

**Item 1: Cover Page**

**Form ADV Part 2A**

of

**Marc J. Lane Investment Management, Inc.  
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Suite 2100  
Chicago, IL 60601**

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Fax: (312) 346-1040**

**Amended and Restated March 1, 2012**

**This brochure provides information about the qualifications and business practices of Marc J. Lane Investment Management, Inc. If you have any questions about the contents of this brochure, please contact us at (312) 372-1040 and/or [mlane@marcjlane.com](mailto:mlane@marcjlane.com). 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.**

**Marc J. Lane Investment Management, 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 Marc J. Lane Investment Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2: Material Changes**

Marc J. Lane Investment Management, Inc. last amended this Brochure on March 1, 2011.

This Brochure contains two material changes:

1. Updated Assets under Management figures contained in Item 4.
2. Our switch from an SEC to a State registered Investment Advisor.

Under the Dodd-Frank Wall Street Reform and Consumer Protection Act passed in July 2010, the SEC is required to issue rules generally requiring mid-sized investment advisors to switch from the SEC to state registration, which will reallocate the primary responsibility of regulatory oversight of mid-sized investment advisors to the state securities regulators.

A mid-sized investment advisor has between \$25 million and \$100 million of assets under management and must register with the applicable state securities regulator(s) unless the investment advisor is not subject to investment advisor registration and/or examination by its home state.

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 material changes to this and subsequent Brochures within 120 days of the close of our 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 Marc J. Lane, President, at 312-372-5000 or [mlane@marcjlane.com](mailto:mlane@marcjlane.com).

Additional information about Marc J. Lane Investment Management, 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 Marc J. Lane Investment Management, Inc. who are registered, or are required to be registered, as investment adviser representatives of Marc J. Lane Investment Management, Inc.

**Item 3: Table of Contents**

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**Item 4: Advisory Business**

Marc J. Lane Investment Management, Inc. (“the firm” or “the advisor”) has been in business since January of 2002, and provides discretionary investment management services to clients. Client portfolios are constructed on the basis of each client's personal financial needs and goals and receive ongoing, regular management using a disciplined investment process. The firm seeks to maximize investment returns, given a client's objectives and constraints, in a conservative, cost-conscious fashion.

Marc J. Lane Investment Management, Inc. provides portfolio management services utilizing our Advocacy Investing® strategy as a sub-advisor to other investment firms throughout the United States. The Advocacy Investing® strategy is our proprietary approach to values-based investing in which securities are selected by exacting financial and governance standards, as well as criteria reflective of investors’ environmental, social and/or faith-based values.

The principal owner and President of the firm is Marc J. Lane.

As of December 31, 2011, the firm had approximately \$41,206,611.76 of client assets under management on a discretionary basis.

**Item 5: Fees and Compensation**

Clients of the Firm:

<u>Annual Fees: Equity and Balanced Portfolios</u>			<u>(charged quarterly)</u>
1.25%	On the first	\$500,000	0.3125%
0.75%	On the next	\$500,000	0.1875%
0.65%	On the next	\$4,000,000	0.1625%
0.50%	On the next	\$5,000,000	0.1250%
0.45%	On the next	\$15,000,000	0.1125%
0.40%	On the balance over	\$25,000,000	0.1000%

The minimum annual fee for asset management services is \$6,250 (in effect, 1.25% of \$500,000) per account relationship. The minimum annual fee may cause the actual fee charged in certain accounts to be higher than that indicated in the fee schedule.

<u>Annual Fees: All Bond Portfolios</u>			<u>(charged quarterly)</u>
0.65%	On the first	\$500,000	0.1625%
0.45%	On the next	\$1,500,000	0.1125%
0.40%	On the next	\$8,000,000	0.1000%
0.30%	On the next	\$15,000,000	0.0750%
0.25%	On the balance over	\$25,000,000	0.0625%

The minimum annual fee for investment services is \$6,250 (in effect, 1.25% of \$500,000) per account relationship. The minimum annual fee may cause the actual fee charged in certain accounts to be higher than that indicated in the fee schedule.

