

## **Bivin & Associates, Inc.**

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

**This brochure provides information about the qualifications and business practices of Bivin & Associates, Inc. If you have any questions about the contents of this brochure, please contact us at 580-762-1121. 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 Bivin & Associates, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Bivin & Associates, Inc. is 111688.**

**Bivin & Associates, Inc. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, Bivin & Associates, Inc. will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

## Item 3 Table of Contents

### Table of Contents

Item 4 Advisory Business	Page 1
Item 5 Fees and Compensation	Page 5
Item 6 Performance-Based Fees and Side-By-Side Management	Page 9
Item 7 Types of Clients	Page 9
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 9
Item 9 Disciplinary Information	Page 13
Item 10 Other Financial Industry Activities and Affiliations	Page 13
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 14
Item 12 Brokerage Practices	Page 14
Item 13 Review of Accounts	Page 15
Item 14 Client Referrals and Other Compensation	Page 15
Item 15 Custody	Page 16
Item 16 Investment Discretion	Page 16
Item 17 Voting Client Securities	Page 16
Item 18 Financial Information	Page 16
Item 19 Requirements for State-Registered Advisers	Page 16
Item 20 Additional Information	Page 17

## **Item 4 Advisory Business**

Bivin & Associates, Inc. is a registered investment adviser based in Ponca City, Oklahoma. We were organized as a corporation under the laws of the State of Oklahoma in 1999. William S. Bivin, CFP®, President and Chief Compliance Officer, is the sole owner of the company. Prior to 1999, Mr. Bivin operated as a sole proprietor registered investment adviser and has been providing investment advisory services since 1994.

As used in this brochure, the words "we," "our" and "us" refer to Bivin & Associates, Inc. and the words "you," "your" and "client" refer to you as either a client or prospective client of our firm. Additionally, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

Separate and apart from registrations as investment adviser representatives (Advisory Representative) of our firm, certain of our Associated Persons are also Financial Advisors ("FAs") of SagePoint Financial, Inc., ("SagePoint"), a SEC registered broker dealer and investment adviser. SagePoint is also a member of the Financial Industry Regulatory Authority ("FINRA") and various other regulatory bodies. SagePoint does not provide any investment advisory services in conjunction with or as part of the financial planning, consulting, or investment advisory services provided by our firm.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

### **Financial Planning and Consulting Services**

Financial planning will typically involve providing a variety of services, principally advisory in nature, to clients regarding the management of their financial resources based upon an analysis of their individual needs. An Associated Person of our firm will first conduct a complimentary initial consultation. During or after the initial consultation, if you decide to engage us for financial planning services, an Associated Person of our firm will conduct meetings during which pertinent information about your financial circumstances and objectives is collected. Once such information has been reviewed and analyzed, a financial plan designed to achieve your stated financial goals and objectives will be presented to you.

The financial plan is based on your financial situation at the time the plan is presented. Recommendations are based on the financial information you disclose to us. You are advised that certain assumptions may be made with respect to interest and inflation rates and the use of past trends and performance of the market and economy. Past performance is in no way an indication of future performance. We cannot offer any guarantees or promises that your financial goals and objectives will be met. As your financial situation, goals, objectives, or needs change, you must notify us promptly.

Typically, the fee for financial planning is \$250 per hour. However, such fees are negotiable based upon the complexity and scope of the plan, as well as your financial situation and objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the time/cost could potentially exceed the initial estimate. In such cases, we would notify you and request your approval of applicable additional fees. Typically, financial planning fees will be due upon presentation of the plan. However, other fee payment arrangements may be negotiated. For example, particularly complex plans may require prepayment of a portion of the estimated fee for services. For lengthy engagements, interim payments may be requested. Applicable fees, fee payment arrangements, and the terms of the engagement will be clearly set forth in the advisory agreement signed by you and us, prior to services being rendered.

In limited circumstances, you may only require advice on a single aspect of the management of your financial resources. We offer financial plans in a targeted format and/or general consulting services that address only those specific areas of interest or concern. For hourly consulting services in which a financial plan is not presented, the fee will typically be payable upon completion of the consultation.

If applicable, as part of a financial planning analysis and engagement, we will assist you in determining their investment goals and objectives; risk tolerance and retirement plan time horizons for External Pension, Profit Sharing, 401(k), and 403(b) Plan Assets. We will then recommend an initial asset allocation. However, because such assets are held in custody outside the control of SagePoint and us, you will be responsible for accepting and implementing our recommendations. Further, we will not provide Continuous Management and Supervision or Portfolio Monitoring services for such accounts. We will not receive ongoing, asset-based compensation. However, you will be able to engage us to conduct a review of such accounts on a periodic or annual basis for an hourly or fixed-fee.

