

## Uniform Application for Investment Adviser Registration

## Part II - Page 1

OMB APPROVAL

OMB Number: 3235-0049

Expires: February 28, 2011

Estimated average burden hours per response . . . 4.07

Name of Investment Adviser:

Prime Investment Advisory Corporation dba Prime Investment Advisors

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code Telephone Number

7610 Old Georgetown Road

Bethesda

MD

20814

301 951-5233

This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any governmental authority.

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential Persons who are not to respond to the collection of information contained in this form are not  
required to respond unless the form displays a currently valid OMB control number.

Applicant:  
**Prime Investment Advisory Corporation dba Prime Investment Advisors**

SEC File Number:  
**801- 56269**

Date:  
**1/31/2011**

**1. A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

**Applicant:**

- |   |             |
|---|-------------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services  | <b>74</b> % |
| <input type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services   | _____ %     |
| <input type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above   | _____ %     |
| <input type="checkbox"/> (4) Issues periodicals about securities by subscription  | _____ %     |
| <input type="checkbox"/> (5) Issues special reports about securities not included in any service described above  | _____ %     |
| <input type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ %     |
| <input checked="" type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities                                   | <b>26</b> % |
| <input type="checkbox"/> (8) Provides a timing service  | _____ %     |
| <input type="checkbox"/> (9) Furnishes advice about securities in any manner not described above  | _____ %     |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?

☒ ☐

C. Applicant offers investment advisory services for: (check all that apply)

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges                          | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees)       | <input type="checkbox"/> (6) Other             |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

**2. Types of Clients** -- Applicant generally provides investment advice to: (check those that apply)

- |   |   |
|---|---|
| <input checked="" type="checkbox"/> A. Individuals                      | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations         |
| <input type="checkbox"/> B. Banks or thrift institutions                | <input type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies                        | <input type="checkbox"/> G. Other (describe on Schedule F)                                  |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**3. Types of Investments** Applicant offers advice on the following: (check those that apply)

- |   |  |
|---|--|
| <input type="radio"/> A. Equity securities  | <input type="radio"/> H. United States governmental securities   |
| <input type="radio"/> (1) exchange-listed securities                                |  |
| <input type="radio"/> (2) securities traded over-the-counter                        | <input type="radio"/> I. Options contracts on:                   |
| <input type="radio"/> (3) foreign issuers   | <input type="radio"/> (1) securities                             |
|   | <input type="radio"/> (2) commodities                            |
| <input type="radio"/> B. Warrants   |  |
| <input type="radio"/> C. Corporate debt securities<br>(other than commercial paper) | <input type="radio"/> J. Futures contracts on:                   |
| <input type="radio"/> D. Commercial paper   | <input type="radio"/> (1) tangibles                              |
| <input type="radio"/> E. Certificates of deposit                                    | <input type="radio"/> (2) intangibles                            |
| <input type="radio"/> F. Municipal securities                                       |  |
|   | <input type="radio"/> K. Interests in partnerships investing in: |
| <input type="radio"/> G. Investment company securities:                             | <input type="radio"/> (1) real estate                            |
| <input type="radio"/> (1) variable life insurance                                   | <input type="radio"/> (2) oil and gas interests                  |
| <input type="radio"/> (2) variable annuities  | <input type="radio"/> (3) other (explain on Schedule F)          |
| <input type="radio"/> (3) mutual fund shares  |  |
|   | <input type="radio"/> L. Other (explain on Schedule F)           |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.**

A. Applicant's security analysis methods include: (check those that apply)

- |   |   |
|---|---|
| <input type="radio"/> (1) <input type="radio"/> Charting    | <input type="radio"/> (4) <input type="radio"/> Cyclical                      |
| <input type="radio"/> (2) <input type="radio"/> Fundamental | <input type="radio"/> (5) <input type="radio"/> Other (explain on Schedule F) |
| <input type="radio"/> (3) <input type="radio"/> Technical   |   |