Annual fees are payable quarterly in advance. Fees for a particular calendar quarter are determined by the fair market value of the assets held in the account at the end of the prior calendar quarter times the applicable quarterly rate. Fees are subject to change, upon notice to affected clients. Fees are negotiable, depending upon such factors as account size and the nature of the relationship. The above fees do not include any additional fees the client may incur, such as brokerage costs, regulatory transaction fees, other custodial fees and any fees inherent in a chosen mutual fund's own administration.

Termination of services: Services will continue until terminated by either party, for any reason, upon 30 days' written notice. If services are terminated prior to the end of a billing period, a pro rata adjustment shall be made with respect to the fee for such period. However, unless a client has received the firm's disclosure information at least 48 hours prior to signing the advisory agreement, that agreement may be terminated by the client within five business days of signing without incurring any advisory fees.

Where the firm is a Sub-Advisor for other firms:

An asset-based fee shall be charged for each investment strategy offered according to the following fee schedule:

<u>Annual Fees: Separately Managed Accounts</u>		<u>(charged quarterly)</u>
.70%	Environmental Focus Only	0.1750%
.70%	Social Focus Only	0.1750%
.80%	Blended Environmental and Social Focus	0.2000%
.80%	Faith-Based	0.2000%

Annual fees are paid quarterly or monthly in advance (based upon the market value of the Account on the last business day of the preceding period). The minimum account size is \$200,000. Marc J. Lane Investment Management, Inc.'s investment advisory fee is based on the value of the assets held in the Account and is not a performance based fee.

Termination of services: Services will continue until terminated by either party by written notice provided in accordance with the terms of all applicable agreements. Any termination of portfolio management services will not affect the obligations of any party resulting from transactions initiated prior to such termination, so that, for example, Marc J. Lane Investment Management, Inc. may confirm trades initiated prior to receipt of notice of termination.

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

Marc J. Lane Investment Management, Inc. 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***

The firm provides investment advice to individuals, trusts, corporations, and pension plans.

The firm does not require a minimum initial account value on retail accounts. However, retail clients should note that the minimum annual fee of \$6,250 effectively increases the percentage rate of accounts under \$500,000.

The firm requires a minimum initial account value of \$200,000 on institutional accounts.



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

### **Investment Philosophy & Strategy**

Marc J. Lane Investment Management, Inc. uses a disciplined investment process in managing each client portfolio to achieve specific financial goals. The firm seeks to maximize total return, given each client's unique financial situation and investment objectives.

Our investment philosophy centers on the customization of each investor's portfolio to meet their specific financial goals. We work collaboratively with each of our clients to arrive at objective conclusions about the critical issues they and/or their organizations face, and the consideration that should be given to the numerous social and environmental issues most important to them in the construction of their portfolios.

Next, we assess the client's risk tolerance, cash flow requirements, time horizon, tax considerations, and expectations for long-term portfolio growth. This information is then used to determine the appropriate mix of stocks, bonds, and cash equivalents held in each of our client's accounts. Our goal is to realize our clients' total investment return objectives while furthering their personal values and/or organizational missions.

Marc J. Lane developed this proprietary approach to principle focused investing which allows for the implementation of a fully diversified portfolio of 30-35 individual common stocks that is highly consistent with one's core values and beliefs while achieving competitive investment performance.

To take advantage of the Advocacy Investing<sup>®</sup> approach, investors can utilize one of the following two methods:

**Customized Screening** – Advocacy Investing offers custom portfolio solutions to investors preferring a more tailored, customized portfolio, **screened only for their own specific values and beliefs**. The strategy begins with an in depth questionnaire which allows us to “drill down” to each investor's core issues to create a unique, highly customized investment portfolio screened only for those criteria they deem critically important.

**Targeted Portfolios** – Marc J. Lane Investment Management also offers a more targeted version of the Advocacy Investing approach where **model portfolios are screened against widely held criteria** in three separate areas: Respect for the Environment, Social Justice, and Core Corporate Governance. These portfolios are particularly useful to advisors wanting to utilize a model portfolio, or separately managed account, for their principle-focused clients interested in having their values reflected in their portfolios.