If you choose to implement your financial plan through our asset management services described below, in our discretion, we may waive or offset a portion of the financial planning fee in lieu of advisory fees and/or commissions earned by Associated Persons who are registered representatives of SagePoint. However, you may act on our recommendations by placing securities transactions with any brokerage firm you choose. You are under no obligation to act on our financial planning recommendations. Moreover, if you decide to act on any of our recommendations, you are under no obligation to implement the financial plan through our firm.

You may terminate the advisory agreement upon written notice to us. You will owe only for the services provided up until the date of termination. If we have collected a deposit, we will refund the portion of prepaid, unearned fees to you promptly.

### **Asset Management Services**

While we offer stand-alone financial planning services for a separate fee as described above, some degree of planning is inherent to the overall management process. Any planning services provided to clients who participate in the management programs described below are purely incidental to the management process. Typically, planning services will be provided to participants in the The Wealth Management Platform - Advisor Managed Portfolios and the Premier Advisory Service Program (described below) at no additional charge.

### **Direct Asset Allocation Services: Wealth Management Platform**

#### **Vision2020 Wealth Management Platform - Advisor Managed Portfolios Program**

The Wealth Management Platform - Advisor Managed Portfolios Program ("Advisor Managed Portfolios") provides comprehensive investment management of your assets through the application of asset allocation planning software as well as the provision of execution, clearing and custodial services through Pershing, LLC ("Pershing").

Advisor Managed Portfolios provides risk tolerance assessment, efficient frontier plotting, fund profiling and performance data, and portfolio optimization and re-balancing tools. Utilizing these tools, and based on your responses to a risk tolerance questionnaire ("Questionnaire") and discussions that we have together regarding, among other things, investment objective, risk tolerance, investment time horizon, account restrictions, and overall financial situation, we construct a portfolio of investments for you. This portfolio may consist of mutual funds, exchange traded funds, equities, options, debt securities, variable life, variable annuity sub-accounts (certain restrictions may apply) and other investments.

Each portfolio is designed to meet your individual needs, stated goals and objectives. Additionally, you have the opportunity to place reasonable restrictions on the types of investments to be held in the portfolio.

**For further Advisor Managed Portfolios details, please see the Advisor Managed Portfolios Wrap Fee Program Brochure. We provide this brochure to you prior to or concurrent with your enrollment in Advisor Managed Portfolios. Please read it thoroughly before investing."**

### **Variable Annuity Sub-Account Advisory Services**

Advisory Representative(s) utilizing the Wealth Management Platform - Advisor Managed Portfolios Program sponsored by VISION2020 Wealth Management Corp. will provide variable Annuity Sub-Account services. The Advisory Representative will obtain the necessary financial data from you to assist you with determining suitability for investment in the Program. The information provided to you will include a brief description of the investment objectives, guidelines and financial objectives for the Program VA(s). The Advisory Representative will be available to you on an on-going basis to monitor any changes in your financial circumstances or investment objectives.

You retain us to manage the Program VA(s) through one of the following mechanisms:

#### **1. Non-Discretionary Trading Authority**

By initialing the Addendum A to Investment Advisory Services Agreement, you appoint the Advisory Representative on behalf of us to manage your Program VA(s) in accordance with the investment objectives selected by you, and subject to your meeting the minimum Program Account size. The Advisory Representative shall allocate Program VA(s) sub-accounts, as part of your initial asset allocation, which you will review and approve. Without your prior consent, the Advisory Representative may periodically rebalance your Program VA(s) sub-accounts to maintain the initial agreed upon asset allocation. However, the Advisory Representative will not make changes to the initial Program VA(s) sub-account asset allocation without your prior review and approval.

#### **2. Discretionary Trading Authority**

By initialing the Addendum A to Investment Advisory Services Agreement, you appoint Advisory Representative on behalf of us to manage your Program VA(s) sub-accounts on a discretionary basis in accordance with the investment objectives selected by you, and subject to your meeting the minimum Program Account size. The Advisory Representative agrees to manage the Program VA(s) sub-accounts on a discretionary basis in accordance with the investment objectives selected by you. Advisory Representative may reallocate program VA(s) sub-accounts without your prior consent.

Due to the unique nature of Variable Annuities, they must be maintained directly with the Variable Annuity sponsor. Neither Advisory Representative nor SagePoint creates or forwards your Account Statements or Confirmations for Program VA(s). This responsibility remains exclusively with the Variable Annuity sponsor. All subaccount reallocations will be directed to and executed at the Variable Annuity sponsor.

The minimum Account size is \$50,000, but exceptions may be made at the sole discretion of the Advisory Representative depending on individual client circumstances. In the event that you withdraw or partially liquidate causing the values of Program VA(s) to fall below this required minimum, you understand that this Agreement may be subject to termination under the provisions of Section 8 of the Advisory Agreement. You understand that the Account is designed as a long term achievement of your client's investment objectives.