B. The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| <input type="radio"/> (1) <input type="radio"/> Financial newspapers and magazines    | <input type="radio"/> (5) <input type="radio"/> Timing services   |
| <input type="radio"/> (2) <input type="radio"/> Inspections of corporate activities   | <input type="radio"/> (6) <input type="radio"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| <input type="radio"/> (3) <input type="radio"/> Research materials prepared by others | <input type="radio"/> (7) <input type="radio"/> Company press releases  |
| <input type="radio"/> (4) <input type="radio"/> Corporate rating services             | <input type="radio"/> (8) <input type="radio"/> Other (explain on Schedule F)   |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |   |   |
|---|---|
| <input type="radio"/> (1) <input type="radio"/> Long term purchases (securities held at least a year) | <input type="radio"/> (5) <input type="radio"/> Margin transactions   |
| <input type="radio"/> (2) <input type="radio"/> Short term purchases (securities sold within a year)  | <input type="radio"/> (6) <input type="radio"/> Option writing, including covered options, uncovered options, or spreading strategies |
| <input type="radio"/> (3) <input type="radio"/> Trading (securities sold within 30 days)              | <input type="radio"/> (7) <input type="radio"/> Other (explain on Schedule F)   |
| <input type="radio"/> (4) <input type="radio"/> Short sales   |   |

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

Applicant:  
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**1/31/2011**

**5. Education and Business Standards.**

Yes No

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....

☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☒ A. Applicant is actively engaged in a business other than giving investment advice.
- ☒ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |   |   |
|---|---|
| <input type="radio"/> (1) broker-dealer   | <input checked="" type="radio"/> (7) accounting firm                            |
| <input type="radio"/> (2) investment company  | <input type="radio"/> (8) law firm  |
| <input type="radio"/> (3) other investment adviser  | <input checked="" type="radio"/> (9) insurance company or agency                |
| <input type="radio"/> (4) financial planning firm   | <input type="radio"/> (10) pension consultant                                   |
| <input type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="radio"/> (11) real estate broker or dealer                         |
| <input type="radio"/> (6) banking or thrift institution   | <input type="radio"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

Yes No

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

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**1/31/2011**

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

**10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No

☒ ☐

(If yes, describe on Schedule F.)

**11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.  
See Schedule F.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.  
See Schedule F.

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |                       |                       |
|--|-----------------------|-----------------------|
| (1) securities to be bought or sold? .....               | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (2) amount of the securities to be bought or sold? ..... | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (3) broker or dealer to be used? .....                   | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |
| (4) commission rates paid? .....                         | Yes                   | No                    |
|  | <input type="radio"/> | <input type="radio"/> |

B. Does applicant or a related person suggest brokers to clients? ..... ☐ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commission higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |                       |                       |
|---|-----------------------|-----------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes                   | No                    |
|   | <input type="radio"/> | <input type="radio"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes                   | No                    |
|   | <input type="radio"/> | <input type="radio"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? ..... ☐ Yes ☐ No

**Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).**

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
<b>Prime Investment Advisory Corporation dba Prime Investment Advisors</b>	801- 56269	1/31/2011

