

Powers Investment Advisory Corporation (PIAC)

Powers Investment Advisory Corporation (PIAC)
279 Skye Road
Highland Heights, Ohio 44143
(440) 442- 4483
(440) 442- 4485 – fax
www.poweriac.com

Firm Brochure
Part 2A of Form ADV
Updated October 12, 2010

This brochure provides information about the qualifications and business practices of Powers Investment Advisory Corporation (PIAC). If you have any questions about the contents of this brochure, please contact us by telephone at (440) 442-4483, by facsimile at (440) 442-4485 or through our web site at www.powersiac.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 Powers Investment Advisory Corporation (PIAC) is also available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

Due to recent regulatory changes the format of PIAC's disclosure document has changed and additional required information has been added. This page contains only the material changes since our last disclosure document, which was dated October 26, 2009, was issued. The changes are as follows:

- The establishment of Powers Investment Advisory Corporation (PIAC) on page 1.
- The Transaction and Service Fees that are associated to the client accounts and are charged by PIAC's Broker/dealer and Custodian are outlined starting on page 7.
- PIAC's Privacy Notice Statement on page 12.
- PIAC's Custody Statement on page 16.

Powers Investment Advisory Corporation (PIAC)
Firm Brochure
Table of Contents

Advisory Business

The Firm – PIAC	1
Services Provided	1
• Financial Planning and Consulting Services	1
• Investment Management Services	2
• Commission Business and Transactions	4

Fees and Compensation

Financial Planning and Consulting Fees	4
• Estate Settlement Services	5
• Income Tax Preparation	5
• Termination of Financial Planning or Consulting Services	5
Investment Management Fees	5
• Termination of Investment Management Services	6
Conflicts of Interest from Commissions	7
Transaction Fees	7
• Ticket Charges	7
• Client Transaction Charges	7
• Checking Service Fees	8
• Annual Custodial Maintenance Fees	8
• Roth IRA Conversion Fee	8
• QRP and 403(b)(7) Loans	9
• Limited partnerships and Private Placements	9
• Account Termination Fee	9

Performance Based Fees and Side-By-Side Management 9

Types of Clients 9

Methods of Analysis, Investment Strategies and Risk of Loss 9

Fundamental Analysis	9
Asset Allocation	9
Risk of Loss	10

Disciplinary Information 10

Other Financial Industry Activities and Affiliations 11

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

Code of Ethics Disclosure	11
---------------------------	----

Privacy Notice Statement	12
Personal Security Transactions	13
Brokerage Practices	13
Recommending Broker/Dealers to Clients	13
Research and Other Soft Dollar Benefits	14
Brokerage for Client Referrals	14
Direct Brokerage	14
Best Execution	15
Review of Accounts	15
Client referrals and Other Compensation	16
Custody	16
Investment Discretion	16
Voting Client Securities	17
Financial Information	17

ADVISORY BUSINESS

The Firm - PIAC

In September 1984, William P. Powers established Powers Investment Advisory Corporation (herein after referred to as “PIAC” or the “Firm”). PIAC is an investment advisory firm registered with the Securities Exchange Commission. In June 2005 William’s son, Andrew, joined PIAC. Together they share in the operation of PIAC and are Investment Adviser Representatives of PIAC (hereinafter they are referred to as the “Advisor(s)”).

PIAC provides its clients financial planning and consulting services as well as discretionary and non-discretionary investment advisory services. PIAC’s Advisors are FINRA licensed Registered Representatives with Cadaret, Grant & Co., Inc. a member of FINRA and SIPC (hereinafter referred to as the “broker/dealer” or “Cadaret, Grant”). PIAC’s Advisors offers to provide investment advisory services to clients where custody of the accounts is maintained at Pershing, LLC an affiliate of the Bank of New York Mellon, Member FINRA/SIPC, (hereinafter referred to as the “custodian” or “Pershing”). At a minimum, each client will receive confirmation of all trades, monthly statements of activity and balances, and quarterly consolidated appraisals with asset performance calculations from the custodian.

Services Provided

Financial Planning and Consulting:

PIAC’s Advisors offers Clients financial planning and consulting services relating to:

- Estate Planning and Settlement;
- Employee Benefit Planning
- Tax Management;
- Investment Management;
- Retirement Planning;
- Risk Management (insurance);
- Financial Planning; and
- Other investment and non-investment related matters, such as income tax preparation services.

Clients are required to enter into a Financial Planning and Consulting Service Agreement prior to engaging PIAC to provide financial planning or consulting services. This agreement sets forth the terms and conditions of the engagement, describes the scope of services to be provided, and the fee(s) that the client will be charged.

The Advisor(s) collect the Client's personal and financial data, including their desired financial goals and objectives. The Advisor(s) then analyze the data and make recommendations, both orally and/or in writing for the planning or consulting service(s) that the client had indicated in the Financial Planning and Consulting Service Agreement. All recommendations are client specific based on the client’s financial goals, risk profile and return objectives, and may involve working with other professionals (attorneys, CPAs, etc.), or the use of financial products (insurance and/or securities). Clients are not obligated to engage the services of any

recommended professional. Clients retain absolute authority over all implementation decisions and are free to accept or reject any recommendation from PIAC or its Advisor(s). Clients are free to select any brokerage firm, insurance company, or similar sales agency he/she desires for the implementation of any recommendations made during the analysis of their personal and financial information. Should the Client decide to implement the Advisor's recommendations with PIAC, investments will be transacted through PIAC's broker/dealer. This will cause a potential conflict of interest since fees and commissions may be paid to PIAC or its Advisor(s) on these transactions. PIAC or its Advisor(s) generally charge either an hourly or fixed fee for financial planning and consulting services.

Investment Management Services

Prior to engaging PIAC to provide investment management services, Clients are required to enter into a formal Investment Advisory Agreement with PIAC setting forth the terms and conditions under which the Advisor will manage the Client's investments, and the fees or other charges the Client will pay. Separate custodial documents may also be required prior to establishing an account.

PIAC provides investment advisory services for the Client(s) and determines a suitable portfolio based upon the information provided by the Client as to the Client's investment objectives, risk tolerance and financial circumstances. PIAC's Advisor(s) primarily recommend that Clients allocate their investment assets among various equity and fixed income mutual funds (including "no-load" funds), REITs, individual equities, bonds and other fixed income securities, ETFs, and brokered CD's. The Adviser(s) then design an investment portfolio in accordance with the Client's investment objectives, risk tolerance, and investment restrictions (if any) imposed by the client. The Advisor(s) manage these portfolios on either a discretionary or non-discretionary basis depending on the client. As of PIAC's fiscal year end (September 30), PIAC manages \$25,256,331 on a discretionary basis and \$6,437,116 on a non-discretionary basis.

