

# Saling Simms Associates Inc.

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614-841-1881

[Http://www.raymondjames.com/salingsimmsassociates/](http://www.raymondjames.com/salingsimmsassociates/)

03/30/2011

This Brochure provides information about the qualifications and business practices of SALING SIMMS ASSOCIATES INC. Saling Simms Associates. If you have any questions about the contents of this Brochure, please contact us at 614-841-1881. 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.

SALING SIMMS ASSOCIATES INC. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about SALING SIMMS ASSOCIATES INC. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated 03/30/2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Jenn Berry, Director, Client Services at 800-360-7724 or [Jenn.Berry@RaymondJames.com](mailto:Jenn.Berry@RaymondJames.com). Our Brochure is also available on our web site [www.raymondjames.com/salingsimmsassociates/](http://www.raymondjames.com/salingsimmsassociates/), also free of charge.

Additional information about [“SALING SIMMS ASSOCIATES INC.”] is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Saling Simms Associates who are registered, or are required to be registered, as investment adviser representatives of Saling Simms Associates.

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#### Item 4 – Advisory Business

Saling Simms Associates, Inc. was established in 1983 and incorporated in 1988. We were granted the status of Registered Investment Advisor by the Securities and Exchange Commission in April of 1989. We provide a wholistic approach to financial planning and offer a range of investment advisory services to our clients.

The services include review of all aspects of an individual's current financial situation, with an emphasis on income tax planning, estate planning, insurance planning, retirement planning, and capital needs planning. To the extent other services are needed, we will assist the individual in those areas in which we are competent to give advice.

As a follow-up, Saling Simms Associates, Inc. will also help the client coordinate the information of any recommendations made. This includes the referral to other practicing professionals whose services may be required.

The initial step in the financial planning process involves a meeting with the client for the purpose of defining the scope of the engagement. Once defined, the client and Saling Simms Associates, Inc. will enter into an Investment Advisory Agreement disclosing the terms of the engagement and the fees to be charged.

After engagement is formalized, the client may be requested to provide Saling Simms Associates, Inc. with the necessary financial information, including information on sources of income, assets owned, insurance policies owned, liabilities and will, trusts, business agreements, tax returns, investments, and personal and family obligations. In addition, the client will be requested to provide financial goals and objectives both long and short term.

Saling Simms Associates, Inc. will then target a date for anticipated completion of the plan. Upon completion, a personal presentation of the written plan may be made. At this meeting, the client will be provided with recommendations compatible with the goal and objectives established. An implementation schedule will then be reviewed with the client to determine which steps will be pursued and with whom those steps can be accomplished. The client will be under no obligation to use RJFS and may choose to apply or implement all recommendations in any manner which is most expedient and the clients' best interest.

As of this filing we help clients manage over \$89 million of which over \$43.4 million is on a discretionary basis.

Investment Advisor Representatives (IAR's) of Saling Simms Associates must have passed licensing exams in the case of securities, and actively pursue a course of continuing education.

Our IAR's include James A. Saling, CIMA® who is a principal owner - born 3/1/56: Attended OSU for both undergraduate study in Accounting and Business Administration as well as graduate study in Finance and Marketing. Earned the professional designation of Certified Investment Management Analyst, CIMA® from the Investment Management Consultants Association through The Wharton School of Business at The University of Pennsylvania. Completed two sections of the CFP education process. Holds FINRA Series 6, 7, 22, 24, 51, 63 licenses as well as Ohio Department of Insurance Life, Accident & Health and Variable Life and Annuity licenses. Previously held positions as adjunct faculty member of Ohio Dominican University where he taught Finance, Investments, Tax, Accounting, and Economics and the Fundamentals of Business. He has taught coursework for the ChFC and CLU professional designation program through The American College of Pennsylvania.

Brent R. Simms -who is a principal owner- born 4/12/65: Attended Ohio Dominican University for a BA in Business Administration. Completed 3 sections of the CFP education process, Holds FINRA Series 7 and 63 licenses as well as Ohio Department of Insurance Life Accident & Health and Variable Life and Annuity licenses.

