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This brochure provides information about the qualifications and business practices of MIAI, Inc. If you have any questions about the contents of this brochure, please contact us at: 214.739.5677 or 888.440.6424. 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 MIAI, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov

October 1, 2013



Item 2- Material Changes

There have been no material changes in the business of MIAI, Inc. since the filing of its last brochure in December 2012.

To receive a complete copy of this brochure at no charge, please contact your Financial Advisor or the home office at 888.440.6424.



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Item 4- Advisory Business

MIAI, Inc. (MIAI) is a Texas corporation wholly owned by Daniel C. Dooley, Chairman of the Board of MIAI and CEO/President of Maplewood Investment Advisors, Inc., (MPLW); a registered broker/dealer affiliated with MIAI.

MIAI is an investment advisor firm registered with the Securities and Exchange Commission (SEC) since August of 2002. MIAI provides a variety of programs that can be used by MIAI and its investment advisor representatives (MIAI representatives) to provide investment advice to clients. MIAI representatives may be registered representatives of MPLW, a full service broker/dealer affiliated with MIAI. In such capacity, representatives may sell securities through MPLW and receive normal and customary commissions as a result of such purchases and sales. A conflict of interest may exist between the interests of MIAI or your representative and your interests if you choose to buy product(s) through your representative in his or her capacity as an MPLW registered representative where the representative may receive a commission on the product(s) sold in addition to the fees charged for investment advice. Your representative may recommend investments to you in which you may pay management fees and/or broker/dealer commissions if our broker/dealer affiliate processes the transaction. You are under no obligation to act upon MIAI's or your representative's recommendations. If you elect to act on any of the recommendations, you are under no obligation to effect transactions through MIAI or our broker/dealer affiliate.

As of the fiscal year ending on September 30, 2013, MIAI has \$191.4 million in assets under management. Of which, \$61 million is managed on a discretionary basis and \$130.4 million on a non-discretionary basis.

MIAI offers investment supervisory services, non-investment supervisory services and other investment management services.

MIAI through our MIAI representatives provide personalized financial planning and investment advice to:

1. Individuals;
2. Pension and profit sharing plans;
3. Trusts, estates or charitable organizations, and
4. Corporations or other business entities.



We provide advice through consultation with our client, which may include:

- determination of financial objectives;
- identification of financial issues;
- cash flow management;
- tax related investment planning;
- insurance review;
- investment management;
- education funding;
- retirement planning, and
- estate planning.

We provide a range of investment supervisory and administrative services through our MIAI Advisor Program (MAP), and Managed Account Solutions Program (MAS):

MIAI Advisors Program (MAP)

The MIAI Advisor Program (MAP) offers investment advisory supervisory services by providing clients with continuous advice or making investments based on individual needs on both a discretionary and non-discretionary basis. Clients, who wish to utilize our investment supervisory services, will sign a MAP client agreement. The agreement describes the services provided in return for the stated advisory fee. The agreement may be cancelled within the specified timeframe stated in the agreement; otherwise the agreement remains in effect until either party provides written notice of termination. Refer to the section titled “Termination” for more information. MIAI cannot assign or transfer the agreement in any manner without the consent of all parties.

Your representative may recommend various securities based on your stated investment objectives including shares of no-load and load mutual funds, exchange traded funds, variable life insurance, variable annuities, equities, warrants, certificates of deposit, corporate debt securities, municipal securities, government securities, and option contracts on securities. The minimum account size is negotiable between the client and representative.

The client will pay to MIAI a fee for managing the portfolio, which will be based upon the market value of the portfolio, including cash equivalents, as determined at the close of the last day of each month. Refer to the section titled “Fees and Compensation” for more information.

All brokerage transactions are processed by MPLW, our affiliated broker/dealer and cleared by National Financial Services, LLC (NFS). Fund companies charge each fund shareholder an investment management fee that is disclosed in the funds prospectus. NFS may charge a transaction fee when you buy funds. MIAI, MPLW and your representative do not act as custodians for any MAP account. NFS or another custodian maintains custody of funds and securities. In these cases we are considered to have limited custody of your assets. Please refer to the section titled “Custody” for more information. We have verified that each custodian or investment provider we use for our investment management services is a qualified custodian and provides a statement to you at least quarterly.



MIAI also entered into agreements with insurance companies that allow for management and valuation of your variable annuity accounts within the MAP. The insurance companies' custodians maintain custody of all variable annuity accounts.

Please refer to the section titled "Methods of Analysis, Investment Strategies and Risk of Loss", for information about the investment strategies employed in the MAP account.