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Prime Investment Advisory Corporation dba Prime Investment Advisors</b>	IRS Empl. Ident. No.: 52-1752994
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Item of Form (identify)	Answer
Part II, 1.D.	<p><b>Advisory Services and Fees.</b> Applicant, Prime Investment Advisory Corporation ("<b>Prime</b>") and Stephen S. Polan ("<b>Mr. Polan</b>"), Prime's president, are related persons for the purpose of this ADV filing. All of Prime's activities are Investment Supervisory Services as described on Form ADV Part II, Page 2, Item 1.A.(1), itemized as: A Investment Supervisory Services:</p> <p>1) Asset Management based on a percentage of managed assets, and 2) financial counseling at an hourly fee.</p> <p>Mr. Polan devotes approximately 74% of his activities to counseling clients of Prime, as itemized above. Each activity is delineated as follows:</p> <p><b>1) Asset Management Based on Percentage of Assets Under Management:</b> Mr. Polan devotes approximately 72 percent of his time to the management of assets. Investment Advisory Services are provided in which clients retain Prime on a discretionary basis, with the exception of clients grandfathered under engagements prior to October 4, 2007, who elected not to convert to discretionary engagements. Further, assets managed by a SAM are managed strictly on a discretionary basis. The features of the SAM account are described separately below.</p> <p>Prime's investment advisory services are comprised of an asset allocation program using publicly traded securities, primarily no load mutual funds and various load mutual funds purchased at NAV when permissible through Fidelity Investments ("<b>Fidelity</b>"), Exchange Traded Funds, individual stocks and bonds.</p> <p>Mr. Polan profiles each client to determine the client's investment objectives and to establish guidelines for the most suitable portfolio for that client.</p> <p>For those clients that engage Prime on a discretionary basis, Prime executes trades in accordance with that client's Investment Policy Statement.</p> <p>For those clients that engage Prime on a nondiscretionary basis, recommendations to trade in the client account are: 1) e-mailed, 2) faxed or 3) made verbally to clients, with written follow up to its clients in the mail. Prime only executes approved trades. Prime will make every attempt to contact clients who have not approved trades in a timely manner.</p> <p>Clients investing in mutual funds should be aware that management fees charged by the Applicant are in addition to fees and expenses of the fund, which are disclosed in the mutual fund prospectus. These fees usually will range from one-half of one percent (0.50%) to more than two percent (2.%) per year of the mutual fund assets.</p> <p>With the client's authorization, Prime can use the services of SAM's to manage all or part of the client's account. Prime will only engage SAMs that manage a certain sector of their equity portfolio, for example, a "Large Cap Value" style manager. The SAM asset management is given the power to manage your account on a discretionary basis. The SAM is not related to Prime and charges for its</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 1

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
<b>Prime Investment Advisory Corporation dba Prime Investment Advisors</b>	801- 56269	1/31/2011

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Prime Investment Advisory Corporation dba Prime Investment Advisors</b>	IRS Empl. Ident. No.: 52-1752994
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Item of Form (identify)	Answer
Part II, 1.D. (Con't)	<p>services directly by debiting the clients account for its quarterly fees. The client agrees to accept the terms of the SAM advisory agreement, including the SAM asset management fee, which usually will range from one-half of one percent (0.50%) to one and one-half percent (1.5%) per year of the assets managed by the SAM. A review of the SAM contract will indicate if the SAM bills in advance or in arrears of the quarterly period.</p> <p>Prime reserves the right to engage agents and subcontractors as Prime shall deem necessary to perform non-discretionary administrative and recordkeeping services with respect to the account.</p> <p>Except as provided by law, all information, recommendations, and advice furnished by Prime to its clients under this Agreement shall be regarded as confidential and proprietary by the client and shall not be disclosed to any person, firm or corporation without prior written consent of Prime.</p> <p>Quarterly and year-end performance summaries and consolidated asset reports are provided to clients.</p> <p>Prime uses Fidelity, an independent custodian, to hold client assets. Fidelity sends independent monthly reports to clients. Prime considered factors in engaging Fidelity as custodian, including; the breadth and cost of their services and the ability to accurately and timely execute transactions. Prime monitors these factors regularly to ensure that clients are receiving satisfactory service at satisfactory costs. Clients are reimbursed for any transaction costs that Fidelity may impose via a credit to their advisor fees for that quarter (except for transaction fees, commissions/loads or redemption fees incurred to liquidate assets transferred in-kind into the account).</p> <p>Prime is not related to Fidelity. Prime has chosen to primarily use two of Fidelity's money market accounts: 1) the Fidelity Tax-Free Money Market Fund and 2) Fidelity Cash Reserves. Prime does not charge fees on these funds and uses them primarily to hold cash for the immediate needs of the client. On occasion, Prime has invested in the following Fidelity equity mutual funds: Fidelity Low Priced Stock Fund, Fidelity Contrafund, Fidelity Advisor New Insights Fund, Fidelity Emerging Markets Fund, Fidelity Mid Cap Growth Fund and Fidelity Mid Cap Value Fund. These funds were chosen on the merits of the fund's performance. Prime does not receive any compensation for the use of these funds.</p> <p><b>Advisory Fees.</b> The client shall pay, for investment services provided under this Agreement, any transaction fees, commissions/loads or redemption fees incurred to liquidate assets transferred in-kind into the account, plus (1) an annual Asset Allocation Fee and (2) an annual Asset Management Fee (referred to collectively as the "Management Fee"), paid quarterly in arrears, calculated as follows:</p> <p>a) For assets held in the account, excluding assets managed by a SAM,</p> <p>(1) An annual <b>asset allocation fee</b> of one quarter of one percent (0.25%) of the value of all reportable assets in the Account (excluding cash, cash value of insurance policies and individual real estate); plus</p> <p>(2) An annual <b>asset management fee (bond management fee)</b> of one-quarter of one percent (0.25%) of the value of all bonds and fixed income mutual funds in the Account; plus</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 2