Upon signing PIAC's Investment Advisory Agreement, Clients authorize PIAC's Advisor(s) to respond to inquiries from and communicate and share information with the Client's attorney, accountant and other professionals to the extent necessary in the furtherance of PIAC's services.

Security transaction are generally executed through PIAC's broker/dealer (Cadaret, Grant & Co., Inc.), however PIAC may utilize other broker/dealers and custodians when requested by the Client or when the Client's retirement plan is maintained and the custodian is selected by the Plan's sponsor. Clients of PIAC must be aware that if they direct PIAC or its Advisers to use a particular broker that it may limit PIAC or its Advisor(s) the ability to achieve best execution, negotiate commissions with other brokers on behalf of the client, or limit the client's participation in block trading.

PIAC's Advisor(s) generally place trades for individual client accounts. However at the Advisor's discretion, a Client's security transaction order may be combined or "batched" together with other Clients and/or the Advisor's orders and executed as a "block" transaction. By executing block transactions, the Advisor(s) attempt to achieve best execution and to equitably allocate among their Clients the difference in price that might have been obtained had

such orders been placed independently. PIAC has established the following procedures regarding block trading:

- (a) The Advisor must provide the trader with a pre-determined allocation prior to placing block trades.
- (b) The pre-determined allocation must include the account number and number of shares in the allotment.
- (c) Shares to be traded within the accounts of the Advisor(s) may be included in the pre-determined allocation of shares.
- (d) Once the allotment is received, the trader will place the trade per the broker/dealer guidelines.

Sometimes block trades are executed with only a partial fill of the order. This can usually be attributed to limit orders or thinly-traded securities. If this occurs, PIAC has adopted the following guidelines for allocation:

- (a) The shares will be allocated to accounts on a top down basis until all shares have been exhausted. The Advisor may send a fax or an Excel spreadsheet containing the allocation of shares to the trader, who will then allocate the first account and shares, then the second account and shares, etc.
- (b) In the event of varying prices of execution, an average price will be determined and given to Client accounts to ensure price uniformity for all Clients who receive an allocation.
- (c) The Advisor's personal or family account(s) will not receive allocations before a Client's account. If the pre-determined printed allocation has an Advisor's personal or family account(s) listed before a Client's account, the Advisor's personal or family account(s) will be moved to the end of the list.
- (d) PIAC will keep a record of block trades and their allocations.

In the event that a trading error occurs PIAC has established the following procedures for correcting the error:

- (a) Upon discovery of the trade error, the Advisor will immediately notify the broker/dealer or custodian's trading department concerning the error. The broker/dealer or custodian will flatten the incorrect transaction with a covering transaction regardless of whose fault it is. This immediate action will limit the potential effects that the capital markets may have upon further price deterioration or appreciation. Specifically, any thought of delaying immediate remedial action in the hopes of an advantageous market swing is avoided through this action.
- (b) The Advisor will give the trader the correct transaction that should have been executed.
- (c) The broker/dealer or custodian will confirm the correct price that the Client should have received, had the order been processed correctly.
- (d) The Advisor must file a trade error report with PIAC's Chief Compliance Officer (CCO).
- (e) The trade error report will contain the following information:
 - (1) Account registration and number;
 - (2) The trade and settlement dates;
 - (3) The number of shares or dollar value of the trade;

- (4) An explanation of the error; and
- (5) The resolution of the error.
- (f) The CCO or a designated alternate will review all trade error reports to ensure that the Client is not injured in any way.
- (g) Any restitution to the Client's account must be made through the broker/dealer.
- (h) PIAC will maintain copies of all trade error reports.

Commission Business and Transactions

In the event that the Client desires, the Client can engage PIAC's Advisors, William P. Powers and/or Andrew J. Powers, in their individual capacity as a registered representative of Cadaret, Grant to implement investment recommendations on a commission basis. Client choosing to purchase investment products through Cadaret, Grant will be charged brokerage commissions by Cadaret, Grant to effect the securities transactions. A portion of these commissions will be paid by Cadaret, Grant to PIAC's Advisor(s).

The brokerage commissions charged by Cadaret, Grant may be higher or lower than those charged by other broker-dealers. In addition, Cadaret, Grant, as well as PIAC's Advisor(s), relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the Client maintains the mutual fund investment. The securities commission business of PIAC's Advisor(s) may be used to offset investment advisory fees as discussed in the fees section of this brochure.

PIAC's Advisor(s) are also licensed as life and health insurance agent(s). As life and health insurance agents, the advisor(s) are able to sell insurance and insurance products to clients with those needs. The Advisor(s) receive separate and standard commissions for the sale of these products.

FEES AND COMPENSATION

Planning and Consulting Service Fees:

Fees charged by PIAC are dependent upon the services rendered to the Client. The Advisor(s) charge either a fixed or hourly fee for services under PIAC's Financial Planning and Consulting Service Agreement. PIAC's financial planning and consulting service fees generally range from \$300 to \$1,500 on a fixed fee basis, or up to \$150 on an hourly basis, depending upon the complexity of the plan and level and scope of the services required by the Advisor(s) or other professionals. Fees are not negotiable.

For financial planning services, fifty percent (50%) of any fixed fee is payable upon signing the Financial Planning and Consulting Agreement, with the balance payable upon the presentation and delivery of the financial plan. Prepayment of fees will not exceed \$500, unless the services are rendered within six (6) months of execution of the Financial Planning and Consulting Agreement.

For consulting services, an initial retainer may be required upon signing the Financial Planning and Consulting Agreement. Clients are billed in fifteen (15) minute increments (\$37.50 maximum per 15 minutes) and will receive a billing invoice at the end of the consultation.

Fees for Estate Settlement Services are based on the size of the estate, probate cost, and legal cost recovery for any attorney fee incurred. Legal costs are paid by PIAC and PIAC only charges the client for reimbursement of out-of-pocket legal cost. The maximum fee charged by PIAC is \$15,000 plus recovery of legal cost.