Sheila J. Burke, CLU, ChFC, - born 10/1/1949: Holds FINRA series 24, 51, 63, 65, 7 licensed. Earned the professional designation of Chartered Life Underwriter from the American Society of CLU and ChFC through the American College. Holds Ohio Department of Insurance Life, Accident and Variable Annuity licenses. Other Professional Designations: LUTCF (Life Underwriters Training Council Fellow).

Saling Simms Associates also actively engages in preparation of taxes and tax planning, insurance and Securities sales and offers fixed annuities and advice on fixed annuities.

Investment Advisor representatives of Saling Simms Associates, Inc. are registered representatives of Raymond James Financial Services, Inc. (RJFS), member FINRA/SIPC which is wholly owned subsidiary of Raymond James Financial, Inc. RJFS clears its securities transactions on a fully disclosed basis through Raymond James & Associates, Inc. (member NYSE), which is also a wholly owned subsidiary of Raymond James Financial, Inc. Notwithstanding the fact that principals and associates for the advisor may be registered representatives of RJFS, the advisor is solely responsible for investment advice rendered.

Advisory services are provided separately and independently of the broker/dealer however several special account types are offered through the broker/dealer and are outlined in Item 5.

Asset Management accounts may only be opened upon reaching the following minimum dollar value of assets:

- Passport Accounts -\$25,000

- Raymond James Consulting Services Accounts (Equity)- \$100,000

- Raymond James Consulting Services Accounts (Fixed Income)- \$200,000

- Freedom -\$50,000

- Ambassador- \$50,000

## Item 5 – Fees and Compensation

Fees charged for the full financial planning services will be dependent upon the anticipated time and complexity of the plan. The fees are determined in advance and disclosed to the client prior to the time the Financial Planning Agreement is executed. Rarely will a fee quoted depart from the established fee schedule but exceptional circumstances may dictate a higher or lower fee. It is possible that a client of Saling Simms Associates, Inc. may pay more or less for similar services than another client.

The fees are payable as follows:

Hourly rates for plan development or consultation: \$85-\$180

Fixed fees for plans will run between \$200-\$3000 depending on the complexity and comprehensiveness of the plan.

Asset Management fees will be based on the type of account utilized and are outlined in the current Passport, Ambassador, Freedom or RJCS account brochure.

Minimum account size \$25,000

Saling Simms Associates, Inc. provides accounts through RJFS including Passport, Ambassador, Raymond James Consulting Services, and Freedom in which the client is provided with on-going investment advice and monitoring with respect to their security holdings. The account types are allocated and managed to match the clients objectives. The client is provided with quarterly summaries and performance analysis: There may be a nominal transaction charge for executing trades. Equity trades will have a \$30 transaction charge. Options, bonds, preferred stock and CD's will have a \$50 transaction charge. Some

mutual funds will have a \$30 transaction charge. Refer to current Passport and Freedom agreements for fees associated with these accounts.

For mutual funds which provide RJFS 12-b-1 fees or an administration expense fee covering the cost of processing transactions no transaction charge is paid by the account. Both such fees are provided for in the mutual fund prospectus. Additionally, mutual funds may from time to time direct trades through the broker/dealer as a consideration for the broker/dealer processing mutual fund transactions for the client.

The annual fee schedule for this program ranges from 3% TO .75% inclusive of all administration fees. Fees are subject to reduction based upon the nature of the services provided. Fees are paid quarterly in advance based upon the ending market value of the account on the last day of the quarter.

A full description of fees and services is provided in the Passport Account Service Agreement, Ambassador Account Service Agreement, Raymond James Consulting Services Agreement, and the Freedom Account Service Agreement.

#### Additional Services:

The advisor may from time to time issue special reports, charts, graphs, etc. to its clients. It may offer investment advice in manners not described above.

Clients are under no obligation within 5 days of entering into any agreement. Clients can obtain a refund of any unearned fees and may terminate the agreement by notifying us in writing.

## ASSET MANAGEMENT SERVICES

Saling Simms Associates, Inc. provides investment advisory supervisory services under the following programs:

### 1) PASSPORT Account

The PASSPORT Account ("PASSPORT") is an investment advisory account, administered by RJA, which offers Clients, on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in their account and a nominal transaction charge in lieu of a commission for each transaction. These services are offered nationwide in all fifty

states, the District of Columbia and Puerto Rico.