**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
<b>Prime Investment Advisory Corporation dba Prime Investment Advisors</b>	801- 56269	1/31/2011

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Prime Investment Advisory Corporation dba Prime Investment Advisors</b>	IRS Empl. Ident. No.: 52-1752994
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Item of Form (identify)	Answer
Part II, 1.D. (Con't)	<p>(3) An annual <b>asset management fee (equity management fee)</b> of three-quarters of one percent (0.75%) of the value of all other assets in the Account (excluding cash, bonds and individual real estate).</p> <p>b) For assets managed by a SAM, an annual <b>asset management fee (SAM management fee)</b> of seven-tenths of one percent (0.70%) of the value of all assets with the SAM plus all transactions fees, commissions and redemption fees incurred in the SAM account.</p> <p>Except for assets managed by a SAM, the above Management Fee shall be calculated and paid at the above rates upon the first \$500,000.00 of assets under management, based upon the market values of the assets as of the end of each quarterly period. If the value of assets subject to the Management Fee in the Account exceeds \$500,000.00, the Management Fee shall be calculated on the excess at eighty percent (80%) of the above rates. For the purposes of such computation, all fixed income (bond) and growth assets (equities and hard assets) shall be allocated ratably between the first \$500,000.00 of all assets and the excess, in accordance with their overall proportion in the Account. The quarterly Management Fee shall be prorated for any period which is less than a full calendar quarter at the first calendar quarter and the last calendar quarter of the term of this Agreement. Under certain circumstances, fees can be negotiated. For example, if total billable assets exceed \$2,500,000 or if total billable fixed income assets exceed \$1,000,000.</p> <p>Clients investing in mutual funds should be aware that management fees charged by the Applicant are in addition to fees and expenses of the fund, which are disclosed in the mutual fund prospectus. It is the responsibility of the client, and not the custodian, to verify the accuracy of the advisors fee calculations.</p> <p>Prime shall collect all fees due hereunder out of the current investment income realized in the Account and, if such income shall be insufficient, from the principal assets of the Account. Prime shall collect all fees from the Account quarterly but only upon receipt of a statement which includes a calculation of the quarterly fee. If Prime shall be unable to collect its fees out of the Account assets for any reason, the client shall pay the same to Prime promptly upon demand.</p> <p>Fees are billed quarterly in arrears. The minimum account is \$100,000. The \$100,000 minimum fee can be waived, if prospective assets deposits allow the client to satisfy the \$100,000 minimum within a reasonable time, usually twelve months. No fee shall be based on capital gains or capital appreciation of assets.</p> <p>The term of the investment advisory service shall commence upon the delivery to the Custodian of the assets constituting the Account. This Agreement shall continue in force until terminated (i) by the client or Prime giving the other party at least ten (10) days prior notice of termination, or (ii) as otherwise provided herein. Following any notice of termination, Applicant shall not initiate any further investment transactions for the Account, but will take the necessary steps to complete any open transactions.</p> <p>2) <b>Financial Counseling at an Hourly Fee:</b> Mr. Polan devotes approximately 2 percent of his time to counseling Prime's clients at an hourly fee.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 3

**Schedule F of  
Form ADV  
Continuation Sheet for Form ADV  
Part II**

Applicant:	SEC File Number:	Date:
<b>Prime Investment Advisory Corporation dba Prime Investment Advisors</b>	801- 56269	1/31/2011

