

# **COLE INVESTMENT ADVISORS, INC.**

## **CLIENT BROCHURE**

*This brochure provides information about the services, business practices and qualifications of Cole Investment Advisors, Inc. If you have any questions about the contents of this Brochure, please contact us at (269) 329-6600, or via email to [coleadvisors@gmail.com](mailto:coleadvisors@gmail.com)*

*The information in this Brochure has not been approved or verified by the State of Michigan's Office of Financial and Insurance Regulation or the United States Securities and Exchange Commission ("SEC"). Registration does not imply a certain level of skill or training. Additional information about Cole Investment Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Cole Investment Advisors, Inc.'s CRD number is: 124264.*

**2401 West Centre Avenue  
Portage, MI 49024  
(269)329-6600  
[coleadvisors@gmail.com](mailto:coleadvisors@gmail.com)**

## ITEM 2: MATERIAL CHANGES

This Form ADV Brochure (Parts 2A and 2B represents the March 2012 disclosure document prepared by Cole Investment Advisors, Inc., ("*Cole Investment Advisors*" or "*Advisor*") in conjunction with its 2011 fiscal year end filing and its 2012 registration transition from the United States Securities and Exchange Commission ("SEC") to the State of Michigan.

In conjunction with changes to the SEC's Investment Advisers Act of 1940, (the "Advisers Act"), as required to implement provisions of the Dodd-Frank Wall Street Reform and Consumers Protection Act ("Dodd-Frank Act"), Cole Investment Advisors transitioned its registration from the SEC to the State of Michigan. These changes require existing Registered Investment Advisers managing under \$100 million to transition to state regulation unless they are subject to other condition(s) which requires SEC regulation. Therefore, effective with this filing, Cole Investment Advisors has requested registration with the State of Michigan's Office of Financial and Insurance Regulation.

The other change to report with this filing is the update to the firm's fiscal year end assets under management (as of the close of business 12/31/2011). Cole Investment Advisors managed \$37,961,000 in a total of 128 accounts. Of this total, \$11,135,000 of the assets were managed on a discretionary basis and \$26,826,000 were managed on a non-discretionary basis.

Just under 50% of the Advisor's managed assets are those of individual clients; Just under 50% of the assets are those of high net worth clients and the remaining small percentage of overall assets are those of pension & profit sharing plans or corporations and other entities.

There are no other material changes to report in connection with the business of Cole Investment Advisors. We always look forward to hearing from our clients. Therefore, if you should have any questions, please contact our office.

Thank you!

## ITEM 3: TABLE OF CONTENTS

<b>Cover Page</b>	<b>1</b>
<b>Item 2: Material Changes</b>	<b>2</b>
<b>Item 3: Table of Contents</b>	<b>3</b>
<b>Item 4: Advisory Business</b>	<b>6</b>
A. Description of the Advisory Firm	6
B. Types of Advisory Services	6
1. Investment Management Services	7
2. Financial Planning and Consultation Services	9
C. Client Tailored Services and Client Imposed Restrictions	9
D. Wrap Fee Programs	10
E. Amounts Under Management	10
<b>Item 5: Fees, Compensation and Termination of Services</b>	<b>10</b>
A. Fee Schedules	10
1. Investment Management Services	10
2. Financial Planning and Consultation Services	11
B. Payment of Fees	11
1. Investment Management Services	11
2. Financial Planning and Consultation Services	12
C. Clients Are Responsible For Third Party Fees	12
D. Prepayment of Fees	13
E. Outside Compensation For the Sale of Securities to Clients	13
<b>Item 6: Performance-Based Fees &amp; Side-By-Side Management</b>	<b>13</b>
<b>Item 7: Types of Clients and Minimum Account Size</b>	<b>14</b>
<b>Item 8: Methods of Analysis, Investment Strategies, and Risk of Investment Loss</b>	<b>14</b>
A. Methods of Analysis and Investment Strategies	14
1. Fundamental	15
2. Other	16