### **VA Program Compensation**

As a participant in the Program, you shall pay an Account Fee for Program VAs in the account. Program VAs are not assessed transaction fees since the reallocation of transactions are placed directly with the Variable Annuity sponsor. A portion of the Account Fees will be paid to SagePoint for its administrative services provided in sponsoring the Program.

In the event that the Advisory Representative received a selling commission with respect to any Program VA within two years of the date of this addendum, the Advisory Fee for the services described herein shall be offset. In order to determine the transactions subject to this fee exclusion, the Advisory Representatives and the client will complete the Addendum A schedule together with attaching supporting documentation evidencing the actual date of purchase of Program VA(s) within the past two years.

You may have multiple Accounts as part of the Program. However, you must elect to have Account fees debited from one previously selected Pershing Account ("Program Billing Account"). Fees will be pro rated only to the respective Account where such fees were debited. Fees not debited from an Account are not subject to the pro rata refund stated in this section. A Program VA(s) may not be designated as a Program Billing Account.

In addition, you may incur certain charges imposed by third parties other than us or SagePoint in connection with Program VA(s), including, but not limited to, internal Variable Annuity sponsor fees, as well as 12b-1 or other distribution Fees (trail commissions) on certain underlying sub-accounts. In addition, there may be certain deferred sales charges on previously purchased variable annuities as well as IRA and Qualified Retirement Plan fees.

For further details on the Program, including costs, please refer to the Wealth Management Platform - Advisor Managed Portfolios Program Wrap Brochure.

**\*\*Existing clients may be participants in the Premier Advisory Programs. However, this Program is no longer open to new accounts.**

#### **Direct Asset Allocation Services: Premier Advisory Service Program**

Premier Advisory Services ("Premier") is a non-commissionable advisory account where we can purchase load waived and no-load mutual funds and other equity, debt, and option securities for you. Our Advisory Representative will obtain the relevant financial data from you and assist you in the selection of suitable investments. We will base our investment strategy on your specific goals and situation. In addition, you have the opportunity to place reasonable restrictions on investments held within your Premier account.

We offer Premier as an account billed with separate advisory fees and transaction charges ("Non-Wrap Account"). As such, in addition to the account fee described below, you will also pay separate per-trade transaction charges. If you elect to receive quarterly performance reports ("QPRs"), your account will also be charged a QPR fee. Please see your client agreement for transaction charge and QPR fee details.

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the billing period. See Item 5 below for our Premier fee schedule.

#### **Types of Investments**

We offer advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, US Government securities, real estate investment trusts (REITS) and options contracts on securities.



Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship. You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

### **Assets Under Management**

As of December 30, 2011, we manage \$46,488,306 in client assets on a discretionary basis, and \$15,177,409 in client assets on a non-discretionary basis. These assets may include assets for which we have earned a commission and do not charge an advisory fee because we manage those assets as part of a client's overall portfolio.

## **Item 5 Fees and Compensation**

### **Vision2020 Wealth Management Platform - Advisor Managed Portfolios Program**

We offer Advisor Managed Portfolios as an account where no separate transactions charges apply and a single fee is paid for all advisory services and transactions ("Wrap Account").

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the quarter.

Additional, ancillary fees may apply. Please see the Advisor Managed Portfolios Wrap Fee Program Brochure for further details.

Our Advisor Managed Portfolios account fee schedule is as follows:

**Wrap Fee Option** : If you select the Wrap Fee option, you will pay a single, all-inclusive Account Fee \* . Please consider that depending upon the level of the Account Fee charged, the amount of portfolio activity in your account, the value of services that are provided under the Program, and other factors, the Account Fee may or may not exceed the aggregate cost of such services if they were to be provided separately. You pay a single fee because either we pay the transaction charges for you or because VISION2020 Wealth Management Corp. pay the transaction charges for you. Please see below for the associated fee schedules:

<b>Wrap Fee Schedule Advisory Representative or VISION2020 Wealth Management Corp. pays Transaction Charges</b>	
<b>Total Account Value</b>	<b>Maximum Total Account Fee Paid by Client</b>
\$50,000 to \$99,999	2.50%
\$100,000 to \$249,999	2.50%
\$250,000 to \$499,999	2.25%
\$500,000 to \$749,999	2.00%
\$750,000 to \$1,249,999	1.75%
\$1,250,000 to \$1,999,999	1.50%
\$2,000,000 to \$4,999,999	1.25%
\$5,000,000 to \$24,999,999	1.25%
Over \$25,000,000	1.00%

\* A \$51.50 per-transaction fee may apply for certain short-term redemptions of mutual funds as described in the section entitled, "Other Transaction Charges" that follows.



**Non-Wrap Fee Option:** Clients who select the Non-Wrap Fee option will pay separate Transaction Charges in addition to the Account Fee. Please see below for the Account Fee schedule followed by the Transaction Charge schedule.

