



INTEGRAL
INVESTMENT
ADVISORS, INC

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Form ADV Part 2A

This Brochure provides information about the qualifications and business practices of Integral Investment Advisors, Inc. If you have any questions about the contents of this Brochure, you may contact us at (209) 338-5570, or email customerservice@2iadvisors.com to obtain answers and additional information. Integral Investment Advisors, Inc. is a registered investment adviser with the United States Securities and Exchange Commission (SEC). Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission.

Additional information about Integral Investment Advisors, Inc. is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

The date of our previous annual update to our Brochure was March 29, 2016. Since that date, we have made the following material changes:

- Michael T. Abram became a 10% owner of Integral Investment Advisors, Inc. and now serves as Chief Compliance Officer (CCO).

Our Brochure is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Integral Investment Advisors, Inc. is 146569. We may provide ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting us at (209) 338-5570, or by email to customerservice@2iadvisors.com.

INTEGRAL INVESTMENT ADVISORS, INC.
FORM ADV PART 2A – FIRM BROCHURE

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Item 4 – Advisory Business

- A** Integral Investment Advisors, Inc. (“Integral” “we” and “us”) is a California corporation registered as an investment adviser under the laws of the Securities and Exchange Commission. Our principal place of business is located in Modesto, California. Jodi Ann Karambela is the President and Portfolio Manager of Integral Investment Advisors, Inc. which she founded in 2008.
- B** Integral Investment Advisors, Inc. specializes in designing a diversified portfolio that illustrates the Client’s financial objectives and individual goals. Our investment style is highly customized to our Client’s risk tolerance, maximizing the preservation of capital and post-tax total return. All portfolio decisions are made in accordance with personalized Investment Policy Statements.

We focus on asset allocation, providing structured portfolio management. We have a strong bias towards constructing total return portfolios and have a tactical slant in sectors that have long term growth potential. We use a “Top Down” approach when assessing portfolio weightings to take advantage of trends in the economy, while still maintaining a diversified approach. We also provide Financial Planning and Fixed-Income Management services.

Our Client services include:

- Investment Planning/Investment Policy Statements
 - Financial Independence/Retirement Planning
 - Capital Needs Analysis (Goal Funding)
 - Income Tax Planning
 - Estate Planning
 - Education Planning
 - Risk Management (Life and Disability Insurance)
 - Employee Stock Option Planning
- C** We construct portfolios to match our Client’s unique risk tolerance, financial objectives, and individual requirements. We believe that our approach better enables our Clients to meet their financial goals. Once an individual Client’s investment policy is established, we are disciplined about rebalancing the investments.
- D** We offer a Wrap Fee Program to Clients. Under that all-inclusive billing alternative, Integral will assess one Client fee that captures the management, brokerage, and administrative portions collectively. The standard rate schedule for the Wrap program is shown under Item 5 – Fees and Compensation. Other information and disclosures regarding the Wrap Program are found in a separate Part 2A Appendix 1 Wrap Program Brochure document.

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- E** We manage \$160,481,566.46 of Client assets on a non-discretionary basis and \$53,009,748.89 of Client assets on a discretionary basis. These amounts were calculated as of December 31, 2016.

Item 5 – Fees and Compensation

- A** Integral is a fee-only advisory firm, meaning we are compensated only by our Clients and do not receive compensation or commissions from other parties. We believe this method of compensation minimizes conflicts of interest.

In consideration of the services provided by Integral, the Client will pay Integral an annual fee quarterly in arrears, with payment due within 10 days from the date of the invoice. Fees are deducted directly by the custodian from Client's Account unless otherwise agreed. The fee will be equal to the agreed respective percentage per annum, based on the average daily market value of the managed Account for the actual number of days in the previous quarter, offset by five (5) business days.

Compensation to Integral for our services will be calculated in accordance with "Schedule A" of the Investment Advisory Agreement ("IAA") which is entered into when we begin our professional relationship with each Client. We reserve the right to amend the fee but only on 30-days prior written notice to Client.