Managed Account Solutions Program (MAS)

The Managed Account Solutions Program (MAS) allows you to establish an account utilizing Mutual Fund Programs (MFS), Separately Managed Account Programs (SMA), and Unified Managed Account Programs (UMA), developed by third-party money managers that are registered investment advisors (collectively referred to as sub-advisors) through your representative and MIAI. MIAI acts as the investment advisor for all MAS accounts and your representative acts in a referral capacity when referring you into MAS account portfolios.

MAS is sponsored by Envestnet (Program Sponsor), who is registered with the SEC as an investment advisor and engages in the business of providing investment advisory services and multi-product online technology services and products to advisor's and their end customers. Clients establishing a MAS Program account receive a copy of Envestnet's Disclosure Brochure in addition to our firm's Disclosure Brochure. MIAI and Envestnet are separate, non-affiliated entities.

NFS maintains custody of funds and securities. NFS does not provide, and is not registered to provide, investment advisory services to MIAI or MIAI clients. MIAI is authorized to deduct fees directly from your accounts to pay for investment management services. In these cases, we are considered to have limited custody of your assets. Please refer to the section titled "Custody" for more information.

Your representative will assist you in establishing the MAS account through compiling pertinent financial and demographic information on the New Account Application and Risk Tolerance Questionnaire to develop an investment program that will meet your goals and objectives. You will also provide other supporting documents and financial information that we may reasonably request. A MAS Investment Strategy Proposal is generated from the application and questionnaire provided by you. It summarizes recommended investment strategies and sets out objectives and restrictions in the management of your account. For information about the investment strategies employed in a MAS Program account, please refer to the section titled "Methods of Analysis, Investment Strategies and Risk of Loss."

Description of Investment Strategy Options

Mutual Fund Account Program

Sub-advisors provide us with mutual fund and exchange traded fund asset allocation model portfolios based on the information, research, asset allocation methodology and investment strategies of the sub-advisors. Your initial Mutual Fund Account Programs are described in your MAS Investment Strategy Proposal.



SMA Program

In an SMA Program account the client is offered access to an actively managed investment portfolio chosen from a roster of sub-advisors from a variety of disciplines. An SMA account is a portfolio of individually owned securities that can be tailored to fit the client's investing preferences. Envestnet retains the sub-advisors for portfolio management services in connection with the SMA program through separate agreements entered into between Envestnet and the sub-advisor on terms and conditions that Envestnet deems appropriate. Clients may also select individual funds through the SMA Program. Your initial SMA portfolios are described in your MAS Investment Strategy Proposal.

Unified Managed Account Program

Sub-advisors provide us with access to Unified Managed Account portfolios. These portfolios combine specialized institutional asset class managers, mutual funds and/or exchange traded funds. MIAI serves as the overlay manager to manage separate account positions in a comprehensive asset allocation portfolio of securities in a single brokerage account. Your initial Unified Managed Account Programs are described in your MAS Investment Strategy Proposal.

Advisor Directed Account Programs

Advisor directed accounts are managed by your representative based on the financial information and investment objectives you provide. Your representative designs one or more investment management and asset allocation portfolios for you. Your initial Advisor Directed Account Programs are described in your MAS Investment Strategy Proposal.

MAS Program Miscellaneous

Trading by third-party money managers may trigger wash sale rule implications. A wash sale occurs when a security is sold at a loss and then the same or substantially identical security is repurchased within a short time period. The third-party money manager may not necessarily manage accounts in the MAS Program in a manner to avoid wash sale implications. You are encouraged to consult with a tax advisor to discuss any tax implications involving your portfolios in these and in all advisory programs.

MIAI provides a range of services that do not involve providing continuous advice to you. Examples include financial planning services such as tax advice, risk management, education funding and insurance planning. These services are described in greater detail below:

Financial Planning Services (tax advice, risk management, education funding and insurance planning)

MIAI and your representative offer advice through the presentation of financial plans. Clients using these services receive a written financial plan providing them with a plan designed to achieve their stated financial goals and objectives. Financial plans may be comprehensive or may focus only on specific areas of concern. In general, a financial plan may address any or all of the following areas of concern:

- Personal: Family records, budgeting, personal liability, estate information, divorce planning, college planning and financial goals analysis.
- Tax & Cash Flow: Income tax and spending analysis and planning for past, current and future years.
- Death & Disability: Cash needs at death, income needs of surviving dependents, estate planning and disability income analysis.