**ITEM 3: TABLE OF CONTENTS***(Continued)*

B. Material Risks Involved	17
C. Risks of Specific Securities Utilized	18
<b>Item 9: Disciplinary Information</b>	<b>19</b>
<b>Item 10: Other Financial Industry Activities and Affiliations</b>	<b>19</b>
A. Registration as a Broker/Dealer ("BD") or BD Representative	19
B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor	19
C. Relationships Material to this Advisory Business and Possible Conflicts of Interests / Other Business Activities	19
D. Selection of Other Advisors or Managers and if this Advisor is Compensated for Those Selections.	20
<b>Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b>	<b>20</b>
A. Code of Ethics	20
B. Recommendations Involving Material Financial Interests	23
C. Investing Personal Money in the Same Securities as Clients	23
D. Trading Securities At/Around the Same Time as Clients' Securities	23
<b>Item 12: Brokerage Practices</b>	<b>24</b>
A. Factors Used to Select Custodians and/or Broker/Dealers	24
1. Research and Other Soft-Dollar Benefits	25
2. Brokerage for Client Referrals	26
3. Clients Directing Which Broker/Dealer/Custodian to Use	26
B. Aggregating (Block) Trading for Multiple Client Accounts	27

**ITEM 3: TABLE OF CONTENTS**  
(Continued)

<b>Item 13: Reviews of Accounts</b>	<b>29</b>
A. Frequency and Nature of Periodic Reviews	29
B. Reviewers	29
C. Factors That Will Trigger a Non-Periodic Account Reviews	29
D. Content and Frequency of Regular Reports to Clients	30
<b>Item 14: Client Referrals and Other Compensation</b>	<b>30</b>
A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Sales Awards or Other Benefits)	30
B. Compensation to Non-Advisory Personnel for Client Referrals	30
<b>Item 15: Custody</b>	<b>30</b>
<b>Item 16: Investment Discretion</b>	<b>31</b>
<b>Item 17: Voting Client Securities (Proxy Voting)</b>	<b>31</b>
<b>Item 18: Financial Information</b>	<b>32</b>
A. Balance Sheet	32
B. Financial Conditions Reasonably Likely to Impair Contractual Commitments to Clients	32
C. Bankruptcy Petitions in Previous Ten Years	32
<b>Item 19: Information for State Regulated Advisers</b>	<b>32</b>
<b>Additional Information: Privacy Policy</b>	<b>33</b>

## ITEM 4: ADVISORY BUSINESS

### A. DESCRIPTION OF THE ADVISORY FIRM.

Cole Investment Advisors, Inc., ("*Cole Investment Advisors*" or "*Advisor*") is a *fee-only* Registered Investment Advisor. The Advisor is headquartered in Portage, Michigan.

Cole Investment Advisors, Inc. has been in the investment advisory business since May 1999. The Advisor is regulated by the State of Michigan's Office of Financial and Insurance Regulation.

Jeffrey Cole, CFP® is the sole owner of Cole Investment Advisors. Mr. Cole is also the Advisor's Chief Compliance Officer. Angela ("Angie") Immekus is the firm's Corporate Secretary and does hold an ownership position. Ms. Immekus is the Advisor's administrative professional and does not engage in investment advisory services.

### B. TYPES OF ADVISORY SERVICES

Cole Investment Advisors, Inc. ("*Cole Investment Advisors*" or "*Advisor*") offers professional *fee-only* Investment Management, Financial Planning and Consultation Services. The term "fee only" means the Advisory Representatives of Cole Investment Advisors are *not* Registered Representatives of any broker/dealer firm and do not accept commissions in return for the implementation of securities or insurance recommendations. "*Advisory Representatives*" are those persons who are authorized to provide financial or investment advice on behalf of the Advisor.

The Advisor can provide customized services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, other investment professionals and business entities.

The Advisor is not a broker/dealer or custodial firm. Advisory Representatives of Cole Investment Advisors are not registered representatives of a broker/dealer. Any transactions in securities can be executed by an unaffiliated custodial firm of clients' choosing.

Cole Investment Advisors is not an insurance agency. Advisory Representatives are not licensed insurance representatives. Clients are welcome but are never obligated to implement insurance coverage or products through any company they may choose.

Cole Investment Advisors is only compensated for advisory services through a percentage of assets under management and hourly or project-based fees depending upon the nature and scope of the Advisor's engagement.

The Advisor may offer a complimentary general consultation to discuss services available, to give a prospective client time to review services desired, and to determine the possibility of a potential Client-Advisor relationship. Services begin only after the client and Advisor formalize the relationship with a properly executed Client Agreement.

## ITEM 4: ADVISORY BUSINESS

*(Continued)*

After the formal engagement and depending upon the scope of the engagement, the Advisor and client will share in a data gathering and discovery process in an effort to determine the client's needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the client and the nature of services requested. The client and Advisor may complete a risk assessment, investment policy statement or similar document, depending upon the nature of services to be provided.

Cole Investment Advisors offers **Investment Management, Financial Planning Services and Consultation Services.**

Investment Management Services are comprehensive and ongoing in nature and provide for continuous portfolio management, thus services are ongoing until terminated by either party.