<b>Non-Wrap Fee Schedule Total Account Value Client Pays Transaction Charges</b>	<b>Maximum Total Account Fee Paid by Client</b>
\$50,000 to \$99,999	2.30%
\$100,000 to \$249,999	2.30%
\$250,000 to \$499,999	2.05%
\$500,000 to \$749,999	1.80%
\$750,000 to \$1,249,999	1.55%
\$1,250,000 to 1,999,999	1.30%
\$2,000,000 to \$4,999,999	1.05%
\$5,000,000 to \$24,999,999	1.05%
Over \$25,000,000	0.80%

#### Transaction Charges

##### Transaction Fee Schedule (Qualified & Non-Qualified Accounts)

<b>Exchange Listed Equities including ETFs (purchases &amp; sales)</b>	\$22.50
<b>OTC Equities (purchases &amp; sales)</b>	\$22.50
<b>Options (purchases &amp; sales)</b>	\$12.00 + \$1.00 per contract
<b>Listed Bonds (purchases &amp; sales)</b>	\$30.00
<b>Bonds (Corp., Treasury, Municipal &amp; Money Mkt) &amp; CDs (purchases &amp; sales)</b>	\$30.00
<b>UITs (purchases &amp; sales)</b>	\$30.00

##### Load Mutual Funds @NAV (Qualified & Non-Qualified Accounts)

<b>Purchases &amp; Redemptions</b>	\$15.00
<b>Dollar Cost Averaging</b>	\$1.50
<b>Systematic Redemption</b>	\$1.50
<b>Internal Exchanges</b>	\$5.00

### **Premier Advisory Programs**

You will pay a quarterly account fee, in advance, based upon the market value of the assets held in your account as of the last business day of the preceding calendar quarter. Your account fees are negotiable and will be debited from your account by our custodian. You will receive a full account fee refund in the event that you terminate your client agreement with us within five business days of signing. If you terminate after the first five days, the account fee will be credited back to you on a pro-rata basis for the unused portion of the billing period.

Our Premier fee schedule is as follows:

#### **Schedule Of Premier Fees - Option A**

<b>Portfolio Value Breakpoints</b>	<b>Maximum Advisory Fee</b>	<b>Quarterly Reporting and Auto-Fee Debiting Annual Fee*</b>	<b>Auto-Fee Debiting Only Annual Fee</b>
From \$ 0 - \$ 249,999	2.00%	.20%	.06%
Next \$ 250,000- \$499,999	1.90%	.14%	.06%
Next \$ 500,00 - \$999,999	1.75%	.07%	.04%
Next \$ 1,000,000 - 1,999,999	1.50%	.05%	.03%
Next \$ 2,000,000 +	1.25%	.05%	.03%

*\* If you choose the quarterly report option, you could be charged a higher advisory fee.*

#### **Schedule Of Premier Fees - Option B**

<b>Portfolio Value Breakpoints</b>	<b>Maximum Advisory Fee</b>	<b>Auto-Fee Debiting Only Annual Fee</b>
From \$ 0 - \$ 249,999	2.00%	.25%
Next \$ 250,000- \$499,999	1.90%	.20%
Next \$ 500,00 - \$999,999	1.75%	.15%
Next \$ 1,000,000 - 1,999,999	1.50%	.10%
Next \$ 2,000,000 +	1.25%	.10%

*\* If you choose the quarterly report option, you could be charged a higher advisory fee.*

**Quarterly Report Option** - You may select the option to have quarterly reports generated by Pershing, which is in addition to monthly account statements. This report provides a market perspective on the most recently completed quarterly activity, and a portfolio performance summary using Standard & Poor 500 and Lehman Brothers Bond indices as benchmark comparisons. The report also reflects holdings by asset type, contributions, withdrawals, and a description of each position held in your account with value, gain and loss, and yield information.

### **Additional Fees and Expenses**

Mutual fund investments in the programs that we offer are no-load or load at NAV. Your mutual fund investments may be subject to early redemption fees, 12b-1 fees and mutual fund management fees as well as other mutual fund expenses. These fees are in addition to the fees and expenses referenced above. Please review the mutual fund prospectus for full details.

Variable annuity companies generally impose internal fees and expenses on your variable annuity investment, including contingent deferred sales charges and early redemption fees. In addition, variable annuity companies generally impose mortality charges of approximately 1.25% annually.

These fees are in addition to the fees and expenses referenced above. Complete details of such internal expenses are specified and disclosed in each variable annuity company's prospectus. Please review the Variable Annuity prospectus for full details.

In addition to the per-trade transaction charges referenced above, you will also be subject to per trade confirmation fees as disclosed on your trade confirmation (typically \$4.00 per trade) and an additional fee of \$1.50 for each trade confirmation that you do not elect to receive electronically or suppress. You may also be subject to an additional, per-trade transaction charge on the selling of certain securities as disclosed on your trade confirmation (generally less than \$1.00 on trades of \$50,000 or less). These fees are not shared with us, but are transaction charges paid to SagePoint and our custodian. Please see Item 10, which explains our relationship with SagePoint.