There is a minimum investment of \$25,000 for PASSPORT Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. The advisory fees for PASSPORT Accounts are as follows:

#### BLENDDED RATE FEE SCHEDULE

Account Value	Total Fee
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PASSPORT Fee Investments:

First \$200,000	1.75%
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Next \$300,000	1.50%
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Next \$500,000	1.00%
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Over \$1,000,000	1.00%
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Accounts greater than \$5,000,000 are negotiable

#### THREE TIER ASSET CLASS FEE SCHEDULE

Account Value	Total Fee
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PASSPORT Fee Investments Excluding Open-Ended Mutual Funds, Cash or Bonds:

First \$200,000	2.00%
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Next \$300,000	1.50%
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Next \$500,000	1.00%
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Over \$1,000,000	1.00%
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PASSPORT Fee Investment Open-End Mutual Funds and Cash:

First \$100,000	1.75%
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Next \$100,000	1.50%
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Next \$300,000	1.25%
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Next \$500,000	0.75%
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Over \$1,000,000	0.75%
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PASSPORT Fee Investment Open-End Mutual Funds and Cash:

First \$100,000	1.75%
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Next \$100,000	1.50%
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Next \$300,000	1.25%
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Next \$500,000	0.75%
Over \$1,000,000	0.75%

PASSPORT Fee Investment Bonds:

First \$100,000	1.50%
Next \$100,000	1.25%
Next \$300,000	1.00%
Next \$500,000	0.75%
Over \$1,000,000	0.75%

Accounts greater than \$5,000,000 are negotiable.

The annual based-fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. Client authorizes and directs RJA as Custodian to deduct asset fees from the Client's account; Client further authorizes and directs the Custodian to send a quarterly statement to the Client which shows all amounts disbursed from client's account, including fees paid to Saling Simms Associates. Client understands that the brokerage statement will show the amount of the asset-based fee, the value of assets on which the fee was based, and the specific manner in which the fee was calculated.

\* Discretionary Passport accounts are discounted 10% off of the normal Passport Account Fee Schedule

Additionally, there is a nominal Processing Fee for the execution of each trade, as follows:

SECURITY TYPE	PROCESSING FEE
Exchange Traded Equities: Listed and OTC	\$30
Closed End Mutual Funds	\$30
Exchange Traded Funds	\$30
Mutual Funds	\$30
Real Estate Investment Trusts/Unit Investment Trusts	\$30
Preferred Stocks	\$50
Options Contracts	\$50
Bonds	\$50

In addition to the foregoing transaction charge, the Client will incur a charge in the amount of \$4.00 per transaction for handling and postage charges. The Client may also incur charges for other account services provided by RJA not directly related to the execution

and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

The Client Agreement may be terminated by the Client or Saling Simms Associates, Inc. at any time upon providing notice pursuant to the provisions of the Client Agreement. In the event of termination of this Agreement, Saling Simms Associates, Inc. will refund to the Client the prorated portion of the fee for the quarter of termination.

## 2) AMBASSADOR Account

The AMBASSADOR Account ("AMBASSADOR") is an investment advisory account administered by RJA, which offers clients on a non-discretionary basis (or discretionary, provided certain qualifications are met), the ability to pay an advisory fee on the assets in their account.

Generally, the IAR provides investment advice on a non-discretionary basis. There is a minimum investment of \$50,000 for AMBASSADOR Accounts, although smaller accounts may be accepted based upon the specific circumstances of an account. The advisory fees for AMBASSADOR Accounts are as follows: (All fees are incremental)

	Advisory Fee*
First \$200,000	2.00%
Next \$300,000	1.75%
Over \$500,000	1.25%

\*Minimum annual asset-based fee per account: \$1,500

\* Discretionary Ambassador accounts are discounted 15% off of the normal Ambassador Account Fee Schedule

Ambassador Account clients will not pay any transaction charges, postage or handling fees.