FEE SCHEDULE

<u>Assets Under Management</u>	<u>Annual Fee</u>
\$0 to \$500,000	2.00%
\$500,001 to \$2,000,000	1.50%
\$2,000,001 and over	1.00%

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Notwithstanding the above, our fees are generally negotiable.

FINANCIAL PLANNING FEES

We provide financial planning services for our Clients. Fees for planning services are based on an hourly rate of \$250.00 per hour, with a minimum of \$1,500 annually; billed quarterly. Fees are due at time of service. We will also perform certain financial planning projects on a fixed-fee basis. Services performed on a fixed-fee basis require a retainer equal to one-half the fixed fee. The remaining balance will be billed in equal installments on a monthly basis until the project is completed. All invoices are due within 10 days of invoice. Special arrangement may be made with Clients wishing to retain financial planning services on an ongoing basis.

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The planning fee also includes the time and activities necessary to work with Client's attorney and/or accountant in reaching agreement on solutions, as well as implementing all appropriate documents. We are not responsible for attorney or accountant fees charged to Clients as a result of the above activities.

- B** Our fees may be paid directly to us from the account by the independent custodian holding a Client's assets upon submission of an invoice to custodian showing the amount of fees, the value of the Client's assets on which the fees are based, and the specific manner in which the fees are calculated. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the account. Copies of the fee invoices will be mailed to Client as required. Clients bear the responsibility for verifying the accuracy of fee calculations.
- C** Clients may be required to pay, in addition to Integral's fee, a proportionate share of any mutual fund's fees and charges. In some instances, we may recommend that all or a portion of Client assets be managed by an unrelated sub-advisor. These arrangements are more fully disclosed in Section 10, below.
- D** Fees for partial quarters at the commencement or termination of our agreement with a Client will be billed or refunded on a pro-rata basis contingent on the number of days the account was open during the quarter. Quarterly fee adjustments for additional assets received into the account during a quarter or for partial withdrawals will also be provided on the above pro rata basis.
- E** We are a fee-only investment advisory firm paid on a percentage of Client assets managed. This means that no supervised person associated with us receives or accepts any compensation for the sale of securities or investment products.

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

We do not charge any performance-based fees for our services. Accordingly, this item is not applicable to our firm.

Item 7 – Types of Clients

We do not have any set asset requirements for opening or maintaining accounts and provide investment advice to the following types of Clients:

- Individuals
- Pension and Profit Sharing Plans
- Trusts, Estates or Charitable Organizations

Because each Client is unique, we encourage involvement in the planning and processes involved in the management of their accounts. Such involvement does not have to be time consuming, however we want our Clients to remain informed and have a sense of security about their investments.

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

- A** We offer advice on investments primarily including (but not limited to) the following:
- Equity securities such as:
 - Exchange-listed securities including Exchange Traded Products such as ETFs.
 - Securities traded over-the-counter
 - Foreign issuers
 - Corporate debt securities (other than commercial paper)
 - Commercial paper
 - Certificates of deposit
 - Municipal securities
 - Investment company securities:
 - Variable life insurance
 - Variable annuities
 - Mutual fund shares
 - United States government securities
 - Options contracts on:
 - Securities
 - Interests in partnerships investing in:
 - Real estate
 - Oil and gas interests

The primary investment strategies used to implement investment advice given to Clients include long-term (securities held at least one year) and short-term (securities sold within a year) purchases, taking into consideration a Client's tax situation when buying or selling securities and mutual funds.

We primarily research and analyze securities using fundamental and technical methods. The main sources of information we rely upon when researching and analyzing securities include traditional research materials such as financial newspapers and magazines; research materials prepared by others; filings with the Securities and Exchange Commission; and company press releases.

- B** We will use our best judgment and good faith efforts in rendering services to our Clients. However, we cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. Clients assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understand that investment decisions made for this account are subject to various market, currency, economic, political and business risks.

