client will incur. These fees or expenses are what you pay directly to third parties, whether a security is being purchased, sold, or held in your Account(s) under our management or advisement. They are paid to brokers, dealers, third-party managers, custodians or the mutual fund, exchange-traded fund or other investment you hold. The fees can include but are not limited to the following:

- Brokerage commissions
- Transaction fees
- Exchange fees
- SEC fees
- Advisory fees and administrative fees charged by Mutual Funds (MFs) and/or Exchange Traded Funds (ETFs)
- Advisory fees charged by third-party managers (if any are used for your account)
- Custodial Fees
- Deferred sales charges (on MFs or annuities)
- Odd-Lot differentials
- Transfer taxes
- Wire transfer and electronic fund processing fees
- Commissions or mark-ups / mark-downs on security transactions
- Management/Performance fees of Private Investment Funds.

We do not share in any portion of the brokerage fees/transaction charges imposed by the custodian/broker-dealer. To fully understand the total cost you will incur, you should review all the fees charged by MFs, ETFs, our firm, and others. Information on the fees and expenses charged by mutual funds and ETFs can be found in each fund's prospectus. Please read the prospectus carefully before investing. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this brochure. For information on third-party manager's fees, please see your agreement with the manager and the manager's disclosure brochure or ADV Part 2A.



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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in Item 4 of this Brochure, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

## Item 7 Types of Clients

We offer investment advisory services to institutional clients including, but not limited to, non-profit organizations, endowments, foundations, charitable organizations, trusts, estates, pension and profit sharing plans, corporations, and other business entities.

In general, we require a minimum of \$5,000,000 to open and maintain an advisory account. At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for related accounts to meet the stated minimum.

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

### Our Methods of Analysis and Investment Strategies

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

- Quantitative and Qualitative Assessment - involves the evaluation of investment options based on quantitative (measurable) factors such as performance and qualitative factors, which cannot be precisely measured, such as experience and caliber of management style and investment philosophy. The risk of quantitative and qualitative analysis is that while used together to form sound business and financial judgment, they cannot account for all the intrinsic variables or ensure favorable performance.
- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

We may also use short-term trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s) when we determine that it is suitable given your stated investment objectives and tolerance for risk. In some cases, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio. When appropriate for your specific investment objectives and needs, we will utilize proprietary and third-party research to provide investment advice to clients and/or asset allocation and modeling software.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, in writing, tax efficiency is not our primary consideration in the management of

your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

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

### **Risk of Loss**

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

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

As disclosed under Item 4 of this Brochure, we primarily recommend mutual funds (including institutional share classes, no-load or load-waived funds), exchange traded funds ("ETFs"), separately managed accounts and alternative investments. Since each client has different needs and different tolerance for risk, we may recommend other types of investments as appropriate for you. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

### **Domestic Equity Risks**

Investments in equity securities are subject to the risk that stock prices may fall over short or extended periods of time. Individual companies may report poor results or be negatively affected by industry and/or economic trends and developments. The prices of securities issued by such companies may suffer a decline in response. These factors contribute to price volatility, which is the principal risk of investing in equity securities.

### **Fixed Income Risks**

Under strategies utilizing debt securities, changes in interest rates could affect the value of a client's investment. Rising interest rates tend to cause the prices of debt securities (especially those with longer maturities) to fall. Rising interest rates may also cause investors to pay off mortgage-backed and asset-backed securities later than anticipated; forcing the portfolio to keep its money invested at lower rates. Falling interest rates, however, generally cause investors to pay off mortgage-backed and asset-backed securities earlier than expected, forcing the portfolio to reinvest the money at a lower interest rate.

The concept of duration is useful in assessing the sensitivity of a fixed income portfolio to interest rate movements, which are the main source of risk for most fixed income securities. Duration measures price volatility by estimating the change in price of a debt security for a 1% change in its yield. For example, a duration of five years means the price of a debt security will change about 5% for every 1% change in its yield. Thus, the higher the duration, the more volatile the security.

Debt securities have a stated maturity date when the issuer must repay the principal amount of the bond. Some debt securities, known as callable bonds, may repay the principal earlier than the stated maturity date. Debt securities are most likely to be called when interest rates are falling because the issuer can refinance at a lower rate.

The credit rating or financial condition of an issuer may affect the value of a debt security. Generally, the lower the quality rating of a security, the greater the risk that the issuer will fail to pay interest fully and return principal in a timely manner. The issuer of an investment-grade security is more likely to pay interest and repay principal than an issuer of a lower rated bond. Credit ratings are not an absolute standard of quality, but rather general indicators that reflect only the view of the originating rating agencies from which an explanation of the significance of such ratings may be obtained. If an issuer defaults or becomes unable to honor its financial obligations, the security may lose some or all of its value.