- Retirement: Analysis of current strategies and investment plans to help you achieve your retirement goals. Retirement planning could include the review of qualified and non-qualified retirement plans and strategies.
- Investments: Analysis of investment alternatives, asset allocation strategies and their effects on your portfolio.
- Life Insurance: Analysis of current and future insurance needs.
- College Planning: Analysis of your college funding and planning situations along with recommendations of academic and financial strategies to increase your cash flow, which can be used to reduce college expenses and help maintain your retirement goals.

In addition, MIAI and your representative may provide financial planning services on specific areas of concern to you. These services can also include retirement plan consulting services provided to the plan sponsor or to individuals wanting advice on how their plan investments should be allocated. MIAI and your representative may also provide financial planning services to business entities and groups requesting educational services and financial planning seminars or individual consulting and planning services for employees or members. If individual planning or consulting services are provided, each participating employee or member will be required to execute a separate agreement with us. These services will be advice-only services. MIAI and your representative will not implement transactions on your behalf as part of these services. If you want MIAI or your representative to implement transactions on your behalf, you will need to contract with MIAI and your representative for one or more of the management services previously described in this document.

When providing financial planning and financial planning consultation services, your representative gathers information through interviews concerning your current financial status, future goals, attitude towards risk and time horizon. You may be required to complete a questionnaire and provide additional documentation as reasonably requested by MIAI or your representative. Implementation is solely at your discretion and may require you to work closely with your attorney, accountant and/or insurance agent.

Wrap Fee Programs

Generally, MIAI considers the MIAI Advisor Program and the Managed Account Solutions Program to be wrap fee programs through which investment advisory services and execution of your transactions are provided for specified fees that are not based directly upon transactions in your account. We receive a portion of the wrap fee for investment management services we provide. Our firm and the representative do not manage wrap fee accounts differently from other programs. Please refer to the section titled “Fees and Compensation” for additional information regarding fees assessed in our wrap programs.



Item 5- Fees and Compensation

Termination of Agreement (in our programs)

The Client Agreement between you and MIAI may be terminated at any time, for any reason upon receipt of written notice. Termination is effective upon receipt of notice, although transactions in progress will be completed in the normal course of business. If we receive a request to terminate and liquidate your account, we have up to 72 hours to begin liquidating. Upon termination of a MAP or MAS program or other investment advisory programs, any prepaid, unearned management fees will be calculated and promptly refunded based upon the number of days remaining in the billing period after the termination date. Fees owed will be promptly deducted from the account or will be invoiced accordingly, if there are no assets in the account. Subsequent transactions in a closed account are subject to our broker /dealer affiliate's normal brokerage rates and commissions. MIAI reserves the right to charge up to \$75 to close an account except for Clients in states that prohibit closed account fees. For general information as to how fees are assessed, please refer to the specific programs listed below.

Fees

Management fees charged in our programs are separate and distinct from fees and expenses charged by mutual funds, exchange-traded funds and variable annuities that may be recommended to you. A description of these fees and expenses are available in each mutual fund and annuity prospectus. The ongoing management fee for investment management services may cost you more than if the assets were held in a traditional brokerage account. In a brokerage account, you are charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. You may also be assessed ticket charges on account transactions and other miscellaneous charges by NFS on account transactions. Miscellaneous charges may include custodial fees levied by the custodian. If you plan to follow a buy and hold strategy for the account or do not wish to buy ongoing investment advice or management services, you should consider opening a brokerage account rather than an advisory account. You may be able to obtain similar services for a lesser fee from other advisors. The fees charged vary among our programs. The factors to be considered by clients in determining the reasonableness of the fees charged include, but may not be limited to, the following:

1. The fee charged for development of an asset allocation study and/or development of an investment strategy.
2. Transaction and custody costs or other miscellaneous fees and taxes and/or charges as well as commissions or mark-ups and mark-downs on the purchase and/or sale of securities.
3. The cost of producing a quarterly performance report covering the managed assets.
4. The value of the consulting services provided by the representative in designing and then monitoring the client's managed assets.
5. The cost of investment advice provided by the representative.

Fees for the MIAI Advisor Program (MAP)

The management fee will be calculated at the beginning of each period (monthly or quarterly). Management fees will be based on the average daily balance (ADB) of the client's account assets under management for the previous period. The market value of the variable annuity accounts will be included in the calculation of MAP management fees. In limited circumstances management fees on certain variable annuity accounts will be based on the weekly or monthly average balance. The ADB does not take into account unpriced securities, nor does it count days when the account has a zero balance. At the



beginning of each period NFS will send the Client a monthly brokerage account statement that will include a Management Fee Notification. The Management Fee Notification will show the ADB, computed fee, any adjustment to fee, explanation of adjustment, and net fee to be deducted later in the period from the Client's account. You must maintain cash in the core account investment vehicle which you select in order to pay for management fees and other charges and fees. All fees and charges are noted on your statements. An account that is opened mid-period will be charged an initial Management Fee that includes a portion of the fee that is pro-rated for the number of days the account is opened in the first period.