The annual based-fee is paid quarterly in advance. When an account is opened, the asset-based fee is billed for the remainder of the current billing period and is based on the initial contribution. Thereafter, the quarterly asset-based fee is paid in advance, is based on the account asset value on the last business day of the previous calendar quarter, and becomes due the following business day. Client authorizes and directs RJA as Custodian to deduct asset-based fees from the Client's account. Client further authorizes and directs the Custodian to send a quarterly statement to the Client which shows all amounts disbursed

from client's account, including fees paid to Saling Simms Associates, Inc. Client understands that the brokerage statement will show the amount of the asset-based fee, the value of assets on which the fee was based, and the specific manner in which the fee was calculated.

The Investment Management Agreement may be terminated by the client or Saling Simms Associates, Inc. at any time upon providing written notice pursuant to the provisions of the Investment Management Agreement. There is no penalty for terminating the client's account. Upon termination, the Client will receive a refund of the portion of the prepaid asset-based fee which is not utilized. Saling Simms Associates, Inc. will not accept instructions to terminate the Agreement unless such instructions are provided in writing by Client.

### 3) RAYMOND JAMES CONSULTING SERVICES

Raymond James Consulting Services (RJCS), a division of RJA, selects portfolio managers ("sub-advisors") for the RJCS program, establishes custodial facilities, monitors performance of Client accounts, provides Clients with accounting and other administrative services and assists portfolio managers with certain trading activities. Based upon the Client's financial needs and investment objectives, the IAR assists the Client in selecting the appropriate sub-advisor(s). The Investment Management Agreement is solely between RJA and the Client, and there is no direct agreement between the sub-advisor and the Client. Clients may contact the sub-advisor, but generally do so through their IAR or the RJCS Client Services Department.

The FREEDOM Account ("FREEDOM") is an investment advisory account which allocates Client assets, through discretionary mutual fund or exchange traded fund ("ETF") management, based upon their financial objectives and risk tolerances. The client appoints Raymond James as their investment adviser in selecting a compatible investment strategy developed by the AMS Investment Committee, and in recommending, selecting and monitoring affiliated and unaffiliated open-end mutual funds with which Raymond James has entered into a selling agreement with the fund company, or exchange-traded funds, as the client may select. These services are offered nationwide in all fifty states, the District of Columbia, and Puerto Rico.

The client will complete a Client Profile setting forth their investment objectives, financial situation, time horizon, risk tolerance, investment restrictions, and any additional instructions. Raymond James relies on the financial and other information provided by the client, and the client agrees to inform Raymond James of any material change in the information provided in the Profile or in their financial circumstances which might affect the manner in which their assets are invested. Raymond James' recommendation of a Strategy to a client will be based on Raymond James' determination that the Strategy

chosen by the client is consistent with the client's investment objectives as stated in the Profile. The client's financial advisor provides assistance in evaluating available Strategies to determine suitability, but ultimately it is the client that chooses the most appropriate Strategy to meet their needs.

Leveraging off the research performed by AMS Manager Research & Due Diligence, the AMS Investment Committee constructs multiple investment Strategies comprised of a combination of Funds or, if selected by the client, ETFs representing a broad array of asset classes and investment styles. The AMS Investment Committee identifies asset classes and investment styles that perform differently under varying market conditions, yet are complementary to one another. The composition of a given Strategy may include domestic and international equity and fixed income Funds/ETFs, as well as real estate investment trusts and commodity Funds/ETFs to enhance diversification. Strategies available in the FREEDOM Program include: Aggressive Equity, Growth Equity, Balanced with Growth, Balanced, Conservative Balanced, High Income, Conservative and Early, Mid and Senior Retirement Income Solution strategies. In addition, tax free Municipal Fund portfolios are available in the Conservative Balanced, Balanced and Balanced with Growth Strategies. Target allocations for the above Strategies are available upon request through your financial advisor.

The target allocation of the above Strategies applies at the time the client establishes a FREEDOM account. Additions to and withdrawals from an account will generally be invested based on the target allocation. Fluctuations in the market value of securities, as well as other factors, however, will affect the actual asset allocation at any given time. Raymond James will annually rebalance the client's account, based on the anniversary date of its establishment, if at such time the actual asset allocation varies by more than certain predetermined percentages from the target allocation, as established by the AMS Investment Committee. Raymond James may rebalance an account upon the client's request. The AMS Investment Committee reserves the right to modify the target allocation based on changes to its capital markets outlook.