High yield or “junk” bonds are highly speculative securities that are usually issued by smaller, less credit worthy and/or highly leveraged (indebted) companies. Compared with investment-grade bonds, high yield bonds carry a greater degree of risk and are less likely to make payments of interest and principal. Market developments and the financial and business conditions of the corporation issuing these securities influences their price and liquidity more than changes in interest rates, when compared to investment-grade debt securities. Insufficient liquidity in the junk bond market may make it more difficult to dispose of junk bonds and may cause the portfolio to experience sudden and substantial price declines.

### **Risks Related to Mutual Funds and ETFs**

Mutual funds (MFs) and exchange traded funds (ETFs) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. Exchange traded funds differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are “no load” and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns. ETFs and Mutual Funds incur investment advisory and other fees that are separate from those fees charged by us (see disclosure in Item 4 of this Brochure). Accordingly, our investment recommendations for ETFs and Mutual Funds will result in the layering of expenses. As a result, the cost of the investment strategy will be higher than the cost of investing directly in ETFs or Mutual Funds.

### **Risks Related to ETFs**

ETFs are subject to substantially the same risks as those associated with the direct ownership of the securities comprising the index on which the ETF is based. Additionally, the value of the investment will fluctuate in response to the performance of the underlying index. ETFs can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. During times of extreme market volatility, ETF pricing may lag versus the actual underlying asset values. This lag usually resolves itself in a short period of time (usually less than one day), however, there is no guarantee this relationship will always exist. While ETFs generally provide diversification, risks can be significantly increased for funds concentrated in a particular sector of the market, or that primarily invest in small cap or speculative companies, use leverage (i.e., borrow money) to a significant degree, or concentrate in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities.

### **Risks related to Alternative Investments**

Alternative investment products, including real estate investments, notes & debentures, hedge funds and private equity, involve a high degree of risk, often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds,

often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager. Alternative investment performance can be volatile. An investor could lose all or a substantial amount of his or her investment. Often, alternative investment fund and account managers have total trading authority over their funds or accounts; the use of a single advisor applying generally similar trading programs could mean lack of diversification and, consequently, higher risk. There is often no secondary market for an investor's interest in alternative investments, and none is expected to develop. There may be restrictions on transferring interests in any alternative investment. Alternative investment products often execute a substantial portion of their trades on non-U.S. exchanges. Investing in foreign markets may entail risks that differ from those associated with investments in U.S. markets. Additionally, alternative investments often entail commodity trading, which involves substantial risk of loss.

## **Item 9 Disciplinary Information**

Orion Investment Advisors has been registered and providing investment advisory services since 2009. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

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

Individuals associated with Orion may also be associated with the registered broker-dealer/investment advisor Wells Fargo Advisors Financial Network, LLC ("WFAFN"), a member FINRA/SIPC. Any affiliation between Orion and WFAFN is an indirect one in that certain of Orion's associate persons and/or employees may be licensed as broker-dealer agents and/or investment adviser representatives with WFAFN. As such, these individuals may also have brokerage clients of WFAFN that are not also clients under Orion's registered investment adviser. Consequently, these individuals may receive compensation in the form of commissions for products sold to WFAFN-only Clients. As licensed investment adviser representatives on behalf of WFAFN, individuals associated with Orion may, if it is determined to be in the client's best interest, utilize WFAFN's investment manager platform when referring third-party investment managers to Clients. Under these circumstances, the client will enter into an investment management agreement with WFAFN rather than with Orion. Clients should review WFAFN's ADV Part 2 which will be provided to the client for information regarding WFAFN's investment management fees. Although it may be perceived that a conflict of interest exists between the interests of the client and those of Orion, none actually exists as there is no fee incentive to recommend the use of WFAFN's investment manager platform over others. If you are an investment advisory client of Orion, we will not provide services to you in our capacity as registered representatives of Wells Fargo and we will not receive commissions on securities transactions that occur in your advisory account with us.

Certain persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these

guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

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

### **Participation or Interest in Client Transactions**

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

### **Personal Trading Practices**

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

In the case of mutual funds, we believe that effecting transactions in funds recommended to you cannot conflict with your interest in the same funds because open-end mutual funds are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, our personal transactions in mutual funds are not likely to have an impact on the prices of the fund shares in which you invest.

### **Other Conflicts of Interest**

Orion and its associated persons will make charitable donations to organizations that are also clients. This creates a conflict of interest as the client may be persuaded to use or continue to use Orion as a result of the charitable contribution.