On an exception basis, Clients may have their MAP management fees paid from other accounts or have MIAI bill them directly by invoice, in such cases management fee debits will be noted as zero on the Client's NFS monthly brokerage statements.

The management fee charged is based on the assets under management. The annual fee charged for this service will be negotiated with each Client, with 3% being the maximum annualized fee that may be charged to Clients, unless the account only has mutual funds then the maximum will be 2.25%. Representatives will quote an exact percentage to each Client based on both the nature and total dollar asset value of the account. MIAI retains up to 20 basis points (.02%) of the annualized fee, and the Representative is paid the balance of the annualized fee. The minimum retention by MIAI is \$5.00 per month. Your representative can choose to "bundle" related accounts to achieve a break on management fees. Account bundling can be done only on accounts with the same fee schedule and with clients in the same immediate family or under the same qualified plan. When accounts are bundled, the total average daily balance for all of the bundled accounts is used to determine the fee percentage from the fee schedule. This percentage is then applied to each account and a fee charged to each respectively.

Fees for the Managed Account Solutions Program (MAS)

You pay an annual management fee based on a percentage of assets under management for all MAS programs accounts. Your representative negotiates MAS program fees with you based on the complexity of your financial situation and the services that will be provided; the experience and standard fees charge by your representative providing the services; and the nature and the total dollar asset value of the assets maintained in your account. The maximum annualized management fee that may be charged to you is 3%. If the account has only mutual funds, the maximum management fee generally may not exceed 2.25%. The exact fee or fee schedule will be disclosed to you prior to services being provided. The representative is paid a portion of the management fee for solicitations/referrals to the Mutual Fund Account Program, Separately Managed Account Program, and the Unified Managed Account Program.

In the Unified Managed Account Program, accounts are subject to an annual minimum account fee. The annual minimum account fee is dependent on the specific Unified Managed Account Program selected by you and is disclosed on the MAS Client Fee Schedule. The imposition of an annual minimum account fee on smaller accounts may result in an annual management fee greater than the stated maximum percentage (2.25% for mutual fund only portfolios and 3% for mutual funds and listed securities).



MIAI retains a portion of the representative's annualized management fee for management, administrative, and support services we provide. We pay the balance of the annualized management fee to the representative. Sub-advisors are compensated by us from our portion of the fees. The fees paid to our firm are disclosed in the MAS Program Investment Strategy Summary provided to you as part of the Client Services Agreement.

For Advisor Directed Programs, you may also be assessed tickets charges on account transactions and other miscellaneous charges by NFS, on account transactions. Account assets may also be subject to additional fees and expenses as explained in the prospectus for mutual funds or exchange traded funds.

Management Fee Calculations and Payments in the Management Account Solutions Program (MAS)

The initial client fee shall be calculated and debited on the 15th day of the month (or the next business day if the 15th is a non-business day) after the initial program assets are placed in the program with and shall be the client fee for the first calendar quarter (or part thereof) in which the client participates in the program. The initial client fee for any partial calendar quarter shall be appropriately pro-rated based on the number of calendar days in the partial quarter. Thereafter, the client fee shall be calculated at the beginning of each calendar quarter based on the value of program assets on the last business day of the prior calendar quarter. However, if an account is opened in the last month of a calendar quarter, the client fee will be calculated and debited for the remaining period in the calendar quarter plus the next calendar quarter on the 15th day of the month (or the next business day if the 15th is a non-business day) after the initial program assets are placed into the program.

You provide us with written authorization to have management fees automatically deducted from your accounts. At no time will MIAI or MPLW act as custodian of your accounts or have direct access to your funds and/or securities. When required, MIAI or the account custodian sends you a management fee notification at the beginning of each billing period. The management fee notification may be included on your brokerage account statements. The management fee notification shows the average daily balance computed fee, any adjustment to the fee, an explanation of the adjustment and the net fee to be deducted from your account later in the billing period. You must maintain cash in the core account investment vehicle which you select in order to pay for management fees and other charges and fees. All fees and charges are noted on your statements.

With respect to the MAS Advisor Directed Program, the market value of variable annuity accounts included in the management portfolio is included in the calculation of the management fees. We might not receive daily account valuation information for variable annuities from the insurance companies or their custodians. In limited circumstances, management fees on certain variable annuity accounts may be based on the weekly or monthly average balance. You may pay more or less in management fees when the pricing is based on a weekly or monthly average balanced compared to management fees when the pricing is based on the average daily balance.