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Prime Investment Advisory Corporation dba Prime Investment Advisors</b>		IRS Empl. Ident. No.: 52-1752994
Item of Form (identify)	Answer	
Part II, 1.D. (Con't)	<p>A client engages Mr. Polan to evaluate the appropriateness of their personal finances. Depending on the engagement, Mr. Polan reviews the following:</p> <ol style="list-style-type: none"> <li>1. Cashflow and net worth;</li> <li>2. Compensation issues &amp; planning;</li> <li>3. Retirement and other life-style hypotheticals;</li> <li>4. Education fund and other goal-oriented analyses;</li> <li>5. cursory review of employee benefits and personal insurance coverages;</li> <li>6. Income taxes, but only to the extent that they relate to the above items 1 through 5;</li> <li>7. Estate and gift planning and transfer taxes, but only to the extent that they relate to the above items 1 through 5. Clients are advised in writing in advance of the fee engagement that designated fee services at a stated hourly rate (ranging between \$275-\$300/hr.) will be charged for a fee engagement. Fees are billed in arrears and payable upon receipt of bill. Fees are non-negotiable.</li> </ol> <p>In addition to the above Investment Supervisory Services, Mr. Polan renders services as itemized below, which are not Investment Supervisory Services, including: A. Individual Tax Preparation and Planning at an hourly fee. B. Sale of insurance company products in which a sales commission, in whole or part, will be received by Mr. Polan.</p> <p>Mr. Polan is an actively licensed CPA in Maryland. He devotes approximately 23% of his time preparing tax returns and counseling clients in Income, Fiduciary, Estate and Gift Taxes at an hourly fee.</p> <p>Mr. Polan sells insurance products and will receive commission income on the sale of such products. He devotes approximately 3% of his time brokering insurance products.</p>	
Part II, 3.	<p>Other securities products which are directly or indirectly publicly traded on a reputable U.S. or an international exchange in which applicant deems appropriate in order to address the individualized needs, goals and objectives of the client. This includes employer granted stock incentives which are related to the publicly traded securities of the employer.</p>	
Part II, 4.A.5.	<p>Mr. Polan uses a mixture of strategic and tactical asset allocation strategies in designing each client's portfolio asset allocation. All of the clients registered accounts' (individual, joint, trusts and retirement accounts) are aggregated for the purpose of establishing one asset allocation model.</p> <p>A base-line asset allocation model is designed based on the client's goals and objectives, using an investment policy statement which effectively positions investment assets into various asset classes to systematically diversify the portfolio holdings and emphasize the balance between risk, reward, tax consequences and liquidity.</p> <p>The portfolio model is strategically rebalanced every six months (or sooner, if appropriate), to capitalize on a diversified portfolio of non-correlated asset classes that offers the opportunity to take profits on higher-performing (in-favor) asset classes and reinvest the proceeds in under-performing (out-of-favor) asset classes.</p>	

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 4

**Schedule F of  
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Applicant:	SEC File Number:	Date:
<b>Prime Investment Advisory Corporation dba Prime Investment Advisors</b>	801- 56269	1/31/2011

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: <b>Prime Investment Advisory Corporation dba Prime Investment Advisors</b>		IRS Empl. Ident. No.: 52-1752994
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Part II, 4.A.5. (Con't)	The portfolio model is tactically adjusted to increase or decrease exposure in asset classes that are expected to outperform or underperform for several reasons including 1) economic forecasts, 2) projected trends in the economic cycle and 3) analysis of portfolio data and institutional research.	
Part II, 4.B.8.	<p>In addition to industry specific institutional publications, Mr. Polan subscribes to institutional research services and software tools including:</p> <ol style="list-style-type: none"> <li>1. AdvisorIntelligence (a Littman/Gregory Research Service) which provides economic forecasts, asset allocation models, evaluation of individual securities and rankings and other useful resources.</li> <li>2. Morningstar Principia Advanced Research Database offers historical statistics and editorial analyses on equity and bond mutual funds; exchange traded funds (ETFs) and stock indices.</li> <li>3. Informa Information Systems Research Database offers historical statistical data and editorial analyses on Separate Account Managers (SAMs).</li> <li>4. Morningstar Workstation offers analyses of client portfolios in the aggregate and by individual asset, enabling Prime to evaluate specific securities (individual domestic and foreign stocks and bonds) held in mutual funds that are otherwise not transparent.</li> <li>5. NaviPlan financial planning software utilizes the Ibbotson Securities database in establishing projected portfolio performance based on recent mutual fund reported holdings.</li> </ol> <p>These abbreviated descriptions illustrate how Mr. Polan uses these tools in his investment advisory practice and is not intended to be a representation of the products' uses by other advisors.</p>	
Part II, 5.	In addition to BA or BS degree, professionals involved with the provision of financial services must have within five years a CFP or industry-similar designation.	
Part II, 6.	<p>Mr. Polan, born 1/17/56, has the following educational achievements, business experience and education and licenses:</p> <p>BA, University of MD, accounting (1978)  MS, University of Baltimore, Taxation (1985)  CPA, MD (1978)  CFP, ICFP CO (1994)  PFS, AICPA (2001)</p>	