There are additional fees relating to IRA and Qualified Retirement Plan accounts that you may incur such as maintenance and termination fees. You will find these fees disclosed in the account application paperwork provided to you associated with these accounts.

In addition to providing advisory services, our Advisory Representatives will likely also sell you securities products and other investment and insurance products in their capacity as registered representatives of SagePoint and as licensed insurance agents. We will receive additional compensation in connection with this activity and the amount of compensation will depend on the type of product purchased. We will have a greater financial incentive to sell certain products as opposed to others (for example, in the case of mutual funds those that have a higher 12b-1 fee than others). While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

Please be aware that you are under no obligation to purchase products or services recommended by us or members of our Firm in connection with providing you with any advisory service that we offer. For information on our brokerage practices, please refer to the *Brokerage Practices* section of this brochure.

### **Compensation for the Sale of Securities or Other Investment Products**

Persons providing investment advice on behalf of our firm are registered representatives with SagePoint Financial, Inc. ("SagePoint"), an unaffiliated securities broker-dealer, member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. Persons providing investment advice on behalf of our firm will generally recommend no-load or load-waived funds when recommending mutual funds. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

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

At our discretion, we may offset our advisory fees to the extent our Associated Persons earn commissions in their separate capacities as registered representatives and/or insurance agents.

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

We do not accept performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged based on a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. We do not participate in side-by-side management of your accounts with performance-based fee accounts.

## **Item 7 Types of Clients**

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

The minimum account size to initiate and maintain a Wealth Management Platform - Advisor Managed Portfolios Program Account is \$50,000 for a Non-Wrap Fee account and \$100,000 for a Wrap Fee account.

The minimum account size to initiate and maintain a Premier Advisory Program Account is \$50,000 for Option A and \$25,000 for Option B.

Exceptions may be made regarding the minimum account size depending on certain circumstances.

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

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

No investment strategy or method of analysis can assure that any trade or investment will result in a profit. Furthermore, each client must understand that any trade or investment could result in a loss and that the value of any client portfolio could decline below the original investment.

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

**Fundamental Analysis** - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data are used to measure the intrinsic value of the company's stock compared to the current market value. Risks associated with fundamental analysis include that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period, generally greater than one year. Long-term purchases may be affected by unforeseen long-term changes in the company in which you are invested or in the overall market.

**Short-Term Purchases and Trading** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations. We may use trading (in general, selling securities within 30 days of purchasing the same securities) as an investment strategy when managing your account(s). Trading is not a fundamental part of our overall investment strategy, but we may use this strategy occasionally when we determine that it is suitable given your stated investment objectives and tolerance for risk. However, frequent trading can negatively affect investment performance, particularly through increased brokerage and other transactional costs and taxes.

**Margin Transactions** - a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan. Margin trading allows you to buy more stock than you would be able to normally. An initial investment of at least \$2,000 is required for a margin account, though some brokerages require more. This deposit is known as the minimum margin. Once the account is opened and operational, you can borrow up to 50% of the purchase price of a stock. This portion of the purchase price that you deposit is known as the initial margin. Some brokerages require you to deposit more than 50% of the purchase price. Not all stocks qualify to be bought on margin. When you sell the stock in a margin account, the proceeds go to your broker against the repayment of the loan until it is fully paid. There is also a restriction called the maintenance margin, which is the minimum account balance you must maintain before your broker will force you to deposit more funds or sell stock to pay down your loan. When this happens, it is known as a margin call. If for any reason you do not meet a margin call, the brokerage has the right to sell your securities to increase your account equity until you are above the maintenance margin. Additionally, your broker may not be required to consult you before selling. Under most margin agreements, a firm can sell your securities without waiting for you to meet the margin call and you cannot control which stock is sold to cover the margin call. You also have to pay the interest on your loan. The interest charges are applied to your account unless you decide to make payments. Over time, your debt level increases as interest charges accrue against you. As debt increases, the interest charges increase, and so on. Therefore, buying on margin is mainly used for short-term investments. The longer you hold an investment, the greater the return that is needed to break even. In volatile markets, prices can fall very quickly. You can lose more money than you have invested.

**Options Writing** - a securities transaction that involves selling options. An option is the right, but not the obligation, to buy or sell a particular security at a specified price before the expiration date of the option. When an investor sells an option, he or she must deliver to the buyer a specified number of shares if the buyer exercises the option. The seller receives from the buyer a premium (the market price of the option at a particular time) in exchange for writing the option.

Options are complex securities that *involve risks and are not suitable for everyone. Options trading can be speculative in nature and carry substantial risk of loss. It is generally recommended that you only invest in options with risk capital.* Selling options is more complicated and can be even riskier. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an underlying asset at a specific price on or before a certain date (the "expiration date").