- **Respect for the Environment** - This strategy searches out fundamentally sound companies that hit on one qualitative tenet: best practices in their respect for the environment.

- **Social Justice** – Our Social Justice strategy also searches out fundamentally sound companies, but this strategy screens for a number of qualitative tenets: human rights, employment practices and diversity.
- **Core-Corporate Governance** - This strategy focuses only on companies with sound business fundamentals that exhibit best practices in corporate governance.

For more background Information about Advocacy Investing read the book that started it all, **Profitable Socially Responsible Investing? An Institutional Investor's Guide**, *Euromoney Institutional Investor PLC*, by Marc J. Lane.

#### Risk Management in Stock Portfolios

Any participation in the stock market carries with it a certain amount of risk. While neither risk nor volatility can be eliminated from stock market investments, we believe that both can at least be mitigated by means of prudent and professional management.

We employ the following basic risk management strategies in the management of our equity portfolios:

- We select companies that are among the leaders in their industries, with innovative management teams, and the ability to generate above-average earnings growth.
- We seek companies with strong industry specific fundamentals that utilize transparent, understandable accounting methods.
- We carefully diversify typical equity portfolios across 25 to 35 individual issues.
- We generally avoid small cap stocks (less than \$1 billion in market capitalization).
- We hold positions in a broad range of industry sectors. We believe that maintaining industry-wide diversification is critical to effective risk management.
- We trim over-weighted positions in individual stocks if they appreciate to more than 6% of the overall equity portfolio value.
- We invest no more than 30% of equity holdings in any one industry or economic sector, and maintain appropriate diversification within each. Economic sectors are further constrained to no more than plus or minus five percentage points relative to S&P 500 sector weights.
- We maintain a strict sell discipline. We believe that sell discipline is just as, if not more, important than knowing when to buy. We use strict criteria in determining exit points for our holdings.

**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 Marc J. Lane Investment Management, Inc. or the integrity of Marc J. Lane Investment Management, Inc.'s management. Marc J. Lane Investment Management, Inc. has no information applicable to this Item.

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

Mr. Marc Lane is an attorney. Approximately 45% of his time is dedicated to practicing law, and 45% to giving investment advice. The remaining 10% is devoted to broker/dealer, real estate, insurance agent, and general administrative duties.

Officers and representatives of the advisory firm may also be officers or agents of the affiliated broker-dealer, Marc J. Lane & Company. The same persons may also be individually licensed as insurance producers or agents for various insurance companies and be Illinois real estate brokers. Mr. Marc J. Lane is an attorney at law for The Law Offices of Marc J. Lane, a Professional Corporation, an Illinois real estate broker, and an Illinois insurance producer. He is also the President and owner of Marc J. Lane Risk Management, Inc., an Illinois insurance agency.

No client is obligated in any way to use the services of any related firm, should she or he require any such service. Clients who do wish to obtain any service that may be provided by a related firm should understand that there always exists an inherent potential for a conflict of interest whenever the person(s) giving advice also recommend services of a related firm and will receive, directly or indirectly, further compensation from the client for those services.

It remains an advisor's fiduciary duty to provide services to the client that are grounded solely in the client's own, best financial interests.

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

Marc J. Lane & Company, the affiliated broker-dealer, may receive a commission and/or markup on trades it executes on behalf of Marc J. Lane Investment Management, Inc. Despite the fact that Marc J. Lane & Company is executing equity trades at a reduced rate for Marc J. Lane Investment Management, Inc., in some instances, Marc J. Lane & Company may incur a profit from such transactions. Furthermore, the affiliated broker/dealer may receive 12b-1 fees on mutual funds and other compensation on money market funds a client may choose to hold.

Officers and representatives of the advisory firm may also be officers or agents of Marc J. Lane & Company, the affiliated broker-dealer. In that capacity they will receive compensation, directly or indirectly, from commissions the client may choose to pay to that broker-dealer for brokerage services. Advisory clients should be aware that such a paid relationship creates an incentive for the advisory representative to recommend those services and the potential, consequently, for a conflict of interest.