## **Item 12 Brokerage Practices**

We do not maintain custody of your assets that we manage/on which we advise, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see *Item 15 - Custody*, below). Your assets must be maintained in an account at a "qualified custodian," generally a broker-dealer or bank.

Orion's preferred qualified custodians/broker-dealers, Schwab Advisor Services, formerly called Schwab Institutional (Schwab), and Trade-PMR Inc., (TradePMR) are registered broker-dealers, and members of SIPC. Other qualified custodians may be available.

### **How We Recommend Custodians/Broker-Dealers**

Each client will receive a recommendation based on Orion's understanding of their goals, objectives, and expected activity. The primary factors that determine Orion's recommendation of a custodian/broker-dealer to a client are in no specific order:

1. Client Preference
2. Commission Cost
3. Automation/Technology
4. Services for Independent RIAs
5. Execution Capabilities

6. Reputation/Regulatory Standing
7. Portfolio allocation for Alternative Investment Strategies that may be available at a particular custodian.

Orion is independently owned and operated and is not affiliated with our recommended custodians/broker-dealers. These custodians/broker-dealers will hold your assets in a brokerage account and buy and sell securities when we, or you, instruct them to. While we recommend that you use a specific custodian/broker-dealer, you will decide whether to do so and will open your account by entering into an account agreement directly with the selected custodian/broker-dealer. We do not open the account for you, although we may assist you in doing so. Your account is maintained at one of our qualified custodians/broker dealer, the custodian/broker-dealer will route orders for execution in your account as described below (see "*Your Brokerage and Custody Costs*").

### **Your Brokerage and Custody Costs**

For our clients that maintain their accounts with one of our recommended custodians, there is generally no separate charge for custody services. There will be charges for commissions or other fees on trades that are executed or settled in your account. Other fees for processing and maintenance may apply and a detailed schedule is available upon request.

Commission and fee rates applicable to our client accounts and benefits received from Schwab and TradePMR were negotiated based on certain asset levels of client accounts. The fee rates and benefits applicable to our client accounts and available to us were negotiated based on the condition that our clients collectively maintain a certain minimum amount of their assets in accounts at Schwab and TradePMR. These commitments benefit you because the overall commission rates you pay are lower than they would be otherwise. However, if minimums are not maintained, fee rates may increase and benefits may be decreased.

The minimum asset thresholds may give us an incentive to recommend that you maintain your account with a certain custodian, based on our interest in receiving services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of preferred custodians and brokers is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of services provided by Schwab and TradePMR (see "*How We Select Brokers/Custodians*") and not services that benefit only us.

### **Trade Execution**

We believe that Schwab and TradePMR provide quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided, including the value of research provided and other products and services that benefit us, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

The custodian/broker-dealer may choose to use another broker dealer to execute the trade (also known as a step-out transaction or trade-away), in doing so, other commissions or mark-ups/mark-downs may apply and will generally be netted into the price you receive for the trade. These commission, mark-ups/mark-downs will not be listed separately on your custodial statement or trade confirmation. Although we do not have any control over whether or not the selected custodian/broker-dealer steps-out a trade in your account, we will review on a periodic basis certain reports from your custodians/broker-dealers consistent with our duty to seek "best execution" of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see "*How We Select Brokers/Custodians*").

### **Products and Services Available to Us from Schwab and TradePMR**

Schwab and TradePMR provide us and our clients with access to its institutional brokerage, trading, custody, reporting, and related services - many of which are not typically available to retail customers. Schwab and TradePMR also make available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab and TradePMR's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us.

**Services That Benefit You.** Services provided by Schwab and TradePMR include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients.

**Services That May Not Directly Benefit You.** Schwab and TradePMR also make available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, developed internally and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at the custodian. In addition to investment research, custodians also make available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting services that generally benefit only us.

Schwab and TradePMR also offer other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

These services may be provided directly by Schwab and TradePMR, or they will arrange for third-party vendors to provide the services to us. Schwab and TradePMR may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab and TradePMR will also provide us with other benefits, such as occasional business entertainment of our personnel.

