

**Item 1 – Cover Page**

PKS Investment Advisors LLC

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(410) 546-5600

[www.pksadvisors.com](http://www.pksadvisors.com)

May 16, 2012

This Brochure provides information about the qualifications and business practices of PKS Investment Advisors LLC (“PKSIA”). If you have any questions about the contents of this Brochure, please contact us at (410) 546-5600. 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.

PKSIA is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about PKSIA also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. The CRD number for PKSIA is 110147.

## Item 2 – Material Changes

This Item of the Brochure discusses only specific material changes that are made to the Brochure and provides clients with a summary of such changes. The most recent updated of our Brochure was May 16, 2012 and contained the following material changes as part of this update:

- Advisors Access™ 401(k) standard fee schedule was amended in Item 5.
- Stand-alone financial planning service was removed from Item 4.

(Brochure Date: 5/16/2012)

(Date of Most Recent Annual Updating Amendment: 3/27/2012)

We 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 Winn Booth at (410) 546-5600. Our Brochure is also available on our web site [www.pksadvisors.com](http://www.pksadvisors.com), also free of charge.

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## **Item 4 – Advisory Business**

PKSIA is owned by an affiliated accounting firm, PKS & Company, P.A. and by Mr. William E. Booth. PKS & Company, P.A. is the primary owner/Member of PKSIA, at 75% and William E. Booth is a 25% owner. PKSIA has been providing advisory services since 2000.

As of December 31, 2011, PKSIA managed \$74,368,515 on a discretionary basis and \$340,015 on a nondiscretionary basis for total assets under management of \$74,708,530.

### **Investment Management Services:**

PKSIA manages investment portfolios for individuals, qualified retirement plans, trusts, not-for-profit organizations, and small businesses. PKSIA will work with a client to determine the client's investment objectives and investor risk profile and will design a written investment policy statement. PKSIA uses investment and portfolio allocation software to evaluate alternative portfolio designs. PKSIA evaluates the client's existing investments with respect to the client's investment policy statement. PKSIA works with new clients to develop a plan to transition from the client's existing portfolio to the portfolio recommended by PKSIA. PKSIA will then continuously monitor the client's portfolio holdings and the overall asset allocation strategy and hold review meetings with the client regarding the account as necessary.

PKSIA will typically create a portfolio of no-load mutual funds, and may use model portfolios if the models match the client's investment policy. PKSIA will allocate the client's assets among various investments taking into consideration the overall risk and return profile of the client. PKSIA primarily recommends portfolios consisting of passively managed asset class and index mutual funds. PKSIA primarily recommends mutual funds offered by Dimensional Fund Advisors (DFA). DFA sponsored mutual funds follow a passive asset class investment philosophy with low holdings turnover. Client portfolios may also include some individual equity securities in situations where disposition of these securities would present an overriding tax implication or the client specifically requests they be retained for a personal reason. These situations will be specifically identified in the client's Investment Policy Statement (IPS).

PKSIA manages mutual fund and equity portfolios on a discretionary or nondiscretionary basis. A Client may impose any reasonable restrictions on PKSIA's discretionary authority, including restrictions on the types of securities in which PKSIA may invest client's assets and on specific securities, which the client may believe to be appropriate.

PKSIA may also recommend fixed income portfolios to investment management clients, which consist of managed accounts of individual bonds. PKSIA will request discretionary authority from investment management clients to manage fixed income portfolios, including the discretion to retain a third party fixed income manager. PKSIA will prepare an Investment Policy Statement Fixed Income Addendum for any client qualifying for separate fixed income portfolio services provided by BAM Advisor Services' Fixed Income Department.

Pursuant to its discretionary authority, PKSIA will retain a fixed income securities manager. The fixed income securities manager will be provided with the discretionary authority to invest client assets in fixed income securities consistent with the client's Investment Policy Statement. The manager will also monitor the account for changes in credit ratings, security call provisions, and tax loss harvesting opportunities (to the extent that the manager is provided with cost basis information). The manager will obtain PKSIA's consent prior to the sale of any client securities.

On an ongoing basis, PKSIA will answer clients' inquiries regarding their accounts and review periodically with clients the performance of their accounts. PKSIA will periodically, and at least annually, review clients' investment policy, risk profile and discuss the re-balancing of each client's accounts to the extent appropriate. PKSIA will provide to investment manager any updated client financial information or account restrictions necessary for investment manager to provide sub-advisory services.

In addition to managing the client's investment portfolio, PKSIA may consult with clients on various financial planning areas including income and estate tax planning, disability income analysis, business sale structures, college financial planning, retirement planning, insurance analysis, personal cash flow analysis, investment analysis, establishment and design of retirement plans and trust designs, among other things.

#### **Employee Benefit Plan Services:**

PKSIA also provides advisory services to participant-directed employee retirement benefit plans. PKSIA will analyze the plan's current investment platform, and assist the plan in creating an investment policy statement defining the types of investments to be offered and the restrictions that may be imposed. PKSIA will recommend investment options to achieve the plan's objectives, provide participant education meetings, and monitor the performance of the plan's investment vehicles.

PKSIA will recommend changes in the plan's investment vehicles as may be appropriate from time to time. PKSIA generally will review the plan's investment vehicles and investment policy as necessary.

