

**Heffernan Investment Advisors, Inc.**

**A Registered Investment Advisor**

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**March 1, 2011**

**FORM ADV PART 2A  
BROCHURE**

This brochure provides information about the qualifications and business practices of Heffernan Investment Advisors, Inc., a registered investment advisor. If you have any questions about the contents of this brochure, please contact us at 415.778.0300. 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 Heffernan Investment Advisors, Inc. is also available on the SEC's website at [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov). The IARD/CRD number for Heffernan Investment Advisors, Inc., is 118369.

Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## **New Brochure Replaces Heffernan Investment Advisors, Inc. Form ADV Part II and Schedule F**

The Heffernan Investment Advisors, Inc. brochure is substantially modified from its prior version, and contains new information for the benefit of our customers.

In this “Summary of Material Changes” we discuss only the material changes since the last annual update of this brochure in January 2010:

(1) **Redesign.** The Securities and Exchange Commission (“SEC”) recently published amendments to the rules for firm brochures. This brochure is redesigned in narrative format and is materially different in its structure. This brochure also contains new information now required by the SEC’s new rules.

(2) **Financial Advisor Biography.** Also included is the new Form ADV, Part 2B (each individual’s “Financial Advisor Biography”) for each Investment Advisory Representative who directly provide advice to customers. Please refer to the Form ADV, Part 2B Financial Advisor Biography, included as a separate document accompanying this brochure.

(3) **Delivery of Amendments to this Brochure.** In the past Heffernan Investment Advisors, Inc. has offered or delivered information about the firm’s qualifications and business practices to customers on at least an annual basis. The brochure is updated at least annually, in order to ensure that it remains current.

Pursuant to new SEC rules, Heffernan Investment Advisors, Inc. will provide each of its customers with a summary of any material changes for subsequent annual updates to brochures by April 30th of each year. You will be provided with a new Brochure as necessary based on changes or new information, at any time, without charge.

Due to the changes to this brochure, it is suggested that customers review this document, in its entirety, upon receipt. Customers are also encouraged to review this brochure, and any questions they may possess regarding this brochure, with Andrew Ryan.

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## **Advisory Services and Fees**

Heffernan Investment Advisors, Inc. ("HIA") provides both financial planning services and investment management services.

### Client Meetings

HIA may meet with clients to develop a personalized investment plan. The investment plan will outline the client's current investment holdings, long- and short-term investment objectives and risk tolerances. HIA will discuss target asset allocation models and tactical allocation factors. Target asset allocation models will further refine each client's risk/reward tolerances and underlying investment selection criteria.

### Asset Allocation

HIA believes that a well-diversified strategically managed portfolio will perform better over the long-term, with lower risk, than portfolios that are more concentrated or market timing strategies.

Portfolio allocations are monitored and reported to clients on a quarterly basis. Target allocations are compared to actual allocations and portfolios are periodically rebalanced to client specific asset allocation targets.

### Investment Implementations

HIA uses mutual funds as its primary investment vehicle. Mutual funds allow HIA to diversify across asset classes, market capital weightings, and industry sectors, while selecting the best managers in each class. HIA will attempt to purchase mutual fund shares at the lowest price available, using no-load or load-waived funds and institutionally priced shares offered to investment advisors.

For large portfolios, HIA may periodically invest in individual equity securities and individual bond holdings. Bond portfolios are managed using a "laddered" maturity of holdings

Third party advisors are often used for larger accounts. Client's assets are allocated across several third party advisor accounts with minimum account sizes ranging from \$100,000 to \$500,000 per account.

Tax consequences, for security positions initially transferred to a HIA account, are reviewed with clients before selling and re-assigning proceeds to other investments.

### Investment Manager Selection and Monitoring

HIA selects mutual funds based on management discussions and analysis, manager tenure, underlying fund expenses, past performance and most importantly, manager sector expertise. Managers are expected to outperform their respective performance benchmarks for the long term. HIA monitors all funds on a quarterly basis.

### Continuous Portfolio Management

Individual attention and client support is paramount to asset management. As HIA learns and understands more about each client and their goals and risk tolerances, investment holdings will be adjusted to meet their long-term investment targets.