Officers and representatives of the advisory firm may for their own accounts take securities positions that are the same as, similar to, or the opposite of those that they recommend to their advisory clients, due to variations in personal needs and goals. Also, as different clients will state various goals and establish different personal needs, client accounts may take positions dissimilar to one another.

Marc J. Lane Investment Management, Inc. has adopted a written Policies and Procedures Manual which includes a restricted securities “watch list” and periodic reports on all personal securities transactions, except transactions that are exempt by Securities Exchange Commission rule. In all cases, client orders will take precedence over any orders placed on behalf of the firm's personnel.

Marc J. Lane Investment Management, Inc. has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws (“Code of Ethics”). In accordance with Section 204A of the Advisers Act, its Code of Ethics contains written policies reasonably designed to prevent the unlawful use of material non-public information by the Firm or any of its associated persons. The Code of Ethics also requires that certain of the Firm's personnel (called “Access Persons”) report their personal securities holdings and transactions and adhere to a restricted securities “watch list.”

Clients may contact the Firm to request a copy of its Code of Ethics.

## **Item 12: Brokerage Practices**

Marc J. Lane Investment Management, Inc. may recommend/require that clients establish brokerage accounts with other FINRA registered broker/dealers with whom Marc J. Lane Investment Management, Inc. maintains wholesaler agreements (“other broker/dealers”) to maintain custody of clients' assets and to affect trades for their accounts. Although Marc J. Lane Investment Management, Inc. may recommend/require that clients establish accounts with other broker/dealers, it is the client's decision to custody assets with the other broker/dealer. Marc J. Lane Investment Management, Inc. is independently owned and operated and not affiliated with the broker/dealers with whom wholesaler agreements are maintained.

Other broker/dealers may provide Marc J. Lane Investment Management, Inc. with access to their institutional trading and custody services, which are typically not available to the broker/dealers' 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 the broker/dealer. These services are not contingent upon Marc J. Lane Investment Management, Inc. committing to the broker/dealer any specific amount of business (assets in custody or trading commissions). Typically, the other broker/dealers' 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 investment.

Client accounts of Marc J. Lane Investment Management, Inc. maintained in the custody of another broker/dealer generally do not charge separately for custody services, but are compensated by account holders through commissions and other transaction-related or asset based fees for securities trades that are executed through the other broker/dealer or that settle into other Marc J. Lane Investment Management, Inc. accounts.

The other broker/dealer may also make available to Marc J. Lane Investment Management, Inc. other products and services that benefit Marc J. Lane Investment Management, Inc. 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 Marc J. Lane Investment Management, Inc. accounts, including accounts not maintained at the other broker/dealer.

The other broker/dealer's products and services that assist Marc J. Lane Investment Management, Inc. in managing and administering clients' accounts may 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 Marc J. Lane Investment Management, Inc.'s fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

The other broker/dealer may also offer other services intended to help Marc J. Lane Investment Management, Inc. 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. The other broker/dealer may make available, arrange and/or pay third-party vendors for the types of services rendered to Marc J. Lane Investment Management, Inc. The other broker/dealer may also provide other benefits such as educational events or occasional business entertainment of Marc J. Lane Investment Management, Inc. personnel. In evaluating whether to recommend or require that clients custody their assets at the other broker/dealer, Marc J. Lane Investment Management, Inc. 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 the other broker/dealer which may create a potential conflict of interest.

Marc J. Lane Investment Management, Inc.'s policy prohibits any allocation of trades in such a manner that Marc J. Lane Investment Management, Inc.'s proprietary accounts, affiliated accounts, or any particular client(s) or group of clients receive more favorable treatment than any other client accounts.

Marc J. Lane Investment Management, Inc.'s policy is that all portfolios will receive fair and equitable allocation of transactions. Changes to specific portfolio models are applied to their respective individual client portfolios then aggregated by custodian into block trades with each custodian's block of trades receiving the benefit of the same average price. If more than one custodian is involved in a particular trade the trades will be executed on a rotational allocation basis\*.

\*For Example:

1<sup>st</sup> Trade - Sell XYZ Corp.