If an account is terminated and securities are liquidated, you may incur separate charges for each transaction. In addition, you may incur contingent deferred sales charges (CDSC) imposed by mutual fund companies on mutual fund position liquidations if you direct us to liquidate the account or switch managers.



Financial Planning Services Fees (tax advice, risk management, education funding and insurance planning)

Representatives may charge an hourly fee on which the representative is providing financial planning services. Hourly fees for financial planning and consultations are generally charged at a rate of up to \$250 per hour. These services will be invoiced as charges are incurred, payable within 30 days of the invoice. No refunds will be paid since the work has been generated at the time of invoicing. All fees are negotiable and are agreed upon prior to entering into a contract. Representatives may waive agreed upon financial planning and consultation fees if you buy products or enter into agreements for other services with the representative. You and the representative determine the exact fee and how the fee is to be paid. Representatives negotiate fees with you based on the complexity of your personal circumstances, financial situation and the services that will be provided, the scope of the engagement, your gross income, the experience and standard fees charge by the representative providing the services, and the nature and total dollar asset value of the assets on which service will be provided.

Additional Fees and Charges

Clients may incur certain fees and charges imposed by third parties other than MIAI or MIAI representatives in connection with investments placed in or made through the account, including but not limited to mutual fund sales loads, 12(b)1 distribution fees, and surrender charges; variable annuity commissions and surrender charges, and IRA and Qualified Retirement Plan fees. MIAI Representatives in their capacities as registered representatives of MPLW may retain a portion of mutual fund sales loads and 12(b)1 fees; and variable annuity commissions. Load mutual funds may be purchased in the MAP account on an exception basis at the direction of the client. The load charge will not be waived in such instances, and the client will be asked to sign a fee acknowledgement statement acknowledging that they will pay a load fee in addition to the wrap fee on the amount. MIAI Representatives may offset or reduce management fees by the amount of commissions or mutual fund sales loads received in their capacities as registered representatives of MPLW.

Ticket charges of up to \$75 may be passed on to the client at the Representatives discretion. In addition, clients may incur a per share charge on listed stock transactions, as per bond charge on corporate bond transactions and a per option contract charge on option transactions. Fees and charges will be noted on the client's statements and confirmations. Stock and bond trades in the account are subject to normal spreads, mark-ups and mark-downs paid to marker makers of those securities. However, MIAI does not make a market in securities, nor does MIAI receive any portion of the spreads, mark-ups or mark-downs. MIAI does not allow agency cross transactions.

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

Neither MIAI, nor any representative associated with MIAI, accepts Performance-Based Fees or provides Side-By-Side Management.



Item 7 *Types of Clients*

MIAI generally provides investment advisory services to individuals, trusts, estates, corporations, other business entities, charitable organizations, pension and profit sharing plans. MIAI will manage only those accounts having a minimum of \$25,000 to invest and manage. MIAI may make an exception to this minimum from time to time based upon individual factors.

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

MIAI uses the following methods of analysis and sources of information to formulate investment advice:

Security Analysis Methods:

- Charting
- Fundamental
- Technical

Main Sources of Information:

- Financial newspapers and magazines
- Research materials prepared by others
- Corporate rating services
- Timing services
- Annual reports, prospectuses, filings with the Securities and Exchange Commission
- Company press releases

Investment Strategies:

- Long-term purchases (securities held at least a year)
- Short-term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Short sales
- Margin transactions
- Option writing, including covered options, uncovered options or spreading strategies

Investment Strategies

In the MAP Program the account investment management is determined by the stated investment objectives of the client. Your representative is responsible for developing and determining the investment strategies that will be used when managing your accounts. This strategy is based on your individual financial situation, goals, and objectives. Your representative is responsible for monitoring your portfolios and, when appropriate, reallocating the portfolios based on changing market conditions, changes in your individual circumstances, or other factors. If the account is managed on a non-discretionary basis, your representative will consult you prior to reallocating securities in the account. Reallocations are implemented in discretionary accounts without prior notice to clients.



In the MAS Program, multiple investment strategies may be used in the management of your account. Your representative is responsible for determining the appropriate management style and will assist you in placing your assets in a model portfolio based on your individual financial situation, goals and objectives. Your assets are allocated according to the model selected. Reallocations are implemented in discretionary accounts by the Money Managers associated with MAS Program Account without prior notice to you. Your representative typically:

- Gathers information from you about your financial situation, investment objectives, risk tolerance and investment time horizon and any reasonable restrictions you wish to impose on the management of the account;
- Periodically reviews reports provided to you and consults with you;
- Contact you at least annually to review your financial situation; and objectives;
- Communicated information to the third-party investment advisor as warranted; and
- Assists you in understanding and evaluating the services provided by the third-party investment advisor.