There is a minimum investment of \$100,000 for FREEDOM Retirement Income Solution Strategies, and \$50,000 for all other Strategies, although smaller accounts may be accepted based on the specific circumstances of an account.

Upon the client's selection of a Strategy, the client authorizes Raymond James to assume all investment duties with respect to assets held in the client's FREEDOM account and shall have sole investment authority with respect to such assets. Raymond James will thereafter invest and reinvest the assets of each account, based upon the Strategy selected by the client, in such Funds, ETFs, or other property of any kind as it deems in the best interest of Client in order to achieve the investment objective(s) identified by the client, without regard to holding period, portfolio turnover or resulting gain or loss. While Strategies are generally comprised of either Funds or ETFs, the client should understand that Raymond James may decide to invest a certain portion of the client's account in alternative securities to maintain trading flexibility and/or market exposure, or to enhance diversification. For

example, the AMS Investment Committee may determine that a Fund should be replaced, but may not have an immediate replacement Fund candidate. In such an event, the AMS Investment Committee may redeem the current Fund in its entirety and invest the proceeds in an ETF(s) until a suitable replacement fund(s) is selected, or may elect to invest in an ETF or an alternative investment if it believes doing so would potentially enhance the diversification within a given Strategy. The AMS Investment Committee may elect to invest in securities other than Funds or ETFs as it deems is in the client's best interest in order to achieve the investment objective(s) identified by the client, without regard to holding period, portfolio turnover or resulting gain or loss. In the event AMS changes its opinion of an investment such that it is no longer able to recommend that security within a given Strategy, Raymond James reserves the right to remove and replace the Fund, ETF or alternative security with another investment without the client's prior consent.

Eagle Asset Management, Inc. is registered as an investment company with the Securities and Exchange Commission and is wholly-owned subsidiary of RJF. The participation of affiliated Funds may create an incentive for Raymond James to recommend an affiliated Fund over a similarly qualified and suitable non-affiliated Fund. Each Strategy available in the FREEDOM Program has been constructed by the AMS Investment Committee to offer an alternative that does not contain an affiliated Fund, at each minimum asset level. Tax-qualified retirement accounts will be automatically invested in the selected Strategy that does not invest in affiliated Funds, as federal regulations prohibit affiliated Funds from being purchased in tax-qualified retirement advisory accounts.

Municipal strategies are not available for investment by tax-qualified retirement accounts. Municipal strategy selections made on behalf of tax-qualified retirement accounts will be automatically invested in the non-Municipal Fund Strategy. For example, IRA and/or ERISA accounts that select the Balanced Municipal Strategy will be automatically invested in the Balanced Strategy.

Dividend Reinvest is not available for ETF strategies. If no selection is made, all dividends will be paid in cash for the High Income and Retirement Income Solution strategies. All other strategies will reinvest dividends if no alternative selection is made.

The advisory fees for FREEDOM Program are as follows:

All Strategies except Conservative & High Income:

	Advisory Fee
First \$200,000	1.75%
Next \$300,000	1.50%
Over \$500,000	1.00%
Accounts greater than \$5,000,000 are negotiable	

#### Conservative & High Income Strategies:

	Advisory Fee
First \$200,000	1.25%
Next \$300,000	1.00%
Over \$500,000	0.75%

Clients may also incur charges for other account services provided by RJFS not directly related to the execution and clearing of transactions including, but not limited to, IRA custodial fees, safekeeping fees, and fees for legal or courtesy transfers of securities.

Some fees are subject to negotiation.

When a separate investment advisory agreement is needed the specific manner in which fees are charged by Saling Simms Associates is established in a client's written agreement with Saling Simms Associates. Saling Simms Associates will generally bill its fees on a quarterly basis. Clients may elect to be billed in advance or arrears each calendar quarter. Clients may also elect to be billed directly for fees or to authorize Saling Simms Associates to directly debit fees from client accounts. Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Saling Simms Associates's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Saling Simms Associates's fee, and Saling Simms Associates shall not receive any portion of these commissions, fees, and costs.