### **Research and Soft Dollar Benefits**

In connection with our client's securities transactions, Orion receives research products and services, including proprietary research and research generated by third parties, as well as portfolio management tools from Schwab. Orion seeks to comply with Section 28(e) of the 1934 Act, which provides a "safe harbor" allowing investment advisers to pay more than the lowest available commission for brokerage and research services if it determines in good faith that (1) the brokerage or research services fall within the definitions set forth in Section 28(e); (2) the brokerage or research services provide lawful and appropriate assistance in the investment decision-making process or trade execution; and (3) the commission paid is reasonable in relation to the brokerage and research services provided. When we use client brokerage commissions ("soft dollars") to obtain eligible brokerage or research, we receive a benefit because we do not have to produce or pay (with hard dollars) for the research or other services. As such, we may have an incentive to direct trades to Schwab based on our interest in receiving the research or other services, rather than on our clients' interest in receiving the lowest commission. In light of our fiduciary obligations to all our clients, we may use soft dollar benefits to service accounts that do not necessarily pay for the benefits (via soft dollar commissions). We do not seek to allocate soft dollar benefits to client accounts proportionately to



the soft dollar credits the accounts generate.

Industry research is used to supplement our own research efforts. Our portfolio managers research investments on an ongoing basis. Examples of resources used by our portfolio managers include research provided by Callan and Associates, research available on Schwab Institutional Advisors website, Morningstar and meetings held with representatives from the mutual funds companies in the Orion portfolios and research provided from the individual mutual fund companies and their investment managers. Orion will also schedule conference calls with individual fund managers to gain a broader perspective regarding the market conditions and current investment trends.

### **Brokerage for Client Referrals**

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

### **Directed Brokerage**

We do not allow clients to direct or instruct our firm to use any other brokers for the transactions in their accounts. Different services and fee rates, including lower, commission and fee rates may be available through other custodians and/or broker dealers.

Associated persons of the firm who provide investment advice are subject to FINRA Conduct Rule 3040 which may restrict such individuals from conducting securities transactions away from Wells Fargo unless Wells Fargo provides written authorization. Therefore, clients are advised that Investment Adviser Representatives may be limited to conducting securities transactions through approved custodians/broker-dealers.

### **Block Trades**

We do not aggregate transactions for multiple client accounts. Accordingly, clients may receive different prices for the same securities transactions. Furthermore, clients may not be able to buy or sell the same quantity of securities and may be charged higher fees or commissions, than if transactions were aggregated.

## **Item 13 Review of Accounts**

Robert Olcott, Managing Director, Will Fisher, Director, Ahmed Farruk, Director, Scott Aune, Investment Adviser Representative, and/or Joseph Syron, Director of Institutional Retirement Plans, will monitor your asset management accounts on an ongoing basis and will conduct account reviews at least quarterly and upon your request to ensure that the advisory services provided to you and/or the portfolio mix are consistent with your stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

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

We will provide you with regular written performance reports in conjunction with account reviews. Quarterly reports show performance as compared to relevant benchmarks, measured against a peer group, or measured against targeted model portfolio performance, as it applies to your accounts. In addition, you will receive trade confirmations, monthly or quarterly statements, and year-end tax statements from your account custodian(s). We encourage you to reconcile our fees with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our contracted fee rate and the statement(s) you receive from the qualified custodian please call our main office number located on the cover page of this brochure.



You may also be given access to monitor results and holdings through the custodian/broker-dealer's website.

Review and reports for Pension Consulting Services and Investment Consulting Services will vary on a case by case basis and will be detailed in the client agreement.

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

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

Please refer to the "Brokerage Practices" section above for disclosures on research and other benefits we may receive resulting from our relationship with our preferred custodians.

As disclosed under the "Fees and Compensation" section in this brochure, certain persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives/investment adviser representatives with Wells Fargo Advisors Financial Network, LLC, a federally registered investment adviser and securities broker-dealer, member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation.

## **Item 15 Custody**

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

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

## **Item 16 Investment Discretion**

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

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

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

## **Item 17 Voting Client Securities**

### **Proxy Voting**

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

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

## **Item 18 Financial Information**

Our firm does not have any financial conditions or impairments that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1200 in fees six or more months in advance. Therefore, we are not required to include a financial statement with this brochure.

## **Item 19 Requirements for State Registered Investment Advisers**

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any non-public personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to non-public personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your non-public personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

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

### **Trade Errors**

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. All errors in customer accounts will be resolved promptly when discovered. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or adjusting the price. Generally, if related trade errors result in profit and losses in your account, they will be netted.

If a profit results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, you are not permitted to keep the gain, or you do not want the profit (e.g., due to tax reasons). If the profit does not remain in your account, Orion

will not accept proceeds and the proceeds will be kept by the client custodian/broker-dealer. Schwab will donate the amount of any profit \$100 and over to charity. If a loss occurs greater than \$100, we will pay for the loss. Schwab will keep the loss or profit (if you do not keep the profit) if it is under \$100 to minimize and offset its administrative time and expense.

**Class Action Lawsuits**

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