The two types of options are calls and puts:

- A call gives the holder the right to buy an asset at a certain price within a specific period of time. Calls are similar to having a long position on a stock. Buyers of calls hope that the stock will increase substantially before the option expires.
- A put gives the holder the right to sell an asset at a certain price within a specific period of time. Puts are very similar to having a short position on a stock. Buyers of puts hope that the price of the stock will fall before the option expires.

The risks pertaining to options buyers are:

- Risk of losing your entire investment in a relatively short period of time.

- The risk of losing your entire investment increases if, as expiration nears, the stock is below the strike price of the call (for a call option) or if the stock is higher than the strike price of the put (for a put option).
- European style options, which do not have secondary markets on which to sell the options prior to expiration can only, realize its value upon expiration.
- Specific exercise provisions of a specific option contract may create risks.
- Regulatory agencies may impose exercise restrictions, which stops you from realizing value.

The risks pertaining to options sellers are:

- Options sold may be exercised at any time before expiration.
- Covered Call traders forgo the right to profit when the underlying stock rises above the strike price of the call options sold and continues to risk a loss due to a decline in the underlying stock.
- Writers of Naked Calls risk unlimited losses if the underlying stock rises.
- Writers of Naked Puts risk substantial losses if the underlying stock drops.
- Writers of naked positions run margin risks if the position goes into significant losses. Such risks may include liquidation by the broker.
- Writers of call options can lose more money than a short seller of that stock can lose on the same rise on that underlying stock. This is an example of how the leverage in options can work against the option trader.
- Writers of Naked Calls are obligated to deliver shares of the underlying stock if those call options are exercised.
- Call options can be exercised outside of market hours such that effective remedy actions cannot be performed by the writer of those options.
- Writers of stock options are obligated under the options that they sold even if a trading market is not available or that they are unable to perform a closing transaction.
- The value of the underlying stock may substantially rise or fall unexpectedly, leading to an exercise prior to expiration.

Other options trading risks are:

- The complexity of some options strategies is a significant risk on its own.
- Options trading exchanges or markets and options contracts are open to changes at all times.
- Options markets have the right to halt the trading of any options, thus preventing investors from realizing value.
- Risk of erroneous reporting of exercise value.
- If an options brokerage firm becomes insolvent, investors trading through that firm may be affected.
- Internationally traded options have special risks due to time zone differences.

General risks that are not limited to options trading include market risk, sector risk and individual stock risk. Since stock options are a derivative of stocks, options trading risks are closely related to stock risks.

### **Modern Portfolio Theory**

Advisory Representatives using the Wealth Management Platform - Advisor Managed Portfolios Program have access to online portfolio software tools that assist in analyzing client portfolios. Such software is based upon Modern Portfolio Theory (MPT). MPT attempts to balance a portfolios risk and return level based on a particular client's risk tolerance and investment objectives. Third-party research is used in conjunction with the asset allocation software to provide clients with access to risk tolerance assessments, efficient frontier plotting, fund profiling and performance data, as well as portfolio optimization and re-balancing tools.

### **Tax Considerations**



Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

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

### **Risk of Loss**

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

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

We primarily invest in exchange traded funds, publicly traded stocks, and bonds. You should be advised of the following risks when investing in these types of securities.

Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities, or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and exchange-traded funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds and exchange-traded funds can be reduced by the costs to manage the funds. In addition, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds charge such fees, which can also reduce returns. Mutual funds can also be "closed end" or "open end." So-called "open end" mutual funds continue to allow in new investors indefinitely, which can dilute other investors' interests. We primarily recommend no-load funds. Low cost exchange traded funds (ETFs) are used in discretionary accounts to build risk-based diversified asset portfolios. Material risks associated with these types of portfolios include, but are not limited to, improper weighting, timing of entry/exit, credit, suitability, and, asset and trading expense ratios.

There are numerous ways of measuring the risk of equity securities (also known simply as "equities" or "stock"). In very broad terms, the value of a stock depends on the financial health of the company issuing it. However, stock prices can be affected by many other factors including, but not limited to the class of stock (for example, preferred or common); the health of the market sector of the issuing company; and, the overall health of the economy. In general, larger, better established companies ("large cap") tend to be safer than smaller start-up companies ("small cap") are, but the mere size of an issuer is not, by itself, an indicator of the safety of the investment.



Corporate debt securities (or "bonds") are typically safer investments than equity securities, but their risk can also vary widely based on: the financial health of the issuer; the risk that the issuer might default; when the bond is set to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same rate of return.

While generally thought of as safe, municipal securities can have significant risks associated with them including, but not limited to: the credit worthiness of the governmental entity that issues the bond; the stability of the revenue stream that is used to pay the interest to the bondholders; when the bond is due to mature; and, whether or not the bond can be "called" prior to maturity. When a bond is called, it may not be possible to replace it with a bond of equal character paying the same amount of interest or yield to maturity.