#### Advisors Access™ 401k

PKSIA also offers the Advisors Access™ 401k in coordination with BAM Advisor Services, LLC. In Advisors Access™, PKSIA provides those services as described above with the direct support of BAM Advisor Services. Clients choosing Advisors Access™ will engage both PKSIA and BAM Advisor Services, which will provide to the client additional discretionary investment management services.

In Advisors Access™, BAM Advisor Services will exercise discretionary authority to select the plan investments made available to plans' participants. BAM Advisor Services will exercise discretionary authority to select and maintain the plans' investments according to the goals and investment objectives of the plan.

PKSIA will continue to work with plans to monitor plan investments, provide fiduciary plan advice including regular considerations of the goals and objectives of the plan, and provide participant education services to the plan.

### **Item 5 – Fees and Compensation**

In certain circumstances, all fees, account minimums and their applications to family circumstances may be negotiable.

PKSIA has contracted with BAM Advisor Services, LLC (BAM), for services including trade processing, collection of management fees, record maintenance, report preparation, marketing assistance, and research. PKSIA has also contracted with BAM for sub-advisory services with respect to clients' fixed income accounts. PKSIA pays a fee for BAM services based on management fees paid to PKSIA on accounts that use BAM Advisor Services. The fee paid by PKSIA to BAM consists of a portion of the fee paid by clients to PKSIA and varies based on the total client assets participating in BAM Advisor Services through PKSIA (tiered ranging from 20%-40%). These fees are not separately charged to advisory clients and the fee schedule below reflects the fees that advisory clients are charged. The fee charged by PKSIA to its clients includes all sub-advisory fees charged by BAM.

The specific manner in which fees are charged by PKSIA is established in a client's written agreement with PKSIA. Investment Management and Employee Benefit Plan clients will be invoiced in advance at the beginning of each calendar quarter based upon the value (market value based on independent third party sources or fair market value in the absence of market value; client account balances on which PKSIA calculates fees may vary from account custodial statements based on independent valuations and other accounting variances, including mechanisms for including accrued interest in account statements) of the client's account at the end of the previous quarter. New accounts are charged a prorated fee for the remainder of the quarter in which the account is incepted (date of first trade).

For Investment Management and Employee Benefit Plan Services, PKSIA will request authority from the client to receive quarterly payments directly from the client's account held by an independent custodian. Clients may provide written limited authorization to PKSIA or its designated service provider, BAM, to withdraw fees from the account. Clients will receive custodial statements showing the advisory fees debited from their account(s). Certain third party administrators will calculate and debit PKSIA's fee and remit such fee to PKSIA.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded.

PKSIA's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. These fees will generally include a management fee and other fund expenses. All fees paid to PKSIA for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and ETFs to their shareholders.

Such charges, fees and commissions are exclusive of and in addition to PKSIA's fee, and PKSIA shall not receive any portion of these commissions, fees, and costs.

Please see Item 5 of this Brochure for additional information about PKSIA's Brokerage Practices.

## **Advisory Fees**

### **Investment Management Services:**

The standard annual fee for investment management services for new accounts will be charged as a percentage of assets under management, according to the tiered schedule below:

<b>Assets under management</b>	<b>Annual Fee (%)</b>
First \$500,000	1.00% (\$2,000 annual minimum)
Next \$500,000	0.90%
Next \$1,000,000 (\$1million to \$2million)	0.85%
Next \$2,000,000 (\$2million to \$4million)	0.70%
Next \$2,000,000 (\$4million to \$6million)	0.50%
Over \$6,000,000	0.40%

PKSIA requires a minimum annual fee of \$2,000 for Investment Management Services. A minimum of \$400,000 is generally required for management services of portfolios of individual fixed income securities. Minimum account sizes may be negotiable under certain circumstances

PKSIA will ensure that the aggregate fee charged by PKSIA will never exceed 3.00% of the client's assets under management.

Certain pre-existing Investment Management Services clients may be on a different fee schedule. All accounts for members of the client's family (husband, wife and dependent children) or related businesses may be assessed fees based on the total balance of all accounts.

### **Employee Benefit Plan Services:**

Advisors Access™ 401(k) standard fee schedule is as follows:

<b>Assets Under Advisement</b>	<b>Annual Fee (%)</b>
First \$500,000	1.00%
Next \$500,000	0.90%
Next \$1,000,000 (\$1 million to \$2 million)	0.85%
Next \$2,000,000 (\$2 million to \$4 million)	0.70%
Next \$2,000,000 (\$4 million to \$6 million)	0.50%
Over \$6,000,000	0.40%



PKSIA and BAM Advisor Services share this fee according to a percentage negotiated between PKSIA and BAM Advisor Services. Certain pre-existing employee benefit plan services clients may be on a different fee schedule.

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

PKSIA does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). All fees are calculated as described above and are not charged on the basis of income or capital gains or capital appreciation of the funds or any portion of the funds of an advisory client.

## **Item 7 – Types of Clients**

PKSIA provides services to individuals, qualified retirement plans, trusts, charitable organizations, corporations and small businesses.

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

### *Methods of Analysis and Investment Strategy*

PKSIA's services are based on long-term investment strategies incorporating the principles of Modern Portfolio Theory. PKSIA's investment approach is firmly rooted in the belief that markets are "efficient" over periods of time and that investors' long-term returns are determined principally by asset allocation decisions, rather than market timing or stock picking. PKSIA recommends diversified portfolios, principally through the use of passively managed, asset class mutual funds. PKSIA selects or recommends to clients portfolios of securities, principally broadly-traded open end mutual funds or conservative fixed income securities to implement this investment strategy.