Income Tax Preparation fees are billed upon completion of the tax returns and is due and payable upon receipt of the invoice. Fees for Ohio based clients are \$275 for a basic package, which includes Federal, State, and City income tax returns. Fees for out-of-state clients are \$325 for the same package. The basic tax return package includes Schedules A, B, D, and E. Returns requiring the preparation of Schedule C (self-employment) will incur an additional fee of \$50. Fees for trust and estate income tax returns are \$500.

Investment management clients with assets under management in excess of \$250,000 receive PIAC's financial planning services as part of the 1% fee for assets under management. Investment management clients with less than \$250,000 of assets under management pay for all financial planning services as agreed upon under PIAC's Financial Planning and Consulting Service Agreement

Termination of Planning and Consulting Services

Clients may terminate PIAC's Financial Planning and Consulting Service Agreement at any time without penalty upon written notice. If a Client has contracted for consulting services or a financial plan and terminates the agreement prior to completion of services or receiving the plan, the retainer is refunded less the applicable hourly charge for any completed work.

Investment Management Fees

The fees for investment management services are based on 1% of the assets under management plus an annual administrative fee of \$250. The \$250 administrative fee is stepped down \$75 for each \$25,000 increment over the \$75,000 minimum, and is waived when the Client's assets under management reach \$150,000. Clients with assets in excess of \$250,000 under management receive a credit offset for investment transaction based commissions received by PIAC's Advisor(s) as a result of any buy/sell activity in their portfolios. The credit offsets can only reduce the gross annual fee by 50%. Credit offsets are calculated based on the portfolio activity for the quarter previous to the current billing cycle. Billing cycles are January, April, July and October. Fees are billed quarterly in advance, and are not negotiable.

The investment management fees are payable quarterly in advance, based upon the market value of the Assets on the last day of the previous quarter as valued by the Custodian. However, (a) the fee for the initial quarter shall be calculated on a pro-rata basis commencing on the day that the Assets are initially designated to PIAC for management; and (b) if the broker/dealer or custodian only issues statements on the Account as of the last business Friday of each month(or the next preceding business day if such Friday is a holiday), then the date of the statement so

issued as of the last month in any calendar quarter shall be deemed to be the last business day of such quarter for billing purposes.

Clients may choose to be billed directly by PIAC for management fees with payment due within 15 days of receipt of the billing invoice, or have management fees directly deducted from their accounts by the broker/dealer or custodian of their account(s).

If the Client chooses to have management fee directly deducted from their account, the Advisor will send a quarterly invoice to the Custodian setting forth the Advisory Fee due for the quarter. Upon signing PIAC's Investment Management Agreement, the Client authorizes the custodian to deduct the Advisory Fee from the Account and remit the same to PIAC pursuant to its invoice. The custodian shall not be required to verify the Advisor's calculation of the Advisory Fee. To satisfy the payment of the Advisory Fee, funds will be deducted directly from the Account, and if necessary, from liquidating holdings in the following order: (a) cash positions; (b) money market funds, or (c) current positions in the Account. It should be noted that some mutual funds and securities that are purchased and sold for the Account may have transaction fees, commissions, and/or redemption fees that will be charged to the Client. These transaction fees, etc. are not shared with PIAC or its Advisors and are paid directly to the broker/dealer or custodian.

All fees paid to Powers Investment Advisory Corporation are separate and distinct from other fees the Client may pay, including transaction fees, short term trading fees, underlying mutual fund fees and expenses paid to the fund by shareholders of the fund as outlined in each fund's prospectus, and custodial fees. In addition, Clients may pay brokerage and transaction fees, commissions, transfer taxes, exchange fees, and any other charges that may be imposed with regard to the client's brokerage account.

Termination of Investment Management Services

A Client may terminate Investment Management Services at any time by giving written notice to PIAC or its Advisor(s) at least (7) days prior to the date of termination (the "Termination Date"). Effective on the Termination Date, the Advisor shall refrain, without liability, from taking any further action with respect to the Account. PIAC will cease to be entitled to receive fees for any period following the Termination Date.

Clients terminating their advisory relationship with PIAC prior to the end of the quarter are entitled to a pro-rata refund of any unearned investment management fee at time of termination. PIAC will determine the refund amount by taking the current quarterly fee and divide it by 90 (the number of days per quarter). The result is then multiply by the remaining number of days left in that billing quarter to arrive at the amount that the client will be refunded.

The Client will have immediate access to the assets in his or her account(s), subject to any restrictions imposed by the broker/dealer or custodian of the accounts.

Termination of PIAC's Investment Management Agreement shall not affect either (a) the validity of any action taken by the Advisor pursuant to the Agreement, or (b) the liabilities and obligations of the parties with respect to any transactions effected prior to the Termination Date.

The death, disability or incompetency of the Client will not terminate or change the terms of PIAC's Investment Advisory Agreement. However, the Client's executor, guardian, attorney-in-fact or other authorized representative may terminate the Agreement by giving written notice to PIAC or its Advisor(s). The Client and/or its authorized representative recognize that the Custodian may not permit any further Account transactions until such time as any required documentation is provided to the Custodian.

Conflicts of Interest Resulting From Commissions

Advisers may receive commissions on investment products transacted in client accounts. This presents a conflict of interest because it gives the Advisor(s) an incentive to recommend investment products based on the compensation it receives rather than on a client's needs. To resolve this conflict of interest, as noted earlier in the Investment Management Fee section above, PIAC gives clients a credit offset for investment transaction based commissions received by PIAC's Advisor(s) as a result of any buy/sell activity in their portfolios.