Nothing in this Agreement shall relieve us from any responsibility or liability we may have under state or federal statutes.

Except as may otherwise be provided by law, we are not liable to Clients for:

- Any loss that a Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by us with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- Any loss arising from our adherence to a Client's instructions; or
- Any act or failure to act by a custodian of a Client's account.

It is the responsibility of each Client to give us complete information and to notify us of any changes in financial circumstances or goals.

- C** While all investing involves risks and losses can and will occur, our advisory services generally recommend a broad and diversified allocation of equities, ETFs, and mutual funds thereby reducing specific risks associated with a concentrated or undiversified portfolio.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. We have no information to disclose applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Other Investment Managers:

On occasion, we may recommend and engage unaffiliated sub-advisors who provide customized investment portfolio management services. These services may include the construction of fixed income investment portfolios, execution of securities purchase and sale transactions, and portfolio administration, including tracking of and reporting on portfolio performance and investment results.

We are authorized by our Clients to share non-public, personal information with sub-advisors for the purpose of managing their portfolios. However, we require any sub-advisor to execute a confidentiality agreement and not share non-public personal information with any unauthorized person or entity.

Clients are generally required to enter into a separate advisory agreement with any sub-advisor. The use of sub-advisors may cause Clients to incur additional fees. If applicable, any additional fees will be fully disclosed to Clients by us and in a separate agreement with the sub-advisor.

We currently utilize the sub-advisor Measured Risk Portfolios (“MRP”) for client portfolios requiring investment strategies beyond our scope of practice. For Clients placed with MRP, we require them to enter into a separate agreement with MRP, review MRP disclosure documents, and disclose the additional fees incurred for MRP’s sub-advisory services.

We do not participate in any other material activities and have no other financial industry affiliations to disclose.

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

- A** We have a Code of Ethics which all employees are required to follow. The Code of Ethics outlines proper conduct related to all services provided to Clients. Prompt reporting of internal violations is mandatory. Our chief compliance officer regularly evaluates employee performance to ensure compliance with the Code of Ethics. A copy of the Code of Ethics is available to any Client or prospective Client upon request.
- B-D** Integral or individuals associated with us may buy and sell some of the same securities for their own account that we buy and sell for our Clients. In all instances, where appropriate, we will purchase a security for all of its existing accounts for which the investment is appropriate before purchasing any of the securities for our own account(s) and, likewise, when it determines that securities should be sold, where appropriate will cause these securities to be sold from all of our Advisory accounts prior to permitting the selling of the securities from our own account(s). In some cases we may buy or sell securities for our own account for reasons not related to the strategies adopted by our Clients.

When we have been newly engaged by an investment advisory Client for whom we expect to recommend securities in which Integral or its principal holds a position, we will notify the new Client of our policies in respect to officers trading for their own account.

We will disclose to our Clients any material conflict of interest relating to us, our representatives, or any of our employees which could reasonably be expected to impair the rendering of unbiased and objective advice.

Item 12 – Brokerage Practices

A Our Clients' assets are held by independent third-party custodians. Except to the extent that a Client directs otherwise, we may use our discretion in selecting or recommending the custodian. Clients are not obligated to effect transactions through any custodian recommended by us. In recommending a custodian we will comply with our fiduciary duty in accordance with the Securities Exchange Act of 1934, to obtain best execution and will take into account such relevant factors as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
- The research and related brokerage services provided by such custodian to us, notwithstanding that the account may not be the direct or exclusive beneficiary of such services; and
- Any other factors that we consider to be relevant.

A-1 We participate in the institutional customer programs of TD Ameritrade and Fidelity Investments. We may recommend independent third-party custodians Fidelity and/or TD Ameritrade to Clients for custody and brokerage services. TD Ameritrade and Fidelity are members of FINRA and SIPC.