Fees for investment supervisory services are billed at the end of each quarter, calculated on the value of assets under management as of the last day of the calendar quarter. Fees are based on the following schedule:

	<u>From</u>	<u>to</u>	<u>Rate</u>
First	\$ 0 to	\$500,000	1.25%
Next	\$500,000 to	\$1,500,000	1.00%
Next	\$1,500,000 to	\$3,000,000	0.75%
Over	\$3,000,000		0.50%

Minimum Quarterly Fee: \$500.00

Fees may be negotiable under certain circumstances.

Comprehensive financial plans are charged a flat fee that will range from \$500.00 to \$2,500.00. Separate financial planning services may be individually negotiated or HIA can be retained on a financial planning consultant basis for an hourly fee of \$200, as stipulated in the Financial Planning Agreement. Clients are requested to deposit 50% of the estimated fee upon inception of the relationship. An invoice for the balance due is issued on completion of the written analysis and is payable on receipt. Client is under no obligation to implement financial planning advice through HIA. Clients may terminate the Financial Planning Agreement at any time upon written notice.

An advisory client may terminate upon written notice. Upon termination, fees will be prorated to the date of termination and deducted from client's account prior to termination.

All fees paid to HIA for advisory services are separate from the fees and expenses charged to shareholders of mutual funds by the mutual funds, or by the investment adviser managing the portfolios and a complete explanation of these expenses charged by the mutual funds is contained in each mutual fund's prospectus. Clients are encouraged to read the fund prospectus. HIA believes its fees are competitive, however, lower or higher fees for comparable services may be available from other sources.

HIA generally requires discretionary advisory clients to maintain a minimum account size of \$250,000, although this minimum may be waived in certain circumstances.

**Conflicts of Interest:** HIA's owner is Heffernan Insurance Brokers ("HIB"), a California insurance brokerage firm. HIB also controls, through ownership and management control, Atlin Capital Advisers, LLC, ("ACA") an investment advisor registered with the state of California. HIB is also a shareholder of Heffernan Securities, Inc., ("HSI") a registered broker-dealer. Clients are under no obligation to purchase securities through Heffernan Securities, Inc. Each of HIB, HIA, HSI and ACA are directly or indirectly controlled by F. Michael Heffernan, who owns a majority of the outstanding shares and outstanding voting shares of HIB and controls HIB.

HIB sells property & casualty insurance, life insurance and annuities products. The insurance products sold by HIB are transacted on a commission basis. HIA may recommend insurance products to clients. Clients are under no obligation to purchase or apply for any insurance, or to use HIB as the broker for insurance products purchased. If clients decide to purchase or apply for insurance, or use HIB as the broker for insurance products, a conflict may exist between the interests of HIA and the interests of the client.

All pooled investment vehicle LLCs are Captive Insurance Programs, which invest in the assumed risk of a rental captive sell.

HIB maintains a fiduciary fund for insurance premiums as contemplated in the California Insurance Code Section 1733. HIB may hold insurance premiums in its fiduciary fund for clients who are also advisory clients of HIA.

A majority of the operating expenses for HIA will be paid by HIB directly.

From time to time, HIA may recommend that clients buy a security in which HIA or an associated person has an ownership position. Additionally, HIA or an associated person of HIA may purchase a security of the same class as securities held in a client's account. It is HIA's policy not to permit associated persons (or certain of their relatives) to trade in a manner that takes advantage of price movements caused by clients' transactions.

From time to time, trading by HIA and its associated persons with access to day-to-day trading information (and certain of their relatives) in particular securities may be restricted in recognition of impending investment decisions on behalf of clients. If transaction orders for a client and HIA (and/or these associated persons and relatives) are not aggregated (see discussion under Item 12.), then transaction orders for HIA and these associated persons will be the last orders filled. HIA's members, officers and employees will be required to report all personal securities transactions to HIA quarterly.

HIA and its associated persons may purchase or sell specific securities for their own account based on personal investment considerations without regard to whether the purchase or sale of such security is appropriate for clients.

### **Investment Policy Statements**

Individually managed accounts will be tailored to meet the customer's investment goals and objectives. HIA Investment Advisory Representatives may prepare investment policy statements for customers that will detail individual customer objectives and investment strategies. It is not HIA policy to prepare investment policy statements for all customers. They are prepared on an individual basis, at the discretion of the HIA Investment Advisory Representation in consultation with each customer.