Transactions Fees

All security transactions placed with PIAC's broker/dealer (Cadaret, Grant) are executed through the broker/dealers clearing firm, Pershing. The transaction and service fees charged by the broker/dealer and its clearing firm are separate and distinct from the advisory fees charged by PIAC. The following fee schedules represents charges that a client may pay for transactions and services rendered by the broker/dealer or its clearing firm:

Ticket Charges

Type of Trade	Ticket Charge	Unit Charge
Listed Stocks	\$15.65	\$0.0075
Penny Stocks/OTCs	\$15.65	\$0.00
Corporate Bonds, T-Notes, and T-Bonds	\$35.00	\$0.75
Options	\$15.65	\$1.00
CDs	\$35.00	\$0.10
CMOs	\$40.00	\$0.00
Mutual Funds/LPs/VAs	\$15.65	\$0.00
T-Bills	\$40.00	\$0.00
Zero/Muni Bonds	\$35.00	\$0.75
Systematic Investments	\$1.50 per transaction	\$0.00
Systematic withdrawals	\$1.50 per transaction	\$0.00
UITs	\$35.00	\$0.00
Post settlement date trade corrections	\$5.00	

Client Charges

Transaction	Fee
Margin Extensions	\$10.00
Transfer and Ship DRS (electronic)	\$10.00
Transfer and Ship (physical)	\$60.00
Accommodation Transfer & Ship (electronic)	\$10.00
Accommodation Transfer & Ship (physical)	\$60.00
Fed Wired Funds	\$10.00

Returned Checks (including Ach returned items)	\$20.00
Fixed Income Certificate Cost	As incurred
Fractional Share Equity Dividend Reinvest	\$0.50 /item (\$3.00 min to reinvest)
Handling Fee	\$2.00
Customer Name Safekeeping	\$2.00/account/position/month
Foreign Securities Safekeeping	\$5.00/account/position/quarter
Legal Transfers	\$60.00
Restricted Legal Transfer	\$60.00
Inactivity Fee	\$25.00/ inactive account/year, \$12.50 accounts with mutual funds only
Foreign Receive and Delivery Fee – Euro Clear	\$50.00 per item
All other foreign securities	\$75 per item
Precious Metal Storage Fee	75 bps of market value per year, pre-billed quarterly.
Mutual Fund Exchanges	\$2.00 on buy and \$2.00 on sell

Fees are waived for reorganization, bond redemptions and exercises of puts and calls. All broker/dealer and it's clearing firms fees are subject to change.

Checking Fees

Service	Fees
Silver Account	\$2.00 per month (free if \$5000 maintained)
Gold Account	\$75.00 per year
Platinum Account	\$125.00 per year
Corporate Gold Account	\$150.00 per year
Corporate Platinum Account	\$195 per year
Reorder of Checks	\$10.00 per 150 checks
Stop payments on checks	\$10.00
Returned Checks	\$20.00
Copy of paid check or MasterCard® draft	\$2.50
Business Style Checks	\$50.00 for initial order, \$40.00 for reorders (300 checks per order)

Annual Custodial Maintenance

	Fee
Full Featured Plans and 403(b)(7)	\$50.00 (due at account setup/billed annually)
Simplified Standardized Qualified Plans	\$50.00 (due at account setup/billed annually)
Prototype simplified Employee Pensions	\$50.00 (due at account setup/billed annually)
Simple Plans	\$50.00 (due at account setup/billed annually)
IRA, Roth IRA, Education IRA, 5305-SEP	\$35.00 (due on one-year anniversary of account set up/ billed annually)

Roth IRA Conversions

	Fee
Conversion of ordinary IRA to Roth Conversion	\$25.00 (per conversion, payable upon conversion; charged to Roth Conversion IRA if unpaid)

QRP and 403(b)(7) Loans

Distribution and Repayment posting; submit with loan instructions, distribution form and promissory note

Fee

\$50.00 (one-time fee due with loan documents)

Limited Partnerships & Private Placements

Annual Fee to hold (non-qualified accounts)

Subscription

Redemption

Re-registration

Annual Administration

Fees

\$100.00 per position

\$50.00 per purchase

\$50.00 per position

\$50.00 per position

\$35.00 per position (in addition to Annual Custodial Maintenance Fee)

Document Review (to determine ability to custody) \$100.00 per review (regardless of outcome)

IRS 990-T UBTI Tax Return Filing \$200.00 per return filed

Other fees may be assessed by the issuing party or transfer agent.

Account Termination

All retirement accounts

Fee

\$75.00 per account (in addition to Annual Maintenance Fee and other fees due unless prepaid)

Performance-Based Fees and Side-By-Side Management

Neither PIAC nor its advisors charge clients fees based upon a share of capital gains or capital appreciation of the assets in the client's account.

Types of Clients

PIAC's clients are generally comprised of individuals, trust and corporations. PIAC does not impose any restrictions on clients regarding opening or maintaining accounts.

Methods of Analysis, Investment Strategies and Risk of Loss***Fundamental Analysis***

PIAC's Advisors employ fundamental analysis to establish a client's portfolio. Fundamental analysis is a method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. In doing so, the Advisors attempt to study everything that can affect the securities value (like the overall economy and industry conditions) and company-specific factors (like financial condition and management). Based on their analysis the advisor can produce a value for the security and compare it with the securities current price to determine what position to take (if any) regarding that security

Asset Allocation

When PIAC's Advisors constructs a new portfolio for a client, they begin with a very basic risk tolerance questionnaire. The Advisors use this assessment along with the client's own

description of their risk profile to establish a very basic asset allocation model. Once the Advisors have established the percentages for each asset category, they begin to search for specific investments which generally include, but are not limited to, various equity and fixed income mutual funds (including “no-load” funds), REITs, individual equities, bonds and other fixed income securities, ETFs, and brokered CDs.

The Advisors search for securities based on the client’s objectives and risk tolerance (i.e. growth versus income). To aid in their search, PIAC purchases research from several sources including ValueLine, Argus Research, and Zacks Investment Research. The Advisors use the screening tools and research reports from these providers to determine which securities might be timely buys. In addition, The Advisors search for stocks with above average dividend yields at reasonable prices and P/E ratios. The Advisors sell securities as the client’s investment objectives change; when the securities have higher than average gains; or if the future outlook for any given stock or security turns unfavorable (i.e. lowered earnings guidance or estimates, etc.).

PIAC’s overall strategy, based on the demographics of its client base, is to manage accounts to generate income (especially given the current market trends). PIAC’s Advisors don't use any one specific investment strategy. The Advisor’s investment strategy is tailored specifically to the needs of each client.

Risk of Loss

Investors must be aware that there is a potential risk of loss to any investor whether or not they decide to invest their money. If investors decide to invest their money, they are obligated to assume a portion of risk. The amount of risk that they assume varies from investor to investor, and is one of the contributing factors for an Advisor in determining a suitable portfolio for its client. The following is a list of some of the risk that an investor may be exposed to:

- **Market Risk** – These are risk that affect the entire market and cannot be avoided through diversification. This risk may be caused by events such as interest rates, a recession, or wars.
- **Unsystematic Risk** – These are risk that are specific to a company or industry sector and may be avoided or mitigated by diversification.
- **Credit Risk** – The risk that a company or municipality will not be able to repay its lenders. This is very important to those investing in fix-income investments such as bonds.
- **Country Risk** – Is a group of risk that is associated with investing in a foreign country. This risk includes political risk, exchange rate risk, economic risk, sovereign risk and transfer risk, which is the risk of capital being locked up or frozen by government action.