If your individual situation changes, you should notify your representative, who will assist you in revising the current portfolio and/or prepare an updated client profile so that he/she can determine if a different model portfolio would be appropriate to your new situation.

It is important that you understand the concept and risks inherent in exchanging an investment from one position to another. Some investment decisions result in profit and others in losses. MIAI and your representative cannot guarantee that the objectives of any investment program will be achieved. Furthermore, it is important that you understand that the exchange of shares of one mutual fund for shares of another mutual fund is treated as a sale for federal income tax purposes, and that capital gains or losses may be realized unless you are eligible for tax deferral under a qualified plan.

Risk of Loss

Investment portfolios, programs, models, asset allocations or strategies entail the risk of loss; and values and returns will fluctuate over time. While we seek to limit any losses, there have been periods of loss in the past, and there will likely be others in the future. MIAI and our representatives emphasize that investment returns, particularly over shorter time periods, are highly dependent on trends in the various investment markets. Thus, our investment management services are generally suitable only for long-term investment objectives or strategies, rather than for short-term trading purposes. Diversification does not guarantee a profit or guarantee to protect you against loss, and there is no guarantee that your investment objectives will be achieved. These programs, portfolios, models, asset allocations and strategies are not FDIC insured and the investments in them may lose value. Our investment approach constantly keeps the risk of loss in mind. You face the following risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.



- **Inflation Risk:** The risk that the rate of inflation will exceed the rate of return on an investment.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They generally carry a higher risk of profitability than an electric company, which may generate much of its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

You should understand that there are risks inherent in all financial decisions and transactions, and that there is no guarantee that your investment objectives will be achieved.

Item 9 Disciplinary Information

Registered Investment Advisors are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's evaluation of MIAI or the integrity of MIAI's management. MIAI has no legal or disciplinary action that must be disclosed in response to this item.

Item 10 Other Financial Industry Activities and Affiliations

MIAI is affiliated with Maplewood Investment Advisors, Inc. (MPLW) a registered broker/dealer who primarily engages in the following types of business:

- Broker or dealer retailing corporate equity securities over-the-counter;
- Broker or dealer selling corporate debt securities;
- Underwriter or selling group participant of corporate securities other than mutual funds;
- Mutual fund retailer;
- U.S. government securities broker;
- Municipal securities broker;
- Broker or dealer selling variable life insurance or annuities;
- Put and call broker or dealer or option writer;
- Broker or dealer selling tax shelters or limited partnerships in primary distributions; and
- Trading securities for our own account.



Representatives of MIAI may be registered representatives of MPLW and for these activities; they receive compensation in addition to any advisory fees paid by the client. As such a conflict of interest exists. Management and representatives of MIAI will devote their time as needed between these functions, but the majority of their time is currently devoted to the broker/dealer activities of MPLW.

MIAI is also an insurance general agent and representatives of MIAI may be licensed insurance agents for various companies. As such they may offer insurance products and receive normal and customary commissions as a result of such a purchase. This presents a conflict of interest to the extent that the representative recommends the purchase of an insurance product which results in a commission being paid to the representative as an insurance agent.

MIAI and MIAI representatives may recommend the services of a third party money manager with whom MIAI has executed an Advisory Services Agreement and may receive compensation from that manager. No client is obligated to use these third party money managers to provide advisory services.

In most cases, MIAI and MIAI representatives associated with MPLW, have conflicts of interest, which could be reasonably expected to impair the rendering of unbiased and objective advice. MIAI has adopted a Code of Ethics which contains provisions to deter misconduct and prevent conflicts of interest that occur. Please refer to the section titled “Code of Ethics, Participation or Interest in Client Transactions and Personal Trading”.

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

Code of Ethics

As a fiduciary, MIAI and MIAI representatives have a duty of utmost good faith to act solely in the best interest of our clients. Our clients entrust us with their funds, which in turn places a high standard on our conduct and integrity. Our fiduciary duty compels all employees to act with utmost integrity in all of our dealings. This fiduciary duty is the core principle underlying our Code of Ethics and Personal Trading Policy, and represents the expected basis of all our dealings with our clients.

This Code of Ethics consists of the following core principles:

1. The interests of clients will be placed ahead of the firm’s or any employee’s own investment interests.
2. Employees are expected to conduct their personal securities transactions in accordance with the Personal Trading Policy and will strive to avoid any actual or perceived conflict of interest with the client. Employees with questions regarding the appearance of a conflict with a client should consult with the Chief Compliance Officer before taking action that may result in an actual conflict.
3. Employees will not take inappropriate advantage of their position with the firm.
4. Employees are expected to act in the best interest of each of our clients.
5. Employees are expected to comply with federal securities laws.