Although all investments involve risk, PKSIA's investment advice seeks to limit risk through broad diversification among asset classes and, as appropriate for particular clients the investment directly in conservative fixed income securities to represent the fixed income class. PKSIA's investment philosophy is designed for investors who desire a buy and hold strategy. Frequent trading of securities increases brokerage and other transaction costs that PKSIA's strategy seeks to minimize.

In the implementation of investment plans, PKSIA therefore primarily uses mutual funds and, as appropriate, portfolios of conservative fixed income securities. PKSIA may also utilize Exchange Traded Funds (ETFs) to represent a market sector.

Clients may hold or retain other types of assets as well, and PKSIA may offer advice regarding those various assets as part of its services. Advice regarding such assets will generally not involve asset management services but may help to more generally assist the client.

PKSIA's strategies do not utilize securities that we believe would be classified as having any unusual risks, and we do not recommend frequent trading, which can increase brokerage and other costs and taxes.

PKSIA receives supporting research from BAM Advisor Services and from other consultants, including economists affiliated with Dimensional Fund Advisors ("DFA"). PKSIA utilizes DFA mutual funds in client portfolios. DFA mutual funds follow a passive asset class investment philosophy with low holdings turnover. DFA provides historical market analysis, risk/return analysis, and continuing education to PKSIA.

#### *Analysis of a Client's Financial Situation*

In the development of investment plans for clients, including the recommendation of an appropriate asset allocation, PKSIA relies on an analysis of the client's financial objectives, current and estimated future resources, and tolerance for risk. To derive a recommended asset allocation, PKSIA may use a Monte Carlo simulation, a standard statistical approach for dealing with uncertainty. As with any other methods used to make projections into the future, there are several risks associated with this method, which may result in the client not being able to achieve their financial goals. They include:

- The risk that expected future cash flows will not match those used in the analysis
- The risk that future rates of return will fall short of the estimates used in the simulation
- The risk that inflation will exceed the estimates used in the simulation
- For taxable clients, the risk that tax rates will be higher than was assumed in the analysis

#### *Risk of Loss*

**Investing in securities involves risk of loss that clients should be prepared to bear.**

All investments present the risk of loss of principal – the risk that the value of securities (mutual funds, ETFs and individual bonds), when sold or otherwise disposed of, may be

less than the price paid for the securities. Even when the value of the securities when sold is greater than the price paid, there is the risk that the appreciation will be less than inflation. In other words, the purchasing power of the proceeds may be less than the purchasing power of the original investment.

The mutual funds and ETFs utilized by PKSIA may include funds invested in domestic and international equities, including real estate investment trusts (REITs), corporate and government fixed income securities and commodities. Equity securities may include large capitalization, medium capitalization and small capitalization stocks. Mutual funds and ETF shares invested in fixed income securities are subject to the same interest rate, inflation and credit risks associated with the underlying bond holdings.

Among the riskiest mutual funds used in PKSIA's investment strategies funds are the U.S. and International small capitalization and small capitalization value funds, emerging markets funds, and commodity futures funds. Conservative fixed income securities have lower risk of loss of principal, but most bonds (with the exception of Treasury Inflation Protected Securities, or TIPS) present the risk of loss of purchasing power through lower expected return. This risk is greatest for longer-term bonds.

Certain funds utilized by PKSIA may contain international securities. Investing outside the United States involves additional risks, such as currency fluctuations, periods of illiquidity and price volatility. These risks may be greater with investments in developing countries.

More information about the risks of any particular market sector can be reviewed in representative mutual fund prospectuses managing assets within each applicable sector.

## **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of PKSIA or the integrity of PKSIA's management. PKSIA has no such events to be disclosed.

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

### Affiliated Accounting Firm

Officers of PKSIA are also officers of the accounting firm, PKS & Company, P.A. (Pigg, Krah, Stern) (hereinafter "PKS&Co"), which may recommend PKSIA to accounting clients in need

of advisory services. PKSIA may also recommend PKS&Co to advisory clients in need of accounting services. Accounting services provided by PKS&Co are separate and distinct from the advisory services of PKSIA, and are provided for separate and typical compensation. No PKSIA client is obligated to use PKS&Co for any accounting services.

PKS&Co's services also include record keeping, plan design and compliance services for qualified pension plans that may be receiving advisory services from PKSIA.

#### Individually Licensed Insurance Agents

Associated persons of PKSIA, in their individual capacities, are agents for various insurance companies to sell insurance products. As such, these individuals will be able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of insurance recommendations. While these individuals endeavor at all times to put the interest of the clients first as part of PKSIA's fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

#### BAM Advisor Services, LLC

As described above in Item 4, PKSIA may exercise discretionary authority provided by a client to select an independent third party investment manager for the management of portfolios of individual fixed income securities. PKSIA selects BAM Advisors Services, LLC for such fixed income management. PKSIA also contracts with BAM Advisor Services, LLC for back office services and assistance with portfolio modeling. PKSIA has a fiduciary duty to select qualified and appropriate managers in the client's best interest, and believes that BAM Advisor Services, LLC effectively provides both the back office services that assist with its overall investment advisory practice and fixed income portfolio management services. The management of PKSIA continuously makes this assessment. While PKSIA has a contract with BAM Advisor Services, LLC governing a time period for back office services, PKSIA has no such fixed commitment to the selection of BAM Advisor Services, LLC for fixed income management services and may select another investment manager for clients upon reasonable notice to BAM Advisor Services, LLC.