If investors decide not to invest their money, then they face the risk of the loss of any potential gains that they would have had if they were invested.

Disciplinary Information

Neither PIAC nor its Advisors have ever been involved in any legal or disciplinary actions or administrative proceedings brought before the SEC, any other federal regulatory agency or any state regulatory agency.

Other Financial Industry Activities and Affiliations

As discussed earlier in this brochure, PIAC's Advisors are FINRA licensed Registered Representatives with Cadaret, Grant & Co., Inc. a member of FINRA and SIPC. PIAC's Advisors offers to provide investment advisory services to clients where custody of the accounts is maintained at Pershing, LLC an affiliate of the Bank of New York Mellon, a member of FINRA/SIPC, and is the clearing broker/dealer for Cadaret, Grant.

PIAC does not recommend or select other investment advisers to its clients, nor does it have any related persons that are one of the following:

- Broker-dealer, municipal securities dealer, or government securities dealer or broker
- Investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
- Other investment adviser or financial planner
- Futures commission merchant, commodity pool operator, or commodity trading advisor
- Banking or thrift institution
- Accountant or accounting firm
- Lawyer or law firm
- Insurance company or agency
- Pension consultant
- Real estate broker or dealer
- Sponsor or syndicator of limited partnerships.

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

Code of Ethics Disclosure

PIAC has adopted a Code of Ethics Policy. The Code set forth a standard of business conduct for the Firm and all persons associated with the Firm. The purpose of this Code is to set out ideals for integrity, objectivity, competence, fairness, confidentiality, professionalism and diligence for the Firm and its associated persons to espouse in the interest of the Firm and investor protection. In particular, the Code is designed to:

- Protect the Clients by deterring misconduct.
- Protect PIAC's reputation.
- Guard against violations of the securities laws.
- Establish procedures to ensure that Advisors conduct themselves ethically at all times.

In an effort to meet the above obligations, the Code sets out policies and procedures that PIAC's Advisors are expected to follow in the following areas:

- Compliance
- Privacy and Confidentiality
- Personal securities transactions and reporting
- Insider trading
- Conflicts of interest / outside business activities
- Gifts and Entertainment

- Reporting violations and sanctions
- Record keeping

Clients and prospective clients may obtain a complete copy of PIAC's Code of Ethics upon request by contacting their Advisor in writing at 279 Skye Road, Highland Heights, OH 44143 or calling at (440) 442-4483 or (440) 241-1536.

In accordance with Section 204A of the Investment Advisers Act of 1940, PIAC also maintains and enforces written policies and procedures reasonably designed to prevent the misuse of material non-public information by PIAC or any access persons of PIAC with regards to their personal securities transactions.

Privacy Notice Statement

PIAC also protects the personal non-public information of its Clients and employees, and its Advisors are expected to exercise diligence and care in maintaining and protecting the Client's non-public confidential information. PIAC holds all personal information provided to the Firm in the strictest confidence. The records that PIAC maintain include all personal information that the Advisors collect from Clients in connection with any of the services provided by PIAC. PIAC has never disclosed information to non-affiliated third parties, except as permitted by law, and does not anticipate doing so in the future. If PIAC were to anticipate such a change in its Firm's policy, it would be prohibited under the law from doing so without speaking with the Client first. The Advisors use health and financial information that the Client provides in order to help the Client meet their personal financial goals. PIAC has established the following procedures to mitigate any real or perceived infringements of the Client's rights of privacy:

- PIAC limits employee and agent access of information to only: 1) those who have a business or professional reason for knowing (i.e. broker/dealer or custodian); 2) non-affiliated parties as permitted by law (i.e. federal regulations permit us to share a limited amount of information about you with a brokerage firm in order to execute securities transactions on your behalf, or so that our firm can discuss your financial situation with your accountant or attorney.); or 3) those required by judicial or regulatory process.
- PIAC maintains a secure office and computer environment to ensure that Client's information is not placed at unreasonable risk.
- The categories of non-public personal information that the Advisors collect from clients depend upon the scope of the client's engagement. It will include information about their personal finances, information about their health to the extent that it is needed for the planning process, information about transactions between the Client and third parties, and information from consumer reporting agencies.
- For unaffiliated third parties that require access to the Client's personal information, including financial services companies, service providers, and auditors, PIAC also requires strict confidentiality in their agreements with them and expects them to keep this information private. Federal and state regulators may also review the Firm's records as permitted by law.
- The disclosure information contained in any document completed by the client for processing and/or transmittal by PIAC in order to facilitate the commencement, continuation or termination of a business relationship between the client and a non-affiliated third party service provider (i.e., broker/dealer, investment advisor, account

custodian, insurance company, etc.), including information contained in any document completed and/or executed by the client for PIAC (i.e., advisory agreement, client information form, etc.), shall be deemed as having been automatically authorized by the client with respect to the corresponding non-affiliated third party service provider.

- PIAC does not provide personally identifiable information to mailing list vendors or solicitors for any purpose.
- Personally identifiable information about a Client will be maintained during the time that they are a client and for the required time thereafter that such records are required to be maintained by federal and state securities laws and regulations, and consistent with the CFP Board Code of Ethics and Professional Responsibility. After this required period of record retention, all such information will be destroyed.
- You may obtain information about the Securities Investors Protection Corporation (SIPC), including the SIPC brochure, by contacting SIPC at 202.371.8300 or by visiting their website at www.sipc.org.
- The Financial Industry Regulatory Authority (FINRA) was created through the consolidation of the National Association of Securities Dealers (NASD) and the member regulation, enforcement and arbitration operations of the New York Stock Exchange. The consolidation, approved by the Securities and Exchange Commission, became effective July 30, 2007. You may visit the FINRA website at www.finra.org.

PIAC's Privacy Notice is initially given to all clients upon signing a Financial Planning and Consulting Agreement or an Investment Management Agreement and sent to all clients annually thereafter.