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

Saling Simms Associates does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

## Item 7 – Types of Clients

Saling Simms Associates provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, Taft-Hartley plans, charitable institutions, and foundations. Saling Simms Associates, Inc. also provides investment advice to professional and trade associations as well as to the members of these associations.

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

Saling Simms Associates couples strategic modeling portfolio approach with a top down approach to tactical investments. First, through several discussions with a client, the proper risk profile is assigned to the client's portfolio. Within that framework, a long term strategic approach is taken in determining available asset classes from which to make selection using factors such as asset class correlation within certain economic framework. Using theory involving Efficient Frontier developed with the use of repetitive with replacement scenario determination, base strategic parameters to accomplish achieving the desired risk profile are then set.

From that point a top down assessment of macroeconomic conditions permits Saling Simms Associates to make slight tactical shifts to the weighting of the intended asset classes within the earlier established parameters using a combination of methods of technical and fundamental analysis as well as processes from the field of behavioral finance.

Once tactical asset allocation is determined ETF's are chosen for the non-actively managed models and a manager search for use in the actively managed accounts is undertaken using both quantitative and qualitative measures to determine appropriate selection, including but not limited to, measures such as nominal and relative return as well as risk adjusted measures including but not limited to Alpha, Sharp and Information ratios, standard deviation, and Beta. Attention is paid to overlap with other funds in the portfolio, management tenure and philosophy.

## Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Saling Simms Associates or the integrity of Saling Simms Associates's management. Saling Simms Associates has no information applicable to this Item.



## Item 10 – Other Financial Industry Activities and Affiliations

Investment Adviser Representatives (IAR) of Saling Simms Associates, Inc. are registered representatives of Raymond James Financial Services, Inc. (RJFS), a registered broker-dealer with the NASD, and may recommend RJFS to advisory clients for brokerage services. Registered representatives of RJFS are subject to NASD Conduct Rule 3040 that restricts them from conducting securities transactions away from RJFS. Therefore, clients are advised that such IARs are limited to conducting securities transactions through RJFS. It may be the case that RJFS charges a higher or lower fee than another broker charges for a particular type of service, such as transaction fees. Clients may use the broker/dealer of their choice and have no obligation to purchase or sell securities through RJFS. However, if the client does not use RJFS, the IAR will reserve the right not to accept the account. As a registered NASD broker/dealer, RJFS routes order flow through its affiliated broker/dealer Raymond James & Associates, Inc.(RJA). RJA is obligated to seek best execution pursuant to NASD Rule 2320 for all trades executed, however better executions may be available via another broker/dealer based on a number of factors including volume, order flow and market making activity.

## Item 11 – Code of Ethics

Saling Simms Associates, Inc. adheres to a strict code of ethics based on principle that all employees of the Company must place the interest of the client ahead of their own and the Company's. Clients may request a copy of this Code of Ethics by sending request to Saling Simms Associates, Inc., 7965 N. High Street, Suite 130, Columbus, Ohio 43235

In instances where the IAR buys or sells the same securities as those of their clients, the client's accounts are given priority. Saling Simms Associates, Inc. has established and maintains procedures in compliance with the Insider Trading and Securities Fraud Enforcement Act of 1988. These procedures outline a firm wide policy statement on compliance with insider trading policies by Saling Simms Associates, Inc. and its associated persons and other employees. These procedures have been distributed to all associated persons and employees of Saling Simms Associates, Inc. The procedures include provisions for defining "insider" material, monitoring associated persons and employees securities accounts, restricting access to affiliates sensitive material and restrictions on trading.

## Item 12 – Brokerage Practices

From time to time Saling Simms Associates, Inc. may receive compensation in the form of sponsorship fees for seminars, meetings or conferences from product sponsors such as limited partnerships, mutual funds, insurance companies and annuity sponsors. Such sponsorship fees generally entitle the sponsor to an allotted presentation to representatives of Saling Simms Associates, Inc.