First Block Traded - Custodian A

Second Block Traded - Custodian B

Third Block Traded - Custodian C

2<sup>nd</sup> Trade - Buy ABC Corp.

First Block Traded - Custodian B

Second Block Traded - Custodian C

Third Block Traded - Custodian A

Commissions charged by Marc J. Lane & Company may be higher or lower than commission rates charged by other available broker-dealers for similar services. Clients should consider whether designating the use of Marc J. Lane & Company may result in certain costs or disadvantages to the client, either because the client may pay higher commissions than might otherwise be obtainable from another broker-dealer, or receive less favorable net prices and executions of some transactions, or both.

In an effort to achieve continuity of responsibility and order placement control, unless otherwise instructed by the client, the adviser will maintain all of the client's assets in one or more brokerage accounts with the adviser's affiliated broker-dealer, Marc J. Lane & Company, or another FINRA registered broker/dealer with whom Marc J. Lane Investment Management, Inc. maintains a wholesaler agreement ("other broker/dealer"). The adviser, if authorized, shall effect all purchases and sales of securities for the clients' accounts, including over-the-counter securities, through Marc J. Lane & Company or other broker/dealer, subject to compliance with applicable law, including Section 11(a) of the Securities Exchange Act of 1934, Rule 11a2-2(T) adopted thereunder and Rule 206(3) of the Investment Advisers Act of 1940. Marc J. Lane &

Company will act on an agency or riskless principal basis only. The client should note that Marc J. Lane & Company is entitled to receive commissions, based upon its brokerage commission's policy in effect from time to time, as compensation for the brokerage services it performs on behalf of the adviser's clients.

If the client requests Marc J. Lane Investment Management, Inc. to arrange for the execution of securities brokerage transactions for the client's account, Marc J. Lane Investment Management, Inc. shall direct such transactions through broker-dealers that Marc J. Lane Investment Management, Inc. reasonably believes will provide best execution. Transactions may be cleared through other broker-dealers with whom Marc J. Lane Investment Management, Inc. has entered into agreements with. Marc J. Lane Investment Management, Inc. shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its clients in light of its duty to obtain best execution. Any trade error brought to the attention of Marc J. Lane Investment Management, Inc. will be routed through the compliance department. The firm will work directly with the client and/or their advisor to resolve the issue.

Some brokers may charge commission rates that are lower than those charged by Marc J. Lane & Company. Marc J. Lane & Company shall have no obligation to solicit competitive commission rates from other brokers, deal directly with market makers in over the counter or fixed income securities transactions, bundle the transactions of the clients' accounts with transactions of other accounts in order to receive volume discounts or execute transactions at the lowest commission rates available. The client may incur greater commission expenses than they otherwise might if the adviser were required to seek the lowest commission rate on every transaction, and in some instances, the commission expenses may be materially greater. It should also be understood that different and lower commissions may be charged by Marc J. Lane & Company to accounts that, in Marc J. Lane & Company's opinion, are not comparable by reason of their size or the frequency or size of their transactions.

The commission rates charged for executing securities transactions include soft dollar arrangements for research product/services used in the investment decision making process for all portfolios managed by Marc J. Lane Investment Management, Inc.



**Item 13: Review of Accounts**

All accounts will be reviewed formally, at least annually, and include review documentation. Individual accounts may be reviewed on a more frequent basis. Major movements in the markets or the general economy, as well as in specific investment vehicles, can trigger additional reviews of portfolio placements. Account statements will be reviewed and reconciled monthly or quarterly, according to the activity in the account. Account reviews are completed by the firm's Chief Compliance Officer or his designee.

Clients will receive the usual regular statements sent by their Broker/Dealer and custodian, showing all transactions in any given month, and holdings on at least a quarterly basis.

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

This section is not applicable to Marc J. Lane Investment Management, Inc.

**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. Marc J. Lane Investment Management, Inc. 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.