Personal Trading Practices

PIAC's Advisor(s) may have an interest in securities or may buy, sell, or hold a position in securities which may also be recommended to their Clients. As a fiduciary, PIAC's Advisors owe their clients the loyalty to refrain from effecting personal securities transactions that might conflict with the client's best interests. Conflicts arise when Advisors, employees, or other access persons take advantage of investment opportunities that should have been exercised for clients or when they use their knowledge of pending client transactions to place their trades before their client's transactions.

PIAC has established the following guidelines to mitigate potential conflicts of interest when placing personal security transactions. PIAC's Advisor(s) may only effect individual stock transactions on days when there are no client transactions for the same security, unless their transactions are part of a block trade for the given security (Please refer to the Investment Management Services section of this brochure for PIAC's Procedures regarding block trades). There are no restrictions on Advisors for placing trades in open-end mutual funds on the same day as clients.

Brokerage Practices

Recommending Broker/Dealers to Clients

Currently, PIAC and its Advisors recommend Cadaret, Grant and Pershing to their clients. PIAC's Advisors are also Registered Representatives of Cadaret, Grant. Pershing and other

custodians maintain custody of client's assets and effects trades for PIAC's advisory client's accounts. Pershing, LLC also acts as Cadaret, Grant's clearing broker. PIAC is independently owned and operated, and is not affiliated with or a related person of Cadaret, Grant, or Pershing.

PIAC's Advisors may recommend other broker/dealers to their advisory clients. Some factors in which PIAC considers prior to recommending other broker/dealers include their financial strength, reputation, execution, pricing, research and service. The Advisors routinely compare order execution disclosure information of Cadaret, Grant and Pershing to other broker dealers to ensure that Cadaret, Grant and Pershing remain competitive with other broker/dealers in providing best execution for their clients.

Research and Other Soft Dollar Benefits

Even though PIAC and its Advisors recommend Cadaret, Grant and Pershing to their clients, they do not receive any soft dollar benefits from them. A soft dollar arrangement is an agreement between the investment advisor and the broker/dealer's trading department, where the broker/dealer offer to provide certain products and services (pay soft dollars) to the investment advisor in exchange for the advisor directing trades to the broker/dealer. Using a broker/dealer to purchase research in this manner is a practice susceptible to conflicts of interest - particularly if the broker/dealer's trade commissions are costing clients an additional premium (compared to commissions available from competing brokers). Instead, PIAC uses hard dollars (their own money) to purchase research from Value Line, Argus and Zack's. The information culled from these sources is used in conjunction with independent analysis performed by PIAC to determine and formulate client investment recommendations.

PIAC may receive other products and services from Cadaret, Grant or Pershing that benefit PIAC but not the PIAC's Client's accounts. Some of these other products and services assist PIAC in managing and administering the client's 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); facilitate payment of PIAC's fees from it client's accounts; and assist with back office functions, record keeping and client reporting. These services may be used to service all or a substantial number of PIAC's accounts.

Brokerage for Client Referrals

It is the practice of some broker/dealers to give client referrals to investment advisors as an incentive for directing business through them. PIAC's broker/dealer and custodian do not participate in this business philosophy. Nor does PIAC seek broker/dealers with this business philosophy to recommend to their clients as this would create a conflict of interest.

Directed Brokerage

PIAC may utilize other broker/dealers and custodians when requested by the Client or when the Client's retirement plan is maintained and the custodian is selected by the Plan's sponsor. PIAC's Clients must be aware that if they direct PIAC or its Advisors to use a particular broker/dealer that it may limit PIAC or its Advisors the ability to achieve best execution, negotiate commissions with other brokers on behalf of the client, or limit the client's

participation in block trading. As a result, clients may pay higher commissions, have higher transaction cost, or receive less favorable prices.

Best Execution

As stated earlier, the Advisors routinely compare order execution disclosure information of Cadaret, Grant and Pershing to other broker dealers to ensure that Cadaret, Grant and Pershing remain competitive with other broker/dealers in providing best execution for their client's security transactions. The commissions and/or transaction fees charged by Cadaret, Grant and Pershing may be higher or lower than those charged by other broker-dealers. The commissions paid by PIAC's Clients shall comply with PIAC's duty to obtain "best execution." However, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where PIAC determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while PIAC and/or its Advisors will seek competitive rates; they may not necessarily obtain the lowest possible commission rates for their client's transactions.

Review of Accounts –

Client accounts are periodically reviewed by PIAC's Advisors. Account reviews are conducted quarterly for all clients with assets under management in excess of \$500,000; tri-annually for clients with assets between \$250,000 and \$500,000; semi-annually for clients with assets between \$150 and \$250,000; and annually for all other clients.

All client accounts are reviewed by PIAC's Principals William P. Powers (President) and Andrew J. Powers (Chief Compliance Officer). PIAC's Principals reviews economic and market conditions, performs due diligence, and reviews extreme gains/losses in the portfolios, all of which may trigger account reviews. A change in the Client's personal and financial situation will also trigger an account review. Neither principal have a set number of accounts that they will review.

All Clients are encouraged to discuss their needs, goals and investment objectives with PIAC's Advisors and to keep PIAC informed of any changes that might affect their financial situation, as these changes may also affect the suitability of their investments.

At a minimum, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker/dealer, and/or the custodian for their accounts quarterly, but may receive more frequent notices depending on the trading activity in the account. Clients also receive a written consolidated account statement prepared by Powers Investment Advisory Corporation at the end of each calendar quarter. Clients are urged to compare the custodial account statements they receive to the written consolidated account statement from PIAC. Any client that does not receive an account statement from the custodian should call PIAC immediately so that they Advisors can correct the problem.

Client Referrals and Other Compensation

PIAC does not market its business by advertising; instead it relies on client referrals to introduce new clients to their business. It is PIAC's policy not to compensate clients for referring potential clients to their business, because the client would be considered a solicitor and would have to satisfy requirements under Rule 206(4)-3 of the Advisers Act before a cash referral fee could be paid to them.

Custody

It is PIAC's intention to have custody over client assets only to the extent that it requests the client's custodian to deduct advisory fees directly from the client's account(s). PIAC's Advisors are not permitted to exercise custody in any form over client assets or accounts.