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Item of Form (identify)	Answer
Part II, 7.A.	<p><b>BUSINESS AFFILIATIONS:</b>  Phoenix Home Life Insurance (1986-1998);  Independent Insurance Broker who is unaffiliated with any insurance company (1998-Present);  W.S.Griffith &amp; Company, Inc. (1986-1998);  Securities Service Network, Inc. (1998-2000);  Prime Investment Advisory Corporation dba Prime Investment Advisors (1991-Present)</p> <p>Prime engages solely in investment advisory services. The scope of Mr. Polan's activities, including Prime, are devoted as follows:</p> <p><b>Mr. Polan's Activities:</b>  Asset Management (Prime) 73%  Financial &amp; Investment Advice (Prime) 1%  Income, Estate &amp; Gift Tax Preparation &amp; Planning (Stephen S. Polan, CPA) 23%  Insurance Brokerage 3%</p> <p>Mr. Polan, CPA, provides tax preparation and tax planning services at an hourly fee.</p>
Part II, 7.B.	<p>Mr. Polan sells insurance company products and receives commission income on the sale of such products. If a client expresses an interest in life, health, disability or long term care insurance, Mr. Polan often refers the clients to Stephen L. Derrick of Complete Financial Services. Mr. Polan is licensed to sell commissionable insurance products. He does share commissions on the placement of non-variable insurance company products, as listed above, with Stephen L. Derrick. Placement of insurance company products, if any, is at the clients discretion and the client may purchase the same insurance products recommended from any person or entity it chooses. If a client chooses to retain Mr. Polan as a financial counselor on an hourly fee basis and also purchases products through Mr. Derrick, as an independent insurance professional, whereby Mr. Polan shares in the commission sale, a conflict may exist.</p>
Part II, 8.C.7.	<p>Stephen S. Polan is an actively licensed CPA in Maryland. He devotes approximately 23% of his time preparing tax return and counseling clients in income, fiduciary, estate and gift taxes on an hourly basis.</p>
Part II, 8.C.9.	<p>Implementation of the financial plan, if any, is at the client's discretion and the client may purchase the same type of investments or insurance products recommended from any person or entity it chooses. If a client chooses to retain Mr. Polan as a financial counselor on an hourly fee basis and purchases products through Mr. Polan in his capacity as an independent insurance broker of an unaffiliated company, a conflict may exist.</p> <p>Mr. Polan sells insurance company products and receives commission income on the sale of such products. If a client expresses an interest in life, health, disability or long term care insurance, Mr. Polan will refer the clients to Stephen L. Derrick of Complete Financial Services. Mr. Polan is</p>