However, we may recommend other types of investments as appropriate for you since each client has different needs and different tolerance for risk. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

## **Item 9 Disciplinary Information**

Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

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

### **Registrations with Unaffiliated Broker-Dealer**

All representatives of our firm that provide advice to you ("Advisory Representatives") are associated with SagePoint Financial, Inc. ("SagePoint") as Registered Representatives. SagePoint is a diversified financial services company registered with the Financial Industry Regulatory Authority ("FINRA") as a broker-dealer engaged in the offer and sale of securities products. Our Advisory Representatives may recommend the purchase of securities offered by SagePoint. If you purchase these products through them, they will receive normal commissions, which may be in addition to customary advisory fees. As such, Advisory Representatives may have an incentive to sell you commissionable products in addition to providing you with advisory services when such commissionable products may not be suitable. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than providing management advice on these products for an advisory fee. Therefore, a conflict of interest may exist between their interests and your best interests.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented. Please be aware that you are under no obligation to purchase products or services recommended by us or members of our firm in connection with providing you with any advisory service that we offer.

### **Insurance**

Persons providing investment advice on behalf of our firm are licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from our advisory fees. Please see the "Fees and Compensation" section in this brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

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

### **Participation or Interest in client Transactions**

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

### **Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Please refer to the "Brokerage Practices" section in this brochure for information on our block trading practices.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

Our Advisory Representatives are also Registered Representatives of SagePoint, a FINRA registered broker-dealer. In order to meet its FINRA supervisory obligations, SagePoint requires that all investment advisory activities that we conduct be processed through SagePoint's clearing relationships with Pershing LLC ("Pershing"). If you participate in the Wealth Management Platform - Advisor Managed Portfolios Program, your Program assets will be custodied at Pershing, LLC or on a limited basis, at National Financial Services, LLC ("NFS"). As a result, we do not have the discretion to choose the broker-dealer or commission rates to be paid. However, we do believe that Pershing's and NFS' blend of execution services, commission and transaction costs, as well as professionalism will allow us to seek best execution and competitive prices.

### **Trade Errors**

On infrequent occasions, an error may be made in a client account. For example, a security may be erroneously purchased for a client account instead of sold. In these situations, our policy is to restore the client's account to the position it would have been in had the trading error not occurred. Depending on the circumstances, various corrective steps may be taken, including but not limited to, canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, the profit is not allocated to the client account, it remains in the error account of SagePoint as the executing broker-dealer.

The client acknowledges that we cannot and will not be responsible for trades that are not properly executed by any clearing firm, custodian, mutual fund, or insurance company, when an order has been properly submitted by us.

### **Aggregation Of Orders (Block Trading)**

We may combine orders with respect to a security for advisory client accounts if such aggregation is consistent with achieving best execution for the various client accounts. When orders are combined, each participating account receives the weighted average share price for all transactions in a particular security affected to fill such orders at the time of execution and transaction costs are shared proportionally based upon each account's participation in the transaction. However, smaller clients may bear higher charges if they fail to meet the minimum account sizes set by the broker. Allocations of orders among client accounts must be made in a fair and equitable manner. Proprietary or related accounts for our firm or persons associated with our firm may participate in block trading with client accounts, but will not be given preferential treatment.

## **Item 13 Review of Accounts**

Wm. Stan Bivin, CFP, President of Bivin & Associates is responsible for the overall review process. Mr. Bivin monitors accounts on a continuous basis to ensure the advisory services provided to you are consistent with your investment needs and objectives. You will be contacted at least annually to review your financial status, goals, and objectives. Mr. Bivin is responsible for ensuring that such reviews and contacts are made. You are encouraged to contact Bivin & Associates with any questions, or changes in financial situations or investment guidelines. Triggering factors that may stimulate additional reviews include, but are not limited to, significant market corrections, large deposits, or withdrawals from an account, and your request for an additional review.

You will receive statements from their account custodians monthly and/or quarterly. Where available, you may elect to receive electronic notification and access to statements from your account custodians. For managed accounts, Bivin & Associates may prepare individual reports in conjunction with our meetings and account reviews with you. Reviews of and updates to financial plans may be subject to our then current hourly rate.

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

### **Client Referrals**

We do not compensate any individual or firm for client referrals.

### **Other Compensation**

As disclosed under the *Fees and Compensation* section in this brochure, all our Advisory Representatives are Registered Representatives of SagePoint. This arrangement requires us to offer you advisory services and programs sponsored or approved by SagePoint. SagePoint sets limits on how much we can charge you for these advisory services. Some advisory programs have higher fee limits than others. As such, there may be an incentive for us to recommend to you advisory services or programs with higher limits. In addition, SagePoint may charge us certain usage fees and expenses to use their advisory programs, which may decrease the amount of money we make when offering investment advice to you. Therefore, there may be an incentive to provide you with advisory programs and services that may be cheaper for us to use but not as suitable to your needs as other advisory programs that SagePoint sponsors, which may be more expensive for us to use.