PIAC has established the following procedures that are designed to help ensure that PIAC does not inadvertently obtain custody of client assets, other than for the deduction of advisory fees as noted above:

- PIAC will obtain prior written authorization from the client before deducting advisory fees directly from the client's account(s).
- PIAC will not hold client securities in PIAC's name or in bearer form.
- PIAC will not require clients to prepay more than \$500 in fees six months or more in advance.
- Proceeds from sales or redemption of client securities will not be directed to the custody of PIAC.
- PIAC will not accept signatory power over any client's checking or custodial account(s).
- PIAC's Advisors may not serve as trustee over a client's account unless the trust or client is a family member.
- All wire orders from client custodial accounts to outside (i.e., non-client) accounts must be accompanied by the client's written authorization.

As previously noted in the review of Accounts section of this brochure, clients will receive, at a minimum, quarterly account statements directly from the custodian of the account. Clients may also receive a written consolidated account statement from PIAC. Clients are urged to compare the custodial account statements they receive to the written consolidated account statement from PIAC. Any client that does not receive an account statement from the custodian should call PIAC immediately so that they Advisors can correct the problem.

Investment Discretion

PIAC's Advisors are granted limited discretionary authority in writing by the client when the client signs PIAC's Investment Advisory Agreement. This limited discretionary authorization gives PIAC's Advisors the authority to buy, sell, hold, exchange, invest, and otherwise deal with the client's investment assets at their sole discretion and without consulting with the Client in advance. This authorization is perpetual and will remain in full force and effect until the Advisor receives a written termination notice from the Client.

PIAC does not have discretionary authority to select the broker/dealer used to effect the client securities transactions or the amount of commissions that are charged by the broker/dealer or custodian.

Voting Client Securities

PIAC and its Advisors are expressly precluded from taking any action on behalf of the Client, will not take any action on behalf of the Client, and are not obligated to render any advice to the Client, with respect to:

- The voting of proxies solicited by, or with respect to, the issuers of any securities held in the portfolio or,
- The legal proceedings involving securities or other investments presently or formerly held in the portfolio, or the issuers thereof, including bankruptcies.

The Custodian will send all such proxy and legal proceedings information and documents it receives to the Client so that the Client may take whatever action the Client deems appropriate.

Financial Information

As previously discussed in this brochure, PIAC provides financial planning and investment management services on a discretionary basis for which the clients are billed quarterly in advance. Clients are never required to prepay planning or management fees to PIAC or its Advisors more than three months in advance, and prior to 2009 clients were billed in arrears. However, due to regulations imposed by the Federal Trade Commission, which deemed PIAC to be a creditor, PIAC converted all clients to prepaying advisory fees in advance.

Neither PIAC nor its Advisors have ever petitioned or been subject to bankruptcy proceedings, and there are no financial conditions that would prevent PIAC or its Advisors from meeting any contractual commitment to its clients.

Powers Investment Advisory Corporation (PIAC)

Andrew J. Powers
Powers Investment Advisory Corporation (PIAC)
279 Skye Road
Highland Heights, Ohio 44143
(440) 442- 4483
(440) 442- 4485 – fax
www.poweriac.com

**Firm Brochure Supplement
Part 2B of Form ADV
Updated October 12, 2010**

This brochure supplement provides information about Andrew J. Powers that supplements Powers Investment Advisory Corporation's (PIAC's) brochure. You should receive a copy of that brochure. Please contact Andrew J. Powers or William P. Powers if you did not receive Powers Investment Advisory Corporation's (PIAC's) brochure or if you have any questions about the contents of this supplement by telephone at (440) 442-4483.

Additional information about Andrew J. Powers is also available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background

Andrew J. Powers, CFP®

Andrew J. Powers was born in 1981. Andrew received a B.S. Degree in Economics and Finance from Baldwin-Wallace College in May 2004. In September 2008, Andrew received authorization to use the Certified Financial Planner (CFP) designation from the Certified Financial Planner Board of Standards, Inc. (CFP Board).

The Certified Financial Planner (CFP) designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP Board). To receive authorization to use the designation, candidates must meet education, examination, experience and ethics requirements, and pay an ongoing certification fee.

The educational requirement requires candidates to have a bachelor's degree or higher from an accredited U.S. college or university. Candidates are also required to complete course training in the following list of topic areas in order to meet a requirement to sit for the 10 hour CFP Board Certification Examination:

- General Principles of Finance and Financial Planning
- Insurance Planning
- Employee Benefits Planning
- Investment and Securities Planning
- State and Federal Income Tax Planning
- Estate Tax, Gift Tax, and Transfer Tax Planning
- Asset Protection Planning
- Retirement Planning
- Estate Planning

After passing the exam, candidates must also have completed the following:

- Three years full-time or equivalent (2,000 hours per year) part-time experience in the financial planning field.
- Be approved by the CFP Board during initial certification, which also involves an extensive background check—including an ethics, character and criminal check.

Certificants are required to adhere to the CFP Board Code of Ethics and Professional Responsibility and to the Financial Planning Practice Standards. Certificants are also required to complete certain continuing education requirements on an on-going basis in addition to paying a licensing fee every two years.

Andrew has also passed the following security industry examinations administered by FINRA:

- General Securities Principal Examination – Series 24 on December 21, 2006
- General Securities Representative Examination – Series 7 on September 1, 2005
- Uniform Securities Agent State Law Examination – Series 63 on November 23, 2005
- Uniform Investment Adviser Law Examination – Series 65 on October 26, 2007

Andrew has met the educational requirements and passed the required examination administered by the State of Ohio's Insurance Department to sell life, health and variable insurance products within the state.

Business Experience

After graduating from Baldwin-Wallace College in May 2004, Andrew was employed by National City Bank in their management training program until June 2005, when he joined Powers Investment Advisory Corporation (PIAC). Today, Andrew and his father, William, share in the operation of PIAC. Andrew serves as the Firm's Chief Compliance Officer and, as such, is responsible for the management, maintenance and overall supervision of the compliance program. His other duties and responsibilities include, but are not limited to, assisting with the general management and operation of the Firm, client portfolio reviews, and investment research and all other business aspects encompassed within the general financial planning practice.

Disciplinary Information

Andrew has never been involved in any legal or disciplinary actions or administrative proceedings brought before the SEC, any other federal regulatory agency or any state regulatory agency.