## Item 11 – Code of Ethics

PKSIA has adopted a Code of Ethics expressing the firm's commitment to ethical conduct. PKSIA's Code of Ethics describes the firm's fiduciary duties and responsibilities to clients and sets forth PKSIA's practice of supervising the personal securities transactions of employees with access to client information. Individuals associated with PKSIA may buy or sell securities for their personal accounts identical or different than those recommended to clients. It is the expressed policy of PKSIA that no person employed by the firm shall prefer his or her own interest to that of an advisory client or make personal investment decisions based on investment decisions of advisory clients.

To supervise compliance with its Code of Ethics, PKSIA requires that anyone associated with this advisory practice with access to advisory recommendations provide annual securities holding reports and quarterly transaction reports to the firm's principal. PKSIA also requires such access persons to receive approval from the Chief Compliance Officer prior to investing in any IPO's or private placements (limited offerings).

PKSIA's Code of Ethics further includes the firm's policy prohibiting the use of material non-public information and protecting the confidentiality of client information. PKSIA requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual not in observance of the above may be subject to discipline.

PKSIA will provide a complete copy of its Code of Ethics to any client or prospective upon request.

It is PKSIA's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. PKSIA will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an advisor, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated private fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment advisor in relation to a transaction in which the investment advisor, or any person controlled by or under common control with the investment advisor, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an advisor is dually registered as a broker-dealer or has an affiliated broker-dealer.

## Item 12 – Brokerage Practices

PKSIA arranges for the execution of securities transactions with the assistance of BAM Advisor Services. Through BAM, PKSIA participates in the Schwab Advisor Services (“SAS”) services program offered to independent investment advisers by Charles Schwab & Company, Inc., member FINRA/SIPC. Schwab is an unaffiliated SEC-registered broker dealer and FINRA member broker dealer.

The SAS program will generally be recommended to advisory clients for the execution of mutual fund and equity securities transactions. PKSIA regularly reviews this program to ensure that its recommendation is consistent with its fiduciary duty. This trading platform is essential to PKSIA's service arrangements and capabilities, and PKSIA may not accept clients who direct the use of other brokers. As part of this program, PKSIA receives benefits that it would not receive if it did not offer investment advice (See the disclosure under Item 14 of this Brochure).

As PKSIA will not request the discretionary authority to determine the broker dealer to be used or the commission rates to be paid in these situations, clients must direct PKSIA as to the broker dealer to be used. In directing the use of a particular broker or dealer, it should be understood that PKSIA will not have authority to negotiate commissions among various brokers or obtain volume discounts, and best execution may not be achieved. Not all investment advisors require clients to direct the use of specific brokers.

Other than through Schwab, PKSIA will not exercise authority to arrange client transactions in fixed income securities through other broker-dealers. Clients will provide this authority to a fixed income manager retained by PKSIA on client's behalf by designating the portfolio manager with trading authority over client's brokerage account. Clients will be provided with the Disclosure Brochure (Form ADV Part 2) of portfolio manager.

Schwab does not generally charge clients a custody fee and are compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through the broker or that settle into the clients' accounts at the brokers. Trading client accounts through other brokers may result in fees (including mark-ups and mark-downs) being charged by the custodial broker and an additional broker. While PKSIA will not arrange transactions through other brokers, the authority of the fixed income portfolio manager includes the ability to trade client fixed income assets through other brokers.

PKSIA does not have any arrangements to compensate any broker dealer for client referrals.

PKSIA does not maintain any client trade error gains. PKSIA makes client whole with respect to any trade error losses incurred by client caused by PKSIA.

PKSIA generally does not aggregate any client transactions in mutual fund or other securities. Client accounts are individually reviewed and managed, and transaction costs are not saved by aggregating orders in almost all circumstances in which PKSIA arranges transactions. BAM Advisor Services, LLC, in the management of fixed income portfolios, will aggregate certain transactions among client accounts that it manages, in which case an PKSIA client's orders may be aggregated with an order for another client of BAM Advisor Services, LLC who is not an PKSIA client. See BAM Advisor Services, LLC Form ADV Part 2.

#### **Employee Benefit Retirement Plan Services:**

PKSIA does not arrange for the execution of securities transactions for plans utilizing Employee Benefit Retirement Plan Services. Transactions are executed directly through employee plan participation. PKSIA may, however, arrange for execution of securities transactions for certain plans that use SAS as custodian.

### **Item 13 – Review of Accounts**

#### **Reviews:**

#### **Investment Management Services:**

Account assets are supervised continuously and formally reviewed quarterly by an Investment Advisor Representative of PKSIA. The review process contains each of the following elements:

- a. assessing client goals and objectives;
- b. evaluating the employed strategy(ies);
- c. monitoring the portfolio(s); and
- d. addressing the need to rebalance.

Additional account reviews may be triggered by any of the following events:

- a. a specific client request;
- b. a change in client goals and objectives;

- c. an imbalance in a portfolio asset allocation; and
- d. market/economic conditions.

For fixed income portfolios, certain account review responsibilities are delegated to a third party investment manager as described above in Item 4.

#### **Employee Benefit Retirement Plan Services:**

Retirement plan assets are reviewed no more than quarterly, and according to the standards and situations described above for investment management accounts.