If Clients act upon IAR advice and elect to use one of applicants's affiliates as a money manager, custodian or purchasing insurance, applicant may receive compensation in the form of commissions from the affiliate.

If a client decides to use an IAR in his individual capacity as an insurance agent, the individual IAR will receive a commission. Additionally, if a client purchases a mutual fund containing a 12b-1 fee, the adviser and representative may receive such fee. 12b-1 trails, when received for Ambassador or Passport accounts will be credited to client accounts quarterly. Any credits will appear on the client's brokerage statement as a "Mutual Fund Offset"

As part of its fiduciary duties to clients, Saling Simms Associates, Inc. endeavors at all times to put the interests of its advisory clients first. Clients should be aware, however, that the receipt of economic benefits by Saling Simms Associates, Inc. (or its related persons) in and of itself creates a potential conflict of interest

Saling Simms Associates, Inc. does not render advice to or take any actions on behalf of clients with respect to any legal proceedings, including bankruptcies and shareholder litigation, to which any securities or other investments held in client accounts, or the issuers thereof, become subject, and does not initiate or pursue legal proceedings, transactions, securities or other investments held in client accounts. The right to take any actions with respect to legal proceedings, including shareholder litigation, with respect to transactions, securities or other investments held in a client account is expressly reserved to the client.

### Item 13 – Review of Accounts

The client's IAR will be available for annual reviews for all accounts under \$100,000. For accounts with relationship assets above \$100,000, quarterly reviews will be available. All accounts can receive reviews more or less frequently triggered by:

1. client request
2. economic conditions that affect the positions held in portfolio.
3. planned change in financial structure.

Clients will also receive quarterly updates for all accounts over \$100,000. All accounts receive monthly account statements unless there is no activity. If there is no activity, all clients are encouraged to take advantage of 24 hour online access. A statement is sent each month unless there is no activity. If there is no activity the client will receive a quarterly statement. Clients may also view and/or print their statement via investor access. Financial advisors may print copies from Statement Inquiry via Advisor's Resource. Financial advisor copies of client statements are available online via Advisor's Resource by the 2nd business day of the following month.

### Item 14 – Client Referrals and Other Compensation

Saling Simms Associates does not pay nor do we receive any compensation for referrals to or from other professionals or clients.

### Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Saling Simms Associates urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## INVESTMENT OF CASH RESERVES

With respect to cash reserves of advisory Client accounts, the custodian of the account assets will determine where cash reserves are held. The custodian may offer one or multiple options to different account types (such as non-taxable and managed accounts). In addition, the custodian may, among other things, consider terms and conditions, risks and features, conflicts of interest, current interest rates, the manner by which future interest rates will be determined, and the nature and extent of insurance coverage (such as deposit protection from the Federal Deposit Insurance Corporation and the Securities Investor Protection Corporation). The custodian may change an investment option at any time by providing the Client with thirty (30) days advance written notice of such change, modification or amendment. As of October 2008, Cash Sweep Options include the Raymond James Bank Deposit Program ("RJBDP"), the Credit Interest Program ("CIP") sponsored by RJA, and the "Eagle Class - JP Morgan Money Market Funds") of the JP Morgan Prime Money Market Fund and JP Morgan Tax Free Money Market Fund, managed by J.P. Morgan Investment Management, Inc. offered by Eagle Asset Management, Inc. ("Eagle," an affiliate of Raymond James).

Raymond James Bank, and the interest rate it offers may differ from the yield on the Eagle Class - J.P. Morgan Money Market Funds and the CIP, but Raymond James Bank generally earns more than the interest it pays on such balances. The Eagle Class - JP Morgan Money Market Funds are offered by Eagle through an agreement with J.P. Morgan. Under the agreement, Eagle, Eagle Fund Services, Inc. and Eagle Fund Distributors, Inc., (together, the "Eagle Affiliates") and Raymond James and its affiliate Raymond James Financial Services, Inc. are compensated by the Eagle Class - JP Morgan Money Market Funds and J.P. Morgan for, among other things, distribution costs, shareholder record-keeping activities, and the coordination and administration of the funds. Raymond James & Associates generally earns a higher rate of interest on CIP balances than the interest rate it pays on such balances. The income earned by the Eagle Affiliates and RJA is in addition to the asset-based fees that SSAI receives from these accounts.