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Item of Form (identify)	Answer
Part II, 8.C.9. (Con't)	licensed to sell commissionable insurance products. He does share commissions on the placement of non-variable insurance company products, as listed above, with Stephen L. Derrick. Placement of insurance company products, if any, is at the clients discretion and the client may purchase the same insurance products recommended from any person or entity it chooses. If a client chooses to retain Mr. Polan as a financial counselor on an hourly fee basis and also purchases products through Mr. Derrick, as an independent insurance professional, whereby Mr. Polan shares in the commissioned sale, a conflict may exist.
Part II, 9.E.	<p>Prime or individuals associated with Prime are encouraged to invest in mutual funds for their personal account. However, they are not prohibited from buying or selling securities identical to those assets held by customers for their personal account.</p> <p>It is the policy of Prime that no person employed by Prime may purchase or sell any security prior to a transaction(s) being implemented for an advisory account on the same day, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts for that day.</p> <p>Prime or any related person(s) may have an interest or position in a certain security(ies) (mostly fixed income and equity mutual funds) which may also be recommended to a client.</p> <p>As these situations may represent a conflict of interest, Prime has established the following restrictions in order to ensure its fiduciary responsibilities:</p> <ol style="list-style-type: none"> <li>1) A director, officer or employee of Prime shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Prime shall prefer his or her own interest to that of the advisory client.</li> <li>2) Prime maintains a list of all securities holdings for itself, and anyone associated with this advisory practice. These holdings are reviewed on a regular basis by Mr. Polan, President.</li> <li>3) Prime requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.</li> <li>4) Any individual not in observance of the above may be subject to termination.</li> </ol> <p>It is further noted that Prime is in and shall continue to be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Prime has adopted a firm wide policy statement outlining insider trading compliance by Prime and its associated persons and other employees. This statement has been distributed to all associated persons and other employees of Prime and has been signed and dated by each such person. A copy of such firm wide policy is left with such person and the original is maintained in a master file. Further, Prime has adopted a written supervisory procedures statement highlighting the steps which shall be taken to implement the firm wide policy. These materials are also distributed to all associated persons and other employees of Prime. They are signed, dated and filed with the insider trading compliance materials. There are provisions adopted for (1) restricting access to files, (2) providing continuing education, (3) restricting and/or monitoring trading on those securities of which Prime's employees may have nonpublic information, (4) requiring all of Prime's employees to conduct their trading through a specified broker or reporting all transactions promptly to Prime and (5) monitoring the securities trading of the firm and its employees and associated persons.</p>

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Part II, 10.	Applicant renders all of the services detailed in Schedule F, Part II, 1.D. In general, its asset management services are offered to clients whose aggregate assets under management exceed \$100,000. The \$100,000 minimum can be waived, if prospective asset deposits allow the client to satisfy the \$100,000 minimum within a reasonable time, usually twelve months.	
Part II, 11.A.	<p>Mr. Polan performs reviews of all client portfolios, except for the individual stocks held in accounts managed by SAMs.</p> <p>Fixed income positions are individual bonds, bond mutual funds or preferred stocks. Individual bonds are selected primarily on issuer's ability to meet their obligations under the bond indenture. Individual bonds are almost always held to maturity. Bond mutual funds are monitored every 30 to 45 days to confirm the appropriateness of the portfolio's average credit quality, average maturity/duration and to verify that average yield is competitive.</p> <p>Data for all portfolio equities are monitored weekly and compared to a benchmark for relative performance. Prime participates in quarterly portfolio manager conference calls and contacts portfolio managers more frequently, as is necessary.</p> <p>Client portfolios are monitored every 30 to 45 days to review asset allocation and appropriateness of investment positions. A more frequent review may be necessary if market cycles present an opportunity suggesting a shift in the asset allocation model for a given client. Also, as assets are contributed or withdrawn from a client's portfolio, the asset allocation is reviewed.</p>	
Part II, 11.B.	<p>Computer generated (unaudited) compilations of quarterly investment balances, with performance statistics and asset distribution, in which applicant is engaged under contract as investment advisor, are provided quarterly.</p> <p>Clients assets are held in the custody of Fidelity Investments (Fidelity), an independent custodian. Fidelity independently sends monthly statements for each client account. Prime receives copies of the monthly statements. Clients may review their account positions online at <a href="http://www.fidelity.com">www.fidelity.com</a>.</p>	
Part II, 12.A.	<p>Clients retain Prime on a discretionary basis, with the exception of clients grandfathered under engagements prior to October 4, 2007 who elected not to convert to discretionary engagements. Further, assets managed by a SAM are managed strictly on a discretionary basis.</p> <p>Mr. Polan profiles each client to determine the client's investment objectives and to establish guidelines for the most suitable portfolio for that client.</p> <p>For those clients that engage Prime on a discretionary basis, Prime executes trades in accordance with that client's Investment Policy Statement.</p>	