Employees are expected to exercise diligence and care in maintaining and protecting our client's nonpublic, confidential information. Employees are also expected to not divulge information regarding MIAI's securities recommendations or client securities holdings to any individual outside of the firm, except as necessary or permitted by law.

Client Transactions and Personal Trading

Employees are expected to purchase or sell a security for their personal accounts only after trading of that same security has been completed in client accounts. Personal accounts of the employee include all accounts for family members living within the employee's household and accounts over which the employee has authority even though the account owner does not live within the same household as the employee.

Employees are required to report securities transactions and holdings for all accounts in which the employee has a direct or indirect beneficial ownership interest. This includes personal securities information of any family member living within the same household as the employee.

Insider Trading

Insider trading generally refers to the use of material, nonpublic information to trade in securities (regardless of whether the individual with the material, nonpublic information is an "insider" of the company). Insider trading also encompasses the communication of material, nonpublic information to others. Individuals trading securities while in possession of material, nonpublic information or improperly communicating that information to others may be exposed to stringent legal penalties.

No employee may purchase or sell a security, either personally or on behalf of others (including private accounts managed by MIAI), while in possession of material, nonpublic information. MIAI also forbids communicating material, nonpublic information to others in violation of the law. This policy applies to every employee and extends to activities within and outside their duties at MIAI.

Oversight

The responsibilities of MIAI's Chief Compliance Officer include overseeing the regular monitoring and verification of compliance of covered persons with the requirements of the Code of Ethics, and reporting material violations to MIAI's senior management. Covered transactions of the Chief Compliance Officer will be approved by another officer of MIAI. In addition to reporting and record keeping requirements, the Code of Ethics imposes various substantive and procedural restrictions on reportable securities transactions. The Chief Compliance Officer may recommend to management the imposition of more severe sanctions, including suspension of personal investing privileges, or termination of employment, in the case of certain types of violations.

A copy of MIAI's Code of Ethics can be obtained by contacting the following individual at MIAI:

Daniel C. Dooley
Chairman of the Board
8750 N. Central Expwy, Suite 715
Dallas, TX 75231
(214) 739-5677



Item 12 Brokerage Practices

MIAI, nor any MIAI representatives, accepts research or other soft dollar benefits other than execution from a broker/dealer or a third party in connection with client securities transactions.

Brokerage services are made available through NFS. MIAI and MPLW have an agreement with the NFS to introduce customer accounts to the clearing firm, on a fully disclosed basis. In exchange, NFS provides clearing, execution, and execution services for transactions that are executed for our customers. On MIAI's behalf, MPLW approves and opens accounts and accepts securities order instructions with respect to the accounts.

All brokerage transactions are processed by MPLW and cleared by NFS. NFS is not affiliated with MIAI or MPLW. We have also entered into agreements with various insurance companies that allow for management and valuation of client's variable annuity accounts within our programs. The insurance company custodians maintain custody of all variable annuity accounts. MIAI and MPLW do not act as custodian for any account.

Best Execution

We recognize your unrestricted right to select and choose any broker or dealer you wish, except in situations where MIAI or a recommended manager is given discretionary authority over your account. We will process brokerage security transactions through MPLW, so long as we determine that executing the transactions through MPLW fulfills its duty of best execution. We consider the following factors when selecting a broker/dealer and determining the reasonableness of commissions:

- Due diligence of the broker/dealer/manager including: history, past performance, type of investment management and style;
- Third-party due diligence, if available. In some instances, third-party due diligence is paid for by the broker/dealer/manager and provided to MIAI at no cost.

We will exercise reasonable diligence to ensure best execution is obtained for all clients when implementing any client transaction by considering the back office services, technology provided and pricing of services offered. On MIAI's behalf, MPLW conducts trade reviews to determine that their duty of best execution is being met by its trade execution and clearing firms.

Order Aggregation

MIAI and your representative may aggregate client transactions or allocate orders when possible. The types and volumes of securities traded for client accounts do not lend themselves to aggregate or blocking of trades when mutual funds are traded. To the extent other securities are purchased that lend themselves to aggregation or block trading, MIAI and your representative may aggregate client transactions or allocate orders whenever possible. MIAI and our representatives will allocate trades to advisory clients in a fair and equitable manner that will be applied consistently to all clients. Personal accounts of representatives, associated persons and family members will not be treated more favorably than any other client account. You should be aware that if an order is not aggregated, you may or may not pay higher brokerage costs.