Where an unaffiliated third party acts as custodian of account assets, Client and/or the custodian will determine where cash reserves are held.

Cash balances arising from the sale of securities, redemptions of debt securities, dividend and interest payments and funds received from customers are invested automatically on a daily basis. When securities are sold, funds are deposited on the day after settlement date. Funds placed in a Client's account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the Client's account. Due to the foregoing practices, RJA may obtain federal funds prior to the date that deposits

are credited to Client accounts and thus may realize some benefit because of the delay in investing such funds.

For further information please refer to the Cash Sweep Options disclosure statement, a copy of which is available from your IAR, or is available on the Raymond James public website, [www.raymondjames.com](http://www.raymondjames.com).

Participants in the FREEDOM, PASSPORT, Russell, and AMBASSADOR programs may be entitled to a discounted asset-based fee if they maintain one or more related accounts within these programs.

Participants in the IMPAC program may be entitled to a discounted asset based fee if they maintain one or more related account within the IMPAC program. This discount is independent of any discount offered for participants of the FREEDOM, PASSPORT, Russell, and Ambassador programs.

Related Accounts are accounts of an individual, his or her spouse, and their children under the age of twenty-one. The term includes individually owned accounts, individual retirement accounts (IRAs), self-directed accounts (i.e., directed by individual participants) under an employee benefit plan (ERISA plan) and ERISA plan accounts in which an individual is the sole participant. Thus, Related Accounts of the FREEDOM, PASSPORT, Russell and AMBASSADOR programs may be aggregated for advisory fee purposes, so that each account will pay a fee which is calculated on the basis of the total of all Related Accounts. It is the Client's responsibility to include all Related Accounts for purposes of qualifying for an aggregated account fee discount. While RJFSA may attempt to identify related accounts, it shall not be held responsible for failing to consider any related accounts not listed by the Client.

#### Administrative-Only Assets

Certain securities may be held in the client's AMBASSADOR or PASSPORT account and designated "Administrative-Only" assets. Such assets will not be assessed the standard advisory fee, but will be assessed an Administrative-Only fee according to the following schedule:

First \$1,000,000 in aggregate assets	0.09%
Aggregate assets over \$1,000,000	0.05%

Administrative-Only assets may be designated as such by financial advisors not wanting to collect an advisory fee on certain assets or by Raymond James in conformance with internal policy. Administrative-Only fee rates are calculated on the aggregate Related Account assets.

## Item 16 – Investment Discretion

Saling Simms Associates does accept discretionary control over certain client accounts only after receiving a signed AMBASSADOR discretionary or Passport discretionary contract from the client. Adviser shall assume all investment duties with respect to assets held in the AMBASSADOR discretionary or Passport discretionary account in such stocks, bonds, mutual funds, or other property of any kind as it deems in the best interest of the Client to achieve the investment objective designated by Client. Adviser may take any action or non-action as it deems appropriate, with or without other consent or authority from the Client, and may exercise its discretion and invest such assets exactly as fully and freely as the Client might do as owner, except that Adviser is not authorized to withdraw any monies or securities from the account regardless of the length of time they have been held. Adviser shall further be free to make investment changes regardless of the resulting rate of portfolio turnover when it, in its sole discretion, shall determine that such changes will promote the investment objective of the account.

## Item 17 – Voting Client Securities

As a matter of firm policy and practice, Saling Simms Associates does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios. Saling Simms Associates may provide advice to clients regarding the clients' voting of proxies.

Saling Simms Associates, Inc. does not render advice to or take any actions on behalf of clients with respect to any legal proceedings, including bankruptcies and shareholder litigation, to which any securities or other investments held in client accounts, or the issuers thereof, become subject, and does not initiate or pursue legal proceedings, transactions, securities or other investments held in client accounts. The right to take any actions with respect to legal proceedings, including shareholder litigation, with respect to transactions, securities or other investments held in a client account is expressly reserved to the client.

## Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Saling Simms Associates's financial condition. Saling Simms Associates has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.