### **Assets Under Management**

As of December 31, 2010 HIA manages a total of \$89,971,045.00 on a discretionary basis and \$0 on a non discretionary basis.

### **Types of Customers**

HIA provides investment advisory services to individuals, pension and profit sharing plans, trusts, estates, corporations and other business entities.



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

HIA utilizes methods of analysis and investment strategies, including but not limited to charting, fundamental, cyclical and technical, in formulating investment advice or managing assets.

HIA recommends general securities in customer portfolios that include but are not limited to individual stocks, individual bonds, mutual funds, government securities, commercial paper, certificates of deposit, variable products, government securities options, mutual funds, partnership units and Real Estate Investment Trusts (REITS).

Customers must be aware that investing in securities involves risk of loss that customers should be prepared to bear.

### Disciplinary Information

A. Neither HIA or an HIA Investment Advisory Representative have been or are currently involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which HIA or an employee of HIA:

1. have been convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
2. have been the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
3. has been found to have been involved in a violation of an investment-related statute or regulation; or
4. were the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

B. Neither HIA or an HIA Investment Advisory Representative have been or are currently involved in an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which HIA or an HIA manager:

1. were found to have caused an investment-related business to lose its authorization to do business; or
2. were found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
  - (a) denying, suspending, or revoking the authorization of HIA to act in an investment-related business;
  - (b) otherwise significantly limiting HIA investment-related activities; or
  - (c) imposing a civil money penalty of more than \$2,500 on HIA.

C. A default decision was rendered on November 6, 2008, wherein Paul Hitchcock was barred from association with any FINRA member in any capacity for failure to provide requested information to FINRA. The decision became final on December 4, 2008.

### **Code of Ethics, Participation or Interest in Customer Transactions and Personal Trading**

HIA maintains a Code of Ethics that describes firm policies and procedures and how HIA conducts business with its customers. HIA customers depend on the firm to be trustworthy, honest and loyal to their interests as provided in HIA's agreements with them and disclosures in the HIA form ADV. Customers expect HIA to protect the confidentiality of their personal and financial information and to provide timely and professional advice in accordance with HIA agreements. All HIA employees will receive a copy of the Code and must acknowledge in writing that he or she has received and read it.

All HIA employees are expected to strive to act at all time in accordance with fundamental principles of openness, integrity, and honesty. This is in addition to the legal obligations that HIA and all employees adhere to applicable federal securities laws including the rules and regulations adopted under the Investment Advisors Act.

HIA does not generally recommend to customers, or buys or sells for customer accounts, securities in which HIA or a related person has a material financial interest, including acting as a general partner in a partnership in which HIA solicits customer investments; or HIA or a related person acts as an investment Advisor to an investment company that HIA recommend to customers.

Occasionally HIA may recommend that customers buy a security in which HIA or an associated person has an ownership position. Additionally, HIA or an associated person of HIA may purchase a security of the same class as securities held in a customer's account. It is HIA's policy not to permit associated persons to trade in a manner that takes advantage of price movements caused by customers' transactions.

### **Brokerage Practices**

For some clients, HIA has the authority to execute transactions through the broker previously selected by the client, without obtaining prior written consent for each transaction. Any commissions or transactions fees which may be charged by the broker are fully disclosed to the client by the broker prior to opening the account with the selected broker.

HIA may recommend that clients establish brokerage accounts with the Schwab Institutional® division of Charles Schwab & Co., Inc. (Schwab), a FINRA-registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although HIA may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. HIA is independently owned and operated and not affiliated with Schwab.

Schwab provides HIA with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional. These services are contingent upon HIA committing to Schwab any specific amount of business (assets in custody or trading commissions).

Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For HIA client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to HIA other products and services that benefit HIA but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of HIA's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist HIA in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of HIA's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help HIA manage and further develop its business enterprise. These services may include:

- (i) compliance, legal and business consulting;
- (ii) publications and conferences on practice management and business succession; and
- (iii) access to employee benefits providers, human capital consultants and insurance providers.

Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to HIA. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to HIA. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of HIA personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, HIA may take into account the availability of

some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

HIA performs investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by HIA, some of which accounts may have similar investment objectives. Although such concurrent authorizations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when HIA believes that to do so will be in the best interest of the affected accounts. When such concurrent authorizations occur, the objective will be to allocate the executions in a manner which is deemed equitable to the accounts involved.