#### **Reports:**

All clients will receive quarterly performance reports, prepared by BAM and reviewed by PKSIA, that summarize the client's account and asset allocation. Clients will also receive monthly statements from their account custodian, which will outline the client's current positions and current market value.

Advisors Access™ 401(k) provides annual reports with fiduciary benchmarks to plan sponsors. Advisors Access™ 401(k) also provides quarterly information regarding investment returns and participant education that may be distributed by the sponsor or plan's administrator to the participants of the plan.

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

#### **Client Referrals**

PKSIA may from time to time compensate, either directly or indirectly, any person (defined as a natural person or a company) for client referrals. PKSIA is aware of the special considerations promulgated under Section 206(4)-3 of the Investment Advisers Act of 1940 and similar state regulations. As such, appropriate disclosure shall be made, all written instruments will be maintained by PKSIA and all applicable Federal and/or State laws will be observed.



### Other Compensation

As indicated under the disclosure for Item 12, SAS provides PKSIA with access to services, which are not available to retail investors. These services generally are available to independent investment advisors on an unsolicited basis at no charge to them.

These services benefit PKSIA but may not benefit its clients' accounts. Many of the products and services assist PKSIA in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements), facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts), provide research, pricing information and other market data, facilitate payment of PKSIA's fees from its clients' accounts, and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of PKSIA's accounts. SAS also makes available to PKSIA other services intended to help PKSIA manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. PKSIA does not, however, enter into any commitments with the brokers for transaction levels in exchange for any services or products from brokers. While as a fiduciary, PKSIA endeavors to act in its clients' best interests, PKSIA's requirement that clients maintain their assets in accounts at SAS may be based in part on the benefit to PKSIA of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

PKSIA also receives software from DFA, which PKSIA utilizes in forming asset allocation strategies and producing performance reports. DFA also provides continuing education for PKSIA personnel. These services are designed to assist PKSIA plan and design its services for business growth.

### **Item 15 – Custody**

Investment Management and Employee Benefit Plan Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. PKSIA urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

PKSIA requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. For fixed income securities, this authority will include the discretion to retain a third party money manager for fixed income accounts. Any limitations on this discretionary authority shall be included in this written investment advisory agreement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

When selecting securities and determining amounts, PKSIA observes the investment policies, limitations and restrictions of the clients for which it advises. Investment guidelines and restrictions must be provided to PKSIA in writing.

## **Item 17 – Voting *Client* Securities**

Proxy Disclosures: As a matter of firm policy and practice, PKSIA does not accept the authority to and does not vote proxies on behalf of advisory client. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Clients will receive applicable proxies directly from the issuer of securities held in clients' investment portfolios. PKSIA, however, may provide advice to clients regarding the clients' voting of proxies.

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that PKSIA will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct PKSIA to transmit copies of class action notices to the client or a third party. Upon such direction, PKSIA will make commercially reasonable efforts to forward such notices in a timely manner.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about PKSIA's financial condition. PKSIA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Item 19 – Requirements for State-Registered Advisers**

PKSIA has one principal executive officer and management person, Mr. William (Winn) E. Booth. The education and business background for Mr. Booth is supplied on the Form ADV Part 2B Brochure Supplement.

William (“Winn”) E. Booth  
PKS Investment Advisors LLC

1801 Sweetbay Drive

Salisbury, MD 21804

(410) 546-5600

March 21, 2012

**This Brochure Supplement provides information about William E. Booth that supplements the PKS Investment Advisors LLC Brochure. You should have received a copy of that Brochure. Please contact William E. Booth, Managing Member & CCO, if you did not receive PKS Investment Advisors LLC’s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about William E. Booth is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2- Educational Background and Business Experience**

**William (“Winn”) E. Booth, CPA/PFS**

Born 1946

Education:

University of Maryland

Graduated in 1968 with a BS in Accounting

Employment:

PKS Investment Advisors LLC

President and Chief Compliance Officer

August 1999-Present

PKS & Company, P.A.

Manager

January 1997-Present

#### Additional Information about the CPA designation

Certified Public Accountant (CPA) is the title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA.

#### Additional Information about the PFS designation

Issued by: The American Institute of Certified Public Accountants (AICPA)

Prerequisites/Experience Required: Candidate must meet all of the following requirements:

- Be a member of the AICPA;
- Hold an unrevoked CPA certificate issued by a state authority;
- Earn at least 100 points under the PFS point system. For example, 30 points are awarded for each year of 1,200 hours of experience; up to 40 points are awarded for passing various exams; one point is awarded for three CPE credits, etc. (See the PFS Credential Handbook for more on earning PFS points);
- Substantiate business experience in personal financial planning-related services

Educational Requirements: CPA plus personal financial planning specific education (See the PFS Credential Handbook)

Examination Type: Final Certification Exam

Continuing Education/Experience Requirements: A combined total of 60 PFS points in personal financial planning business experience and qualified "life-long learning" activities every 3 years. The PFS point system is described in the PFS Credential Handbook.

### **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. William E. Booth.

### **Item 4- Other Business Activities**

William E. Booth is also an employee of the accounting firm, PKS & Company, P.A. (hereinafter "PKS&Co"), which may recommend PKS Investment Advisors LLC to accounting clients in need of advisory services. PKS Investment Advisors LLC may also recommend PKS&Co to advisory clients in need of accounting services. Accounting services provided by PKS&Co are separate and distinct from the advisory services of PKS Investment Advisors LLC and are provided for separate and typical compensation. No PKS

Investment Advisors LLC client is obligated to use PKS&Co for any accounting services.