**Item 16: Investment Discretion**

Pursuant to the Investment Management Agreement between the advisory firm and each client, the advisory account assets of each client will be held by Marc J. Lane & Company in a brokerage account, in such other brokerage or custodial accounts as directed by the client, or another FINRA registered broker/dealer with whom Marc J. Lane Investment Management, Inc. maintains a wholesaler agreement (“other broker/dealers”). All brokerage transactions, including fixed income and over-the-counter transactions, unless directed otherwise by the client, will be affected through Marc J. Lane & Company or other broker/dealer generally on an agency or riskless principal basis and in compliance with applicable law, including section 11 (a) of the Securities Exchange Act of 1934 and Rules 11a1-2 and 11a2-2(T) adopted thereunder.

The recommended custodian utilized by Marc J. Lane & Company for client accounts will be a major financial institution, chosen for the advantages offered to our clients. The firm may also seek to use alternate bond dealers through whom it can obtain specific bonds. Unless otherwise instructed in writing, in rendering such services, Marc J. Lane Investment Management, Inc. shall have full power to supervise and direct the investment and reinvestment of the assets in clients' accounts without prior consultation, pursuant to the clients' investment objectives.

Marc J. Lane Investment Management, Inc.'s investment process is structured, methodical, and completely geared toward meeting the client's unique needs. The adviser and client begin by mutually deciding the appropriate amount of risk to be taken given the client's unique circumstances. Investment risk or volatility is managed by determining the appropriate mix of stocks, bonds and money market funds to achieve optimum performance with acceptable levels of risk. It is important to understand that the adviser manages money by objective. The primary focus is to make sure the client's portfolio is appropriate for their personal situation. This includes placing an emphasis on capital preservation in difficult markets as well as making money in good markets. Unless otherwise instructed in writing, in order to render such services the adviser shall have full power to supervise and direct the investment and reinvestment, including quantities, of the assets in the account, without prior consultation, pursuant to the client's investment objectives.

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

Marc J. Lane Investment Management, Inc., as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Our policy and practice includes the responsibility to monitor corporate actions, receive and vote client proxies when authorized, and disclose any potential conflicts of interest as well as making information available to clients about the voting of proxies for their portfolio securities and maintaining relevant and required records.

All employees will be instructed to forward all proxy materials to an employee designated the Investor Advocate. Prior to voting, the Investor Advocate, will verify what client account the proxy material refers to and whether the voting power is subject to any specific limitations or guidelines from the client. Prior to voting, the Investor Advocate will verify whether an actual or potential conflict of interest does exist. If a conflict of interest exists, the Investor Advocate will contact the customer in writing about the conflict and give the client sufficient information about the proposal to be voted upon. The client will be requested to vote the proxy directly. The Investor Advocate will retain a copy of the proxy statement received, record of the vote cast, a record memorializing the basis for the vote cast of each respective client. The Investor Advocate will annually verify that all proxies received have been voted in a manner consistent with this Policy and Procedure and verify all records have been properly maintained.

Clients may request information regarding how Marc J. Lane Investment Management, Inc. voted a client's proxies and a copy of these policies and procedures.

In the absence of specific voting guidelines from the client, Marc J. Lane Investment Management, Inc. will vote proxies according to our proxy voting guidelines. Clients are permitted to place reasonable restrictions on Marc J. Lane Investment Management, Inc.'s voting authority in the same manner that they may place such restrictions on the actual selection of account securities.

**Item 18: Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Marc J. Lane Investment Management, Inc.'s financial condition. Marc J. Lane Investment Management, Inc. 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.

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

**Marc J. Lane, President, Chief Compliance Officer** - Born: 1946. Formal education: BA, Political Science, University of Illinois, 1967, JD, Northwestern University School of Law, 1971.

Experience: In addition to his role as President of Marc J. Lane Investment Management, Inc., Mr. Lane has practiced law since 1971 and is President of The Law Offices of Marc J. Lane, a Professional Corporation. He is also President of Marc J. Lane & Company, a broker-dealer organized in 1985. Further, he is Adjunct Professor of Law at Northwestern University School of Law. Mr. Lane is a columnist for Crain's Chicago Business, a regular public speaker and the author of 34 books on corporate organization, management, taxation and personal finance.