In addition, SagePoint offers our Advisory Representatives educational, training and incentive programs for those Advisory Representatives that meet certain sales production goals. There may be an incentive for us to manage your account in ways that assist us in meeting these production goals even if such strategies may not always be suitable for your account.

When we offer you a Wrap Account, the fee for transactions executed in your account are included in your quarterly account fee. However, SagePoint will still assess the transaction charges to us. This may influence us to charge you a higher quarterly account fee than we would otherwise charge you in an effort to recoup from you the transaction charges SagePoint charges us.

While our security sales are reviewed for suitability by an appointed supervisor, you should be aware of the incentives we have to sell certain securities products and are encouraged to ask us about any conflict presented.

As disclosed under the *Fees and Compensation* section in this brochure, persons providing investment advice on behalf of our firm are licensed as independent insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the *Fees and Compensation* section.

### **Item 15 Custody**

We do not maintain custody of your assets. Your account assets are maintained at Pershing, LLC. If you participate in the Wealth Management Platform - Advisor Managed Portfolios Program, your Program assets will be custodied at Pershing, LLC or on a limited basis, at National Financial Services, LLC ("NFS").

### **Item 16 Investment Discretion**

We may manage your accounts on a discretionary basis upon obtaining your consent. Your consent is typically granted and evidenced in the client agreement that you sign with us. We define discretion as the ability to trade your account, without obtaining your prior consent, the securities and amount of securities to be bought or sold, and the timing of the purchase or sale. It does not extend to the withdrawal or transfer of your account funds.

Typically, Wealth Management Platform - Advisor Managed Portfolios Program accounts are managed on a discretionary basis. However, there is a non-discretionary option for this program. Premier Program accounts are managed on a non-discretionary basis only. If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account).

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

We do not have the authority to vote proxies solicited by, or with respect to, the issuers of securities held in your account. Typically, proxy materials will be forwarded to you by our custodian. We will forward proxy materials that we may receive to you. Please contact us at any time with questions you may have regarding proxy solicitations.

### **Item 18 Financial Information**

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

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

Currently, we are a federally registered investment adviser; therefore, this item does not apply to our firm.

## **Item 20 Additional Information**

### **Class Action Lawsuits**

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

### **Your Privacy**

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

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

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

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

## **Bivin & Associates, Inc.**

### **Item 2 Summary of Material Changes Supplement**

Since the last annual update of our disclosure brochure dated March 25, 2011, we have implemented the following changes. The summary that follows only describes changes since our last annual update that we have deemed to be material to you. If you would like a copy of our most recent brochure, you can request one free of charge at anytime by contacting us at 412 S. 14 th Street, Ponca City, OK 74601 or (580) 762-1121.

As of March 3, 2012 ("Migration Date"), Accounts administered by the VISION2020 Advisor Program ("Old Platform") have migrated to a new administrative platform called VISION2020 Wealth Management Platform - Advisor Managed Portfolios ("New Platform"). As of the Migration Date, the Old Platform has been retired, and applicable existing and new accounts are administered and opened via the New Platform. As such, ADV Part 2A disclosure relating to the Old Platform has been removed while disclosure relating to the New Platform has been added.

On February 28, 2012, we amended our disclosure brochure to reflect the migration from the VISION2020Advisor Program to the Wealth Management Platform-Advisor Managed Portfolios Program. The VISION2020Advisor Program, once offered by SagePoint Financial, Inc., ("SagePoint"), an SEC registered broker dealer and investment adviser, member FINRA, SIPC, is now offered through VISION2020 Wealth Management Corp., an SEC-registered investment adviser, and is now called the Wealth Management Platform - Advisor Managed Portfolios ("Program").

The Program provides our Advisory Representatives with advisory tools and services, which they may offer you on a discretionary or nondiscretionary basis. Although the name of the Program and the name of the entity sponsoring the Program has changed, there are no significant changes in the management of your account. You should have received a copy of the Program Brochure (Form ADV Part 2A - Appendix 1) fully detailing the program. However, you may obtain a copy free of charge at anytime by contacting us at the previously listed location or phone number.

Due to changes in federal regulation that transfers regulation of certain Registered Investment Advisers, such as firms like ours, to state securities regulators, we will be transitioning our firm's registration with the United States Securities and Exchange Commission (SEC) to registrations with various state securities regulators. This change does not affect the way we conduct business or the services we provide. It simply means that we will be subject to regulation and regular examination by state securities regulators rather than the SEC. If you have any questions regarding this or any other matter, please contact us at the previously listed location or phone number.