Mr. William E. Booth, in his individual capacity, is an agent for various insurance companies to sell insurance products. As such, Mr. Booth will be able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage Mr. Booth when considering implementation of insurance recommendations. While Mr. Booth endeavors at all times to put the interest of the clients first as part of PKS Investment Advisors' fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of Mr. Booth when making recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

#### **Item 5- Additional Compensation**

There are no arrangements where a non-client provides an economic benefit to Mr. William E. Booth for providing advisory services. Mr. William E. Booth is an owner and member of PKS Investment Advisors LLC. As such, Mr. Booth receives an economic benefit on the success of PKS Investment Advisors LLC, including new accounts and additional assets.

#### **Item 6 - Supervision**

Mr. William E. Booth is the President and Chief Compliance Officer of PKSIA. As such, Mr. Booth is responsible for supervision of all advisory activities. Mr. Booth's accounts are subject to regular review and verification that asset balances are being managed in accordance with a client's investment guidelines.

William E. Booth can be reached at 1801 Sweetbay Drive, Salisbury, MD 21804; 410-546-5600.

#### **Item 7- Requirements for State-Registered Advisers**

State registered advisers are required to disclose all material facts regarding certain arbitration events, proceedings, or bankruptcy petitions. No information is applicable to this Item for Mr. Booth.

# **Genevee (“Gigi”) G. LeKites**

## **PKS Investment Advisors LLC**

1801 Sweetbay Drive

Salisbury, MD 21804

(410) 546-5600

March 21, 2012

**This Brochure Supplement provides information about Genevee G. LeKites that supplements the PKS Investment Advisors LLC (“PKSIA”) Brochure. You should have received a copy of that Brochure. Please contact William E. Booth, Managing Member & CCO, if you did not receive PKSIA’s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Genevee G. LeKites is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

### **Item 2- Educational Background and Business Experience**

#### **Genevee (“Gigi”) G. LeKites**

Born 1973

#### Education:

University of Pittsburgh of Pennsylvania  
1991-1994

Salisbury University  
Graduated in 1996 with a BA in Economics

#### Employment:

PKS Investment Advisors LLC  
Investment Advisor Representative  
July 2009 - Present

PKS Investment Advisors LLC  
Administrative  
October 2007-June 2009

Ocean City Christian School  
Office Worker  
September 2006-June 2007

### **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Genevee G. LeKites.

### **Item 4- Other Business Activities**

Ms. Genevee G. LeKites is not actively engaged in any other business activities outside of PKS Investment Advisors LLC.

### **Item 5- Additional Compensation**

There are no arrangements where a non-client provides an economic benefit to Ms. Genevee G. LeKites for providing advisory services.

### **Item 6 - Supervision**

Ms. Genevee G. LeKites is registered as an investment adviser representative and provides investment advice to clients. Ms. Genevee G. LeKites is supervised by William E. Booth. Ms. Genevee G. LeKites' accounts are subject to regular review and verification that asset balances are being managed in accordance with a client's investment guidelines.

William E. Booth can be reached at 1801 Sweetbay Drive, Salisbury, MD 21804; 410-546-5600.

### **Item 7- Requirements for State-Registered Advisers**

State registered advisers are required to disclose all material facts regarding certain arbitration events, proceedings, or bankruptcy petitions. No information is applicable to this Item for Ms. LeKites.



Daniel M. O'Connell  
PKS Investment Advisors LLC

1801 Sweetbay Drive

Salisbury, MD 21804

(410) 546-5600

March 21, 2012

**This Brochure Supplement provides information about Daniel M. O'Connell that supplements the PKS Investment Advisors LLC ("PKSIA") Brochure. You should have received a copy of that Brochure. Please contact William E. Booth, Managing Member & CCO, if you did not receive PKSIA's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Daniel M. O'Connell is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2- Educational Background and Business Experience**

**Daniel M. O'Connell, CPA, CVA, PFS**

Born 1973

Education:

Salisbury University

Graduated in 1996 with a BS in Accounting

Employment:

PKS Investment Advisors LLC

Investment Advisor Representative

September 2010-Present

PKS & Company, P.A.

Partner

December 1995-Present

### Additional Information about the CPA designation

Certified Public Accountant (CPA) is the title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA.

### Additional Information regarding the CVA designation

**Certified Valuation Analyst**—The National Association of Certified Valuation Analysts (NACVA) trains and certifies Certified Valuation Analysts (CVA) to perform business valuations as a service to both the consulting community and the users of their services. Through training and rigorous testing, CVAs demonstrate they are qualified to provide capable and professionally executed valuation services.

### Qualifications for CVA Certification

To qualify for the Certified Valuation Analyst (CVA) designation, the applicant must:

- Hold a valid and unrevoked CPA license issued by a legally constituted state authority (the Chartered Accountant (CA) designation issued in Canada is equivalent to the CPA in the U.S.);
- Be a Practitioner member in good standing with NACVA;
- Successfully demonstrate that applicant meets NACVA's experience threshold requirement by completing a sample Case Study, or submitting an actual and sanitized fair market value report, prepared in the last 12 months, for peer review;
- Attend an optional five day training program;
- Submit three personal and three business references; and
- Pass a comprehensive, five-hour, multiple-choice, proctored examination.