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Item of Form (identify)	Answer
Part II, 12.A. (Con't)	For those clients that engage Prime on a nondiscretionary basis, recommendations to trade in the client account are: 1) e-mailed, 2) faxed or 3) made verbally to clients, with written follow up to its clients in the mail. Prime only executes approved trades. Prime will make every attempt to contact clients who have not approved trades in a timely manner.
Part II, 12.B.	<p>Prime will refer clients to other brokers, to the extent that Prime does not provide certain services. Specifically, if their account is less than \$100,000. Clients engage these brokerage professionals directly. The broker's products, research and services that are made available to the client are not reviewed by Prime. The broker's commissions are set directly with the client and not reviewed by Prime.</p> <p>Pursuant to IA-1092, the following statement, is also made by Mr. Polan:</p> <p>(1) Mr. Polan is also an independent insurance broker who is not affiliated with one insurance company. For any non-variable insurance products, Mr. Polan evaluates the insurance carrier and insurance product that best suits the client's needs.</p> <p>(2) Clients are under no obligation to have Prime or its associated persons implement any suggestions made in a written financial plan.</p> <p>(3) If asked to implement the suggestions of the financial plan, Prime's president intends to implement such financial planning, in whole or in part through products offered by these companies.</p> <p>(4) To the extent Mr. Polan does implement, he will be acting as agent for an insurance company.</p> <p>(5) If insurance products are sold, commissions would be received by Mr. Polan.</p> <p>(6) Clients shall have total freedom to purchase insurance with any company of their choice.</p> <p>Mr. Polan can be engaged to provide insurance brokerage services. Prime's clients are advised in writing that implementation of the financial plan, if any, can be rendered by Mr. Polan, at the client's discretion. The client is advised that they may purchase the same type of insurance products recommended from any person or entity it chooses. If a client retains Mr. Polan as a financial counselor on an hourly basis, and also purchases products through Mr. Polan, a conflict may exist.</p> <p>Mr. Polan provides insurance as an independent insurance broker through an unaffiliated insurance company. The investment advisory services provided are solely the responsibility of Prime Investment Advisory Corporation. Such services are not sponsored or authorized by the insurance carrier or any other company.</p>
Part II, 13.B.	<p>Prime has a solicitor relationship with Mr. Jeremy Bendler, a CPA practicing in Bethesda, MD. Mr. Bendler's complete biography is available on request.</p> <p>Mr. Bendler and Prime have entered into a "Solicitor Agreement" and registered Mr. Bendler as an Investment Advisor Representative of Prime. In the ordinary course of Mr. Bendler's professional practice, he is occasionally asked by his clients for referrals to investment professionals. As a solicitor, in the state of Maryland, Mr. Bendler can introduce his clients to Prime for investment services, whereby Prime will pay Mr. Bendler thirty-three percent (33%) of Prime's net investment advisory fees. This arrangement is disclosed to the client in a written "Disclosure Document" which is required to be acknowledged in writing by the client.</p>

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Item of Form (identify)	Answer
Privacy Policy	<p>Mr Brendler has satisfied Maryland state requirements by passing the Series 65 exam. In his role as a solicitor, Mr. Bendler does not provide personalized investment advice to the client.</p> <p><b>Privacy Policy.</b> The policy of Prime is to protect the confidentiality, integrity and security of any nonpublic personal information of clients and prospective clients and to prevent unauthorized access to, or the use or disclosure of such information. Prime collects, retains and uses information about clients only where it is believed to be useful to administer the business and to provide products, services and other opportunities to clients.</p>
Privacy Policy (Con't)	<p>Prime collects nonpublic personal information about clients from the following sources: information received from clients; and information about clients' transactions with Prime or others.</p> <p>Prime does not disclose any nonpublic, personal information about clients to anyone, except as permitted or required by law; when clients have specifically authorized Prime to do so in writing; or when required to execute transactions for client accounts or otherwise to provide services clients have requested. Appropriate notices will be provided to prospective and existing clients concerning Prime's policies and procedures regarding privacy rules.</p> <p>If a client decides to close his/her account(s) or become an inactive customer, Prime adheres to the privacy policies and practices as described above.</p> <p>Prime restricts access to clients' personal and account information to those employees who need to know that information to provide products or services to clients. Prime maintains physical, electronic, and procedural safeguards to guard clients' nonpublic personal information.</p> <p>These policies apply to customers of Prime in its role as a registered investment advisor. Information about customers may be shared with regulators as required.</p>

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