Handling Trade Errors made by MIAI or a representative

If MIAI or our supervised persons make a trade error in your account, the error will be corrected and your account will be restored to where it would have been had the trade error not occurred. Any profit or loss from the trade correction will be maintained by our firm.

Item 13 *Review of Accounts*

The day-to-day supervision of advisory accounts is the responsibility of MIAI representatives. The Chief Compliance Officer will periodically review advisory accounts as needed, as required and as appropriate. In all accounts, reviews are conducted at least annually. Factors triggering an account review may include material market, economic or political events, and changes in your financial or personal situation or performance of the account in general.

You will receive monthly statements from the account custodian or clearing firm, if your account(s) have activity during the month. If the account does not have monthly activity, an account statement is provided by the custodian or clearing firm at least quarterly. Such statements will show any activity in the account, as well as period ending position balances. You will also receive a confirmation from the custodian or clearing firm of each purchase or sale transaction that occurs.

To the extent you receive performance reports from your representative, we urge you to compare performance reports received with account statements received from the custodian. Inquiries or concerns regarding the account, including performance reports, should be directed to the investment advisor firm at the phone number listed on the account statement. Performance information provided by your representative is believed to be accurate but cannot be guaranteed.

Item 14 *Client Referrals and Other Compensation*

Neither, MIAI nor any MIAI representatives, receives an economic benefit for providing investment advice or advisory services from anyone who is not a client.

Item 15 *Custody*

Custody

Generally, we do not maintain custody of your funds or securities other than the direct deduction of advisory fees from your accounts within the programs described in the “Advisory Business” section above.



Account Statements and Performance Reports

You will receive monthly statements from the account custodian or clearing firm, if your account(s) have activity during the month. If the account does not have monthly activity, an account statement is provided by the custodian or clearing firm at least quarterly. Such statements will show any activity in the account, as well as period ending position balances. You will also receive a confirmation from the custodian or clearing firm of each purchase or sale transaction that occurs.

To the extent you receive performance reports from your representative, we urge you to compare performance reports received with account statements received from the custodian. Inquiries or concerns regarding the account, including performance reports, should be directed to the investment advisor firm at the phone number listed on the account statement. Performance information provided by your representative is believed to be accurate but cannot be guaranteed.

Item 16 Investment Discretion

Limited Discretionary Trading Authority

If you grant MIAI or your MIAI representative limited discretionary trading authority, we have the authority to determine, without obtaining your specific consent, the securities to be bought or sold, and the amount of the securities to be bought or sold and when to buy or sell those securities. Upon receipt of the written authority to engage in limited trading authority on your behalf, MIAI and your representative will commence engaging in discretionary trading transactions. Discretionary trading authority facilitates placing trades in your accounts on your behalf so that MIAI and your representative may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney for Trading

If a limited power of attorney for trading is signed by you, we consult with you prior to each trade. You sign a limited power of attorney so that we may execute the trades that you have approved.

We accept discretionary authority to manage accounts on your behalf. For discretionary clients, we request that you provide written authority to determine which securities and the amounts of securities that are to be bought or sold. Any limitations on this discretionary authority by you should be included in this written authority statement. You may change/amend these limitations as required. Such amendments must be submitted in writing.

MAS Program Account Authorization

When executing a MAS Program Client Services Agreement, you grant us discretion to select one or more sub-advisors, including those providing administrative, website, performance reporting, transaction order entry and other services to you and our firm. You grant us and any sub-advisor selected by our firm limited discretionary trading authority with respect to the purchase and sale of securities in the Mutual Fund Program, Separately Managed Account Program, and Unified Managed Account Program and appoints us and any sub-advisor selected by our firm as your agent and attorney-in-fact with respect to trading authorization.



Item 17 Voting *Client* Securities

MIAI shall not render any advice or take any action on behalf of client with respect to the securities or other investments held in the account, or the issuer's thereof, which become the subject of any legal proceedings, including bankruptcies. Client retains the right and obligation to take any action relating to the securities held in the account. Furthermore, except to the extent otherwise required by law, MIAI shall not take any action or render any advice with respect to the voting of proxies solicited by, or with respect to, the issuers of any securities held in the account. Client hereby expressly retains the right and obligation to vote proxies relating to the securities held in the account.

Item 18 Financial Information

We do not have any financial impairment that will preclude us from meeting our contractual commitments to you. We do not serve as a custodian for your funds or securities. At no time will fees of more than \$1,200 be charged six or more months in advance by our firm or an MIAI representative.