### **Maintaining Certification**

#### Ethics Oversight & Complaints

The EOB is charged with the monitoring of NACVA's membership with regards to ethical and professional standards. The EOB's responsibilities include creating policies for educating, monitoring and enforcing compliance. The EOB's duties also include facilitating awareness and enhancing the membership's understanding of NACVA's standards, and when necessary investigating and determining whether a member or members have violated NACVA's Standards.

### Additional Information about the PFS designation

Issued by: The American Institute of Certified Public Accountants (AICPA)

Prerequisites/Experience Required: Candidate must meet all of the following requirements:

- Be a member of the AICPA;
- Hold an unrevoked CPA certificate issued by a state authority;
- Earn at least 100 points under the PFS point system. For example, 30 points are awarded for each year of 1,200 hours of experience; up to 40 points are awarded for passing various exams; one point is awarded for three CPE credits, etc. (See the PFS Credential Handbook for more on earning PFS points);
- Substantiate business experience in personal financial planning-related services

Educational Requirements: CPA plus personal financial planning specific education (See the PFS Credential Handbook)

Examination Type: Final Certification Exam

Continuing Education/Experience Requirements: A combined total of 60 PFS points in personal financial planning business experience and qualified "life-long learning" activities every 3 years. The PFS point system is described in the PFS Credential Handbook.

### **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for Mr. Daniel M. O'Connell.

### **Item 4- Other Business Activities**

Daniel M. O'Connell is also a Partner of the accounting firm, PKS & Company, P.A. (hereinafter "PKS&Co"), which may recommend PKS Investment Advisors LLC to accounting clients in need of advisory services. PKS Investment Advisors LLC may also recommend PKS&Co to advisory clients in need of accounting services. Accounting services provided by PKS&Co are separate and distinct from the advisory services of PKS Investment Advisors LLC and are provided for separate and typical compensation. No PKS Investment Advisors LLC client is obligated to use PKS&Co for any accounting services.

### **Item 5- Additional Compensation**

Mr. Daniel M. O'Connell is compensated as an employee of PKSIA and as a Partner of PKS&Co.

### **Item 6 - Supervision**

Mr. Daniel M. O'Connell is registered as an investment adviser representative and provides investment advice to clients. Mr. Daniel M. O'Connell is supervised by William E. Booth. Mr. Daniel M. O'Connell's accounts are subject to regular review and verification that asset balances are being managed in accordance with a client's investment guidelines.

William E. Booth can be reached at 1801 Sweetbay Drive, Salisbury, MD 21804; 410-546-5600.

### **Item 7- Requirements for State-Registered Advisers**

State registered advisers are required to disclose all material facts regarding certain arbitration events, proceedings, or bankruptcy petitions. No information is applicable to this Item for Mr. O'Connell.

John (“Matt”) H. Repass, Jr.  
PKS Investment Advisors LLC

1801 Sweetbay Drive

Salisbury, MD 21804

(410) 546-5600

March 21, 2012

**This Brochure Supplement provides information about John H. Repass, Jr. that supplements the PKS Investment Advisors LLC (“PKSIA”) Brochure. You should have received a copy of that Brochure. Please contact William E. Booth, Managing Member & CCO, if you did not receive PKSIA’s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about John H. Repass, Jr. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2- Educational Background and Business Experience**

**John H. Repass, Jr., RFC/CRFA**

Born 1960

Employment:

PKS Investment Advisors LLC  
Investment Advisor Representative  
January 2007-Present

Repass & Associates, Financial Planning  
President  
July 2004-December 2006

Life, Health & Variable Insurance License, State of Maryland 04/1986 to Present

Additional information regarding the RFC designation

Issued by: International Association of Registered Financial Consultants (IARFC)

Prerequisites/Experience Required: Candidate must meet the following requirements:

Candidates must meet the following education, experience and ethical requirements:

- Candidate either has attained a professional designation (i.e. CLU, ChFC, and CFP), or has earned a baccalaureate or graduate degree in financial planning with strong emphasis on subjects relating to economics, accounting, business, statistics, finance and similar studies; this granting institution must offer an IARFC-approved or CFP equivalent college curriculum and be an accredited college or university
- Met four years of experience, providing evidence of having met license requirements for securities plus life and health insurance, or submits RIA affiliation information
- Candidate must have a sound record of business integrity with no suspensions or revocation of any professional licenses
- Designees must subscribe to the IARFC Code of Ethics
- Designees must submit an annual renewal including \$100 in dues

### **Continuing Education Requirements**

Designees must agree to devote a minimum of 40 hours per year to continuing professional education in the field of personal finance and professional practice management.

### **Additional information regarding the CRFA designation**

Issued by: Society of Certified Retirement Financial Advisors

Prerequisites/Experience Required: Candidate must meet the following requirements:

- Working knowledge of insurance based on 2 years of experience, or sufficient insurance training in a classroom environment to prepare the candidate for competency in this subject.
- Two years of work related practical experience in the investment industry, a securities license, or sufficient classroom training to enable the candidate to express a professional level of knowledge in the area of investments.
- Two years of experience in tax planning and preparation, or sufficient training with a tax professional, so that the candidate has knowledge of tax forms and how to interpret the information shown on the forms.
- A basic understanding of trusts and how they may benefit a retirement client. This knowledge can be gained through classroom training, or practical experience with a legal advisor, to allow the candidate to express sufficient knowledge in this area so as to pass the exam.