Other Business Activities

Andrew has been a Registered Representative with Cadaret, Grant & Co., Inc., a registered broker/dealer and member of FINRA and SIPC, since July 2005. PIAC and Cadaret, Grant & Co., Inc. are separate non-affiliated entities. As a Registered Representative of Cadaret, Grant, Andrew will recommend Cadaret, Grant to clients, and place security transactions through Cadaret, Grant and its clearing broker/dealer Pershing, LLC. Andrew receives commissions on investment products transactions placed through Cadaret, Grant and its clearing broker/dealer. This presents a conflict of interest because it gives Andrew an incentive to recommend investment products based on the compensation he receives rather than on a client's needs. To alleviate any conflict of interest that this may cause, Andrew gives clients a credit offset for investment transaction based commissions received.

Andrew serves as Treasurer of the Board of Directors for the Eastern Condominium Association located at 11014 Detroit Ave in Cleveland, OH. Andrew devotes approximately one hour a month of his time to this activity, none of which occur during trading hours of the market.

Andrew is also a financial consultant to Artisan Ice Cream Company. Andrew spends approximately 15 to 20% of his time to providing financial planning and consulting services to Artisan Ice Cream Company.

Additional Compensation

Andrew does not have any relationship or arrangement that provides him additional compensation or other economic benefit.

Supervision

William Powers, co-owner and principal of PIAC monitors Andrew's activities. William may be reached at (440) 442-4483. The Compliance Department of Cadaret, Grant also oversees Andrew's brokerage and advisory activities. An annual broker/dealer and investment advisory audit of PIAC's business is conducted by Cadaret Grant's compliance examiners. Donald Jaynes, Cadaret Grant's Vice President of Compliance is responsible for this supervision and may be reached at (800) 288-8601.

Powers Investment Advisory Corporation (PIAC)

William P. Powers
Powers Investment Advisory Corporation (PIAC)
279 Skye Road
Highland Heights, Ohio 44143
(440) 442- 4483
(440) 442- 4485 – fax
www.poweriac.com

**Firm Brochure Supplement
Part 2B of Form ADV
Updated October 12, 2010**

This brochure supplement provides information about William P. Powers that supplements Powers Investment Advisory Corporation's (PIAC's) brochure. You should receive a copy of that brochure. Please contact William P. Powers or Andrew J. Powers if you did not receive Powers Investment Advisory Corporation's (PIAC's) brochure or if you have any questions about the contents of this supplement by telephone at (440) 442-4483.

Additional information about William P. Powers is also available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background

William P. Powers, CFP®

William P. Powers was born in 1947. William received a B.S. Degree in Economics and Finance from St. John University in June 1970. He continued his education at Baldwin-Wallace College where he received his MBA in May 1976. In March 1992, Bill received authorization to use the Certified Financial Planner (CFP) designation from the Certified Financial Planner Board of Standards, Inc. (CFP Board).

The Certified Financial Planner (CFP) designation is a professional certification mark for financial planners conferred by the Certified Financial Planner Board of Standards, Inc. (CFP Board). To receive authorization to use the designation, candidates must meet education, examination, experience and ethics requirements, and pay an ongoing certification fee.

The educational requirement requires candidates to have a bachelor's degree or higher from an accredited U.S. college or university. Candidates are also required to complete course training in the following list of topic areas in order to meet a requirement to sit for the 10 hour CFP Board Certification Examination:

- General Principles of Finance and Financial Planning
- Insurance Planning
- Employee Benefits Planning
- Investment and Securities Planning
- State and Federal Income Tax Planning
- Estate Tax, Gift Tax, and Transfer Tax Planning
- Asset Protection Planning
- Retirement Planning
- Estate Planning

After passing the exam, candidates must also have completed the following:

- Three years full-time or equivalent (2,000 hours per year) part-time experience in the financial planning field.
- Be approved by the CFP Board during initial certification, which also involves an extensive background check—including an ethics, character and criminal check.

Certificants are required to adhere to the CFP Board Code of Ethics and Professional Responsibility and to the Financial Planning Practice Standards. Certificants are also required to complete certain continuing education requirements on an on-going basis in addition to paying a licensing fee every two years.

William has also passed the following security industry examinations administered by FINRA:

- General Securities Principal Examination – Series 24 on October 21, 1983
- General Securities Representative Examination – Series 7 on July 16, 1983
- Uniform Securities Agent State Law Examination – Series 63 on November 1, 1983

William has met the educational requirements and passed the required examination administered by the State of Ohio's Insurance Department to sell life, health and variable insurance products within the state.

Business Experience

After graduating from St. John's University in 1970, William worked with various Corporate Banks until September 1984, when he established Powers Investment Advisory Corporation (PIAC). Today, William and his son, Andrew, share in the operation of PIAC. His duties and responsibilities include, but are not limited to, the general management and operation of the Firm, conducting client portfolio reviews,

investment research and all other business aspects encompassed within the general financial planning practice.

Disciplinary Information

William has never been involved in any legal or disciplinary actions or administrative proceedings brought before the SEC, any other federal regulatory agency or any state regulatory agency.

Other Business Activities

William has been a Registered Representative with Cadaret, Grant & Co., Inc., a registered broker/dealer and member of FINRA and SIPC, since October 1991. PIAC and Cadaret, Grant & Co., Inc. are separate non-affiliated entities. As a Registered Representative of Cadaret, Grant, William will recommend Cadaret, Grant to clients, and place security transactions through Cadaret, Grant and its clearing broker/dealer Pershing, LLC. William receives commissions on investment products transactions placed through Cadaret, Grant and its clearing broker/dealer. This presents a conflict of interest because it gives William an incentive to recommend investment products based on the compensation he receives rather than on a client's needs. To alleviate any conflict of interest that this may cause, William gives clients a credit offset for investment transaction based commissions received.

As part of PIAC's Financial Planning and Consulting Service Agreement, clients may contract William to prepare their income tax returns. An estimated 3 to 5% of William's time is devoted to this service.

William is also a financial consultant to Artisan Ice Cream Company. William spends approximately 15 to 20% of his time to providing financial planning and consulting services to Artisan Ice Cream Company.

Additional Compensation

William does not have any relationship or arrangement that provides him additional compensation or other economic benefit.

Supervision

Andrew Powers, co-owner and Chief Compliance Officer for PIAC monitors trading, compliance and procedural issues of the Firm's advisors. Andrew may be reached at (440) 442-4483. The Compliance Department of Cadaret, Grant also oversees William's brokerage and advisory activities. An annual broker/dealer and investment advisory audit of PIAC's business is conducted by Cadaret Grant's compliance examiners. Donald Jaynes, Cadaret Grant's Vice President of Compliance is responsible for this oversight and may be reached at (800) 288-8601.