Our use of soft dollars is intended to comply with the requirements of Section 28(e) of the Securities Exchange Act of 1934 which provides a "safe harbor" for investment managers who use commissions or transaction fees paid by their advised accounts to obtain investment research services that provide lawful and appropriate assistance to the manager in performing investment decision-making responsibilities. Per Section 28(e), we will make a good faith determination that the amount of commission or other fees paid is reasonable in relation to the value of the brokerage and research services provided. In making this determination, we typically consider not only the particular transaction or transactions, and not only the value of brokerage and research services and products to a particular Client, but also the value of those services and products in our performance of our overall responsibilities to all our Clients. In some cases, the commissions or other transaction fees charged by a particular broker-dealer for a particular transaction or set of transactions may be greater than the amounts another broker-dealer who did not provide research services or products might charge.

- B** We are authorized in our discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and other transactions in the same or similar securities or instruments for other Clients of ours. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price so obtained. Stock exchange regulations may in certain instances prevent the executing broker-dealer from delivering to the account a confirmation slip with respect to its participation in the aggregated transaction and, in such event, we will advise the Client in writing of any purchase or disposition of instruments for the account with respect to any such aggregated transaction. We will direct that confirmations of any transactions effected for the account will be sent, in conformity with applicable law, to the Client.

Item 13 – Review of Accounts

- A** Accounts are reviewed by Integral Investment Advisors, Inc. or qualified staff members. All reviews are either conducted or supervised by us. The frequency of reviews is determined by the Client's investment objectives, but occurs no less than annually.

Financial planning Clients receive their financial plans and recommendations at time service is completed. Depending on the type of financial planning service requested, we will meet as needed with Clients to discuss any potential changes to their financial plan.

- B** More frequent reviews may also be triggered by a change in Client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in macro-economic climate.
- C** All investment advisory Clients receive quarterly reports on representative investments recommended specifically by Integral. Investment advisory Clients also receive standard account statements from the custodian of their accounts on a monthly basis. Financial planning Clients do not normally receive investment reports.

Item 14 – Client Referrals and Other Compensation

We have no arrangements, written or oral, in which we compensate others or are compensated for Client referrals.

Item 15 – Custody

With the exception of our ability to debit fees, we do not otherwise have custody of the assets held in Client custodial accounts. Accordingly, we shall have no liability to a Client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation (“SIPC”) or any other insurance which may be carried by the custodian. The Client understands that SIPC provides only limited protection for the loss of property held by a custodian.

Clients receive standard account statements from the custodian of their accounts generally on a monthly basis, but in any event, no less than quarterly. We urge all Clients to carefully review statements from the custodian and compare these to any reports that we may provide to you. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Clients generally grant us non-discretionary authority to execute its investment recommendations in accordance with our Statement of Investment Policy (or similar documents used to establish Client's objectives and suitability). Non-discretionary authority requires us to obtain approval of each specific transaction prior to executing investment recommendations, as well as for the selection and retention of sub-advisors to their account.

In some limited circumstances, Clients grant us ongoing and continuous discretionary authority to execute its investment recommendations in accordance with our Statement of Investment Policy (or similar documents used to establish Client's objectives and suitability). Under this authority, Clients allow us to purchase and sell securities and instruments in this account, arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on their behalf in most matters necessary or incidental to the handling of the account, including monitoring certain assets.

Item 17 – Voting Client Securities

Unless specifically directed otherwise in writing by a Client, we are not authorized to receive and vote proxies on issues held in any Client accounts and we do not receive annual reports.

Item 18 – Financial Information

- A** We do not require prepayment of fees of more than \$1,200 more than six months in advance.
- B** As noted in Item 15 above, we do not have custody of Client's funds or securities excepting the ability to deduct fees. We do manage some Client assets on a discretionary basis, however, we have no financial commitments which would impair our ability to meet the contractual and fiduciary commitments to our Clients.
- C** We have never been the subject of any bankruptcy proceedings.