In some instances, because of a prior relationship between a client and one or more brokers, or for other reasons, a client may instruct HIA to execute any or all securities transactions for their account with or through one or more brokers designated by the client. In such cases, the client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by such brokers and the client is satisfied with such terms and conditions. HIA has no responsibility for obtaining the best prices or any particular commission rates for transactions with or through any such broker for such client's account. The client recognizes that it may not obtain rates as low as it might otherwise obtain if HIA had discretion to select broker-dealers other than those chosen by the client. If HIA believes, in its exclusive discretion, that it cannot satisfy its fiduciary duty of best execution by executing a transaction for a client account with a broker designated by the client, HIA may execute that transaction with a different broker-dealer. Any client providing instructions to HIA regarding direction of brokerage transactions must notify HIA in writing if the client desires HIA to cease executing transactions with or through any such broker-dealer.

For some clients, particularly those clients who do not currently have a custodian, HIA may recommend a broker. There is no requirement that a client use such broker as HIA recommends. Such recommendations will take into account a number of factors, some of which are transaction fees, custodial fees charged by the broker for holding securities for the client, commission rates, interest charges on debit balances and interest credits on credit balances, quality of execution and recordkeeping and reporting capabilities. HIA will attempt to minimize the total cost for all brokerage services paid by the client. However, it may be the case that the recommended broker charges a higher fee for a particular type of service, such as commission rates, than can be obtained from another broker. It may also be the case that the total costs of all services provided by the recommended broker may be higher than can be obtained at another broker if HIA determines in good faith that such total costs are reasonable in relation to the value of brokerage services provided by such broker, viewed in terms of HIA's overall responsibilities to the client.

#### **Research and Other Soft Dollar Benefits**

HIA does not engage in soft dollar benefits. HIA does not use customer brokerage commissions (or markups or markdowns) to obtain research or other products or services.

**Block Trading:** HIA may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and is consistent with the terms of HIA's investment advisory agreements. Equity trades are blocked based upon fairness to customer, both in the participation of their account, and in the allocation of orders for the accounts of more than one customer. Allocations of all orders are performed in a timely and efficient manner. All managed accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a

trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day. Due to the low liquidity of certain securities, broker availability may be limited. Open orders are worked until they are completely filled, which may span the course of several days. If an order is filled in its entirety, securities purchased in the aggregated transaction will be allocated among the accounts participating in the trade in accordance with the allocation statement. If an order is partially filled, the securities will be allocated pro rata based on the allocation statement. HIA may allocate trades in a different manner than indicated on the allocation statement (non-pro rata) only if all managed accounts receive fair and equitable treatment.

**Best Execution:** On an annual basis, custodial broker-dealers are interviewed to compare the services and fees offered by the different firms. Best execution is not the only factor to be considered in providing investment management services to customers. We believe that Charles Schwab provides good execution for our customers' transactions. In addition, they provide our firm and our customers with other valuable information on their accounts both electronically and by mail. They also provide a forum for advisory professionals to meet and to discuss compliance issues, rules and regulations that are important for the customer and for our firm. We will review our agreement with the custodial broker-dealers on an annual basis and will compare them with firms offering comparable services to investment advisory firms and their customers.

### **Review of Accounts**

All accounts are reviewed periodically by Andrew Ryan for overall adherence with the investment philosophy employed by HIA and any specific requirements of the client. Account holdings will also be reviewed at any time in response to changing market conditions.

For discretionary advisory clients, investment reports are provided not less often than quarterly, containing at least current investment holdings, transaction summaries, and market values. These reports may be issued by the custodian of the client's assets.

Additional reports generated by HIA are at the Customer's request. If a fee is charged for the report, it will be agreed upon by Customer and the Investment Advisory Representative.

## Customer Referrals and Other Compensation

**Charles Schwab:** Certain HIA Investment Advisory Representatives may recommend that customers establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member Financial Industry Regulatory Authority, Inc. (FINRA) and SIPC, to maintain custody of customers' assets and provide other brokerage services. Fees Schwab charges HIA are reduced as the assets HIA custodies at Schwab increases.