Upon course completion, graduates pass a closed book exam, agree and sign the Society of Certified Retirement Financial Advisors Code of Ethics, and are then permitted to use the Certified Retirement Financial Advisor designation. In addition to any other continuing education credits that graduates must obtain for any other licenses or certifications they hold, to retain their Certified Retirement Financial Advisor credential, they must annually complete 15 hours of study specific to retiree financial issues.

### **Item 3- Disciplinary Information**

In 2004, while employed with Summit Brokerage Services, Inc., the SEC initiated a civil case against Mr. John H. Repass, Jr. regarding an allegation that a variable annuity purchased in 2001 was unsuitable. Summit Brokerage Services, Inc., and Mr. John H. Repass, Jr., without admitting any liability or wrongdoing, agreed to a \$56,500 settlement. Mr. Repass did not contribute to the settlement.

### **Item 4- Other Business Activities**

Mr. John H. Repass, Jr., in his individual capacity, is an agent for various insurance companies to sell insurance products. As such, Mr. Repass will be able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage Mr. Repass when considering implementation of insurance recommendations. While Mr. Repass endeavors at all times to put the interest of the clients first as part of PKS Investment Advisors' fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of Mr. Repass when making recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

### **Item 5- Additional Compensation**

Mr. John Repass, Jr. is compensated as an employee of PKSIA and as an agent for various insurance companies.

### **Item 6 - Supervision**

Mr. John H. Repass, Jr. is registered as an investment adviser representative and provides investment advice to clients. Mr. John H. Repass is supervised by William E. Booth. Mr. John H. Repass' accounts are subject to regular review and verification that asset balances are being managed in accordance with a client's investment guidelines.

William E. Booth can be reached at 1801 Sweetbay Drive, Salisbury, MD 21804; 410-546-5600.

## **Item 7- Requirements for State-Registered Advisers**

State registered advisers are required to disclose all material facts regarding certain arbitration events, proceedings, or bankruptcy petitions. No information is applicable to this Item for Mr. Repass.



John M. Stern, Jr.

PKS Investment Advisors LLC

1801 Sweetbay Drive

Salisbury, MD 21804

(410) 546-5600

March 21, 2012

**This Brochure Supplement provides information about John M. Stern, Jr. that supplements the PKS Investment Advisors LLC (“PKSIA”) Brochure. You should have received a copy of that Brochure. Please contact William E. Booth, Managing Member & CCO, if you did not receive PKSIA’s Brochure or if you have any questions about the contents of this supplement.**

**Additional information about John M. Stern, Jr. is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Item 2- Educational Background and Business Experience**

**John M. Stern, JR., CPA/PFS**

Born 1948

Education:

Loyola College

Graduated in 1970 with a BS in Accounting

Employment:

PKS Investment Advisors LLC

Treasurer

August 1999-Present

PKS & Company, P.A.

Officer / Shareholder

October 1986-Present

### Additional Information about the CPA designation

Certified Public Accountant (CPA) is the title of qualified accountants in the United States who have passed the Uniform Certified Public Accountant Examination and have met additional state education and experience requirements for certification as a CPA.

### Additional Information about the PFS designation

Issued by: The American Institute of Certified Public Accountants (AICPA)

Prerequisites/Experience Required: Candidate must meet all of the following requirements:

- Be a member of the AICPA;
- Hold an unrevoked CPA certificate issued by a state authority;
- Earn at least 100 points under the PFS point system. For example, 30 points are awarded for each year of 1,200 hours of experience; up to 40 points are awarded for passing various exams; one point is awarded for three CPE credits, etc. (See the PFS Credential Handbook for more on earning PFS points);
- Substantiate business experience in personal financial planning-related services

Educational Requirements: CPA plus personal financial planning specific education (See the PFS Credential Handbook)

Examination Type: Final Certification Exam

Continuing Education/Experience Requirements: A combined total of 60 PFS points in personal financial planning business experience and qualified "life-long learning" activities every 3 years. The PFS point system is described in the PFS Credential Handbook.

### **Item 3- Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item for John M. Stern, Jr.

#### **Item 4- Other Business Activities**

John M. Stern, Jr. is also an officer of the accounting firm, PKS & Company, P.A. (hereinafter "PKS&Co"), which may recommend PKS Investment Advisors LLC to accounting clients in need of advisory services. PKS Investment Advisors LLC may also recommend PKS&Co to advisory clients in need of accounting services. Accounting services provided by PKS&Co are separate and distinct from the advisory services of PKS Investment Advisors LLC and are provided for separate and typical compensation. No PKS Investment Advisors LLC client is obligated to use PKS&Co for any accounting services.

#### **Item 5- Additional Compensation**

Mr. John Stern, Jr. is compensated as an officer of both PKSIA and PKS&Co.

#### **Item 6 - Supervision**

Mr. John M. Stern, Jr. is registered as an investment adviser representative and provides investment advice to clients. Mr. John M. Stern is supervised by William E. Booth. Mr. John M. Stern's accounts are subject to regular review and verification that asset balances are being managed in accordance with a client's investment guidelines.

William E. Booth can be reached at 1801 Sweetbay Drive, Salisbury, MD 21804; 410-546-5600.

#### **Item 7- Requirements for State-Registered Advisers**

State registered advisers are required to disclose all material facts regarding certain arbitration events, proceedings, or bankruptcy petitions. No information is applicable to this Item for Mr. Stern.