Schwab also makes available to HIA other products and services that benefit HIA but may not benefit its customers' accounts. Some of these other products and services assist HIA in managing and administering customers' accounts. These include software and other technology, allocation of aggregated trade orders for multiple customer accounts, research, pricing information and other market data, facilitate payment of Advisor's fees from its customers' accounts, and assist with back-office functions, recordkeeping, and customer reporting.

Schwab Institutional also makes available to HIA other services intended to help Advisor manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. Schwab may also make available, arrange, and/or pay for these types of services rendered to HIA by independent third parties. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to HIA. While as a fiduciary, HIA endeavors to act on its customers best interests, and HIA's recommendation that customers maintain their assets at accounts at Schwab may be based in part on the benefit to HIA of the availability of some of the foregoing products and services and not solely on the nature, cost, or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

It is likely that HIA from time to time will affect securities transactions and pay a commission that exceeds the commission another broker-dealer would have charged. Generally HIA will determine in good faith that such commissions are reasonable in relation to the value of the services provided by Schwab, viewed in terms of either the particular transaction or the overall relationship.

**Solicitor's Fees:** HIA may also employ solicitors to whom it will pay cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, this practice will be disclosed in writing to the client and HIA will comply with the other requirements of Rule 206(4)-3, under the Investment Advisers Act of 1940, as amended.



#### **Other Business Activities**

Certain HIA Investment Advisory Representatives are independently licensed insurance agents. In the course of offering investment advice, Investment Advisory Representatives may recommend that customers purchase insurance products. Customers are under no obligation to purchase insurance products from the Investment Advisory Representatives or the insurance companies that they represent.

Andrew W. Ryan is the Managing Member and Chief Compliance Officer of AWR Investment Management, LLC, a registered investment advisory firm.

Sanford Lowengart and Steven S. Williams are Managers of Atlin Capital Advisers, LLC, a registered investment advisory firm.

### **Custody**

HIA does not maintain custody of customer funds or securities. All customer assets are maintained at the custodial broker dealers.

### **Investment Discretion**

HIA Advisory Representatives will utilize a limited power of attorney in managed accounts. The limited power of attorney authorizes the HIA Investment Advisory Representatives to buy or sell securities on behalf of customers without contacting the customer immediately prior to the purchase or sale. The limited power of attorney does not authorize this use of discretion in the account. Rather, it enables the representative to transact business on behalf of the customer in accordance with the customer's stated investment objectives, which have been previously discussed and agreed upon by the advisory representative and the customer.

### **Voting Customer Securities**

HIA will vote proxies related to securities held by any client in a manner solely in the interest of the client. HIA will consider only those factors that relate to the client's investment, including how its vote will economically impact and affect the value of the client's investment. Proxy votes generally will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, maintain or increase shareholder influence over the issuer's board of directors and management, and maintain or increase the rights of shareholders; proxy votes generally will be cast against proposals having the opposite effect. In voting on each and every issue, HIA will be solely responsible for voting proxies in the best interests of the Company's clients and will vote in a prudent and diligent fashion and only after a careful evaluation of the issue presented on the ballot. Any client may request a copy of HIA's complete proxy voting policy, or a record of how a proxy was voted by contacting Andrew Ryan by mail or phone.

### **Financial Information**

HIA may require a portion of a financial planning fee in advance but does not require or solicit prepayment of fees per customer, six months or more in advance, does not maintain custody of customer assets and therefore is not required to file financial information with the Securities & Exchange Commission or state of California.

### **Requirements for State-Registered Advisors**

(HIA is registered as an investment advisor with the Securities & Exchange Commission and is Notice Filed with the California Department of Corporations)

HIA is not currently involved nor has it been involved in the past, in the following:

- I. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
  - (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
  - (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (e) dishonest, unfair, or unethical practices.

### **Additional Information**

**Qualification Requirements:** HIA Investment Advisory Associates will be required to meet the registration and qualification requirements required by the specific states where HIA conducts its advisory business.

### **HIA Business Continuity Plan**

HIA has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact of disasters and disruptions is unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our business continuity plan.

Contacting Us – If after a significant business disruption you cannot contact us as you usually do you should call our alternative number 650.941.1962 or access the following web address [www.HIASecurities.com](http://www.HIASecurities.com).

**Our Business Continuity Plan** – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the firm's books and records, and allowing our customers to transact business. In short, our business continuity plan is designed to permit our firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.