Financial Planning Services and Consultation Services are hourly or project based. Services may be comprehensive in nature or focus only on certain components of planning, as requested by the client. These engagements conclude upon the delivery of services.

**1. Investment Management Services** involve ongoing and continuous portfolio management services. Cole Investment Advisors focuses on providing individualized services that are tailored to meet the stated needs and objectives of the client. In the delivery of initial and ongoing services and based upon the client's level of participation, the Advisor will normally include a comprehensive review of the overall aspects of a client's current financial situation and consider both long and short-term objectives and goals, or as directed by the client.

Investment Management Services can provide clients with portfolio assessment, detailed recommendations, asset allocation, implementation, ongoing monitoring and review of the client's portfolio.

Investment Management Services begin with an initial data-gathering interview in an effort to determine the client's individual needs, goals, time horizons and risk tolerance. Cole Investment Advisors utilizes the information provided by the client to prepare recommendations for investments, which may include planning for long-range goals (*i.e.*, retirement planning or college funding) or other segments of an investment plan that may be desired. Investments may include short-term instruments, stocks, bonds, mutual funds or other investment vehicles.

The Advisor's Investment Management Services are provided to clients invested in stocks, mutual funds, exchange traded funds and other assets, as outlined in the designed investment strategies. Services and investment recommendations in connection to assets invested in a corporate retirement plans are limited to those offered within the plan and via the plan's contracted service providers.

#### ITEM 4: ADVISORY BUSINESS

(Continued)

While Cole Investment Advisors will typically recommend investments in mutual funds, index funds, exchange traded funds, individual equities, U.S. government securities, municipal bonds, and other fixed-income securities. The Advisor may assist the client with other investments such as Real Estate Investment Trusts (REITS) or other investments of interest to the client.

Depending on the needs of a client, the Advisor may also evaluate or offer advice on existing life insurance and annuities. Additionally, if requested and based upon information provided by the client, Cole Investment Advisors can prepare an evaluation of existing portfolio investments and provide recommendations for other investments as deemed appropriate. The Advisor will attempt to construct a diversified portfolio of investments that are within its realm of expertise.

Once the portfolio has been implemented or transferred for services, Cole Investment Advisors can provide continuous monitoring, recommendations and investment advice as outlined in the engagement for services.

The ongoing Investment Management Services provided are individualized and therefore based upon the client's stated unique individual needs. Clients engaging Wealth Management Services must play an active role. The Advisor requires the client to participate in the investment review, the development of an investment policy or similar document, the development of the investment strategies, and the ongoing advice and recommendations.

In providing ongoing Investment Management Services, Cole Investment Advisors will manage investor funds in accordance with an investment policy/plan as selected by the client and the Advisor. The Advisor will thereafter remain available for ongoing advice and recommendations. The Advisor will provide ongoing monitoring of the portfolio in accordance with the directives provided.

During the course of the engagement, clients may call the office at any time during business hours to discuss their financial plan, their portfolio or to ask questions, but the Advisor recommends that clients initiate a meeting with the Advisor no less than annually. *However, clients are obligated to immediately inform the Advisor of any changes in their financial situation to provide the Advisor with the opportunity to review the portfolio to ensure it is still structured to help meet the client's stated needs and objectives.*

Cole Investment Advisors focuses on providing individualized services. The Advisor can tailor services to focus only on certain portfolio components, depending upon the client's wishes and/or the nature of the engagement. However, where Investment Management Services or information are limited, clients must understand that comprehensive investment needs and or objectives may not be fully considered due to the client's option to receive limited services, the lack of information received, and/or client disclosure.

If additional services are desired during the course of the engagement and these services go outside the scope of Investment Management Services, the Advisor may be



## **ITEM 4: ADVISORY BUSINESS**

*(Continued)*

available to provide additional services (such as Financial Planning). In such cases, the Advisor may request a new or amended Client Agreement and additional fees may apply. The Advisor will not engage in additional services without the client's direction.

**2. Financial Planning Services and Consultation Services.** Cole Investment Advisors is available to provide Financial Planning Services and Consultation Services on an hourly or project fee basis. The Advisor can tailor services as desired by the client. Financial Planning Services may be comprehensive in nature or may only focus on certain components of planning needs as directed by the client. Consultation Services may be utilized for issues such as general tax issues or assistance on other topics as may be requested by the client.

Where Financial Planning Services and Consultation Services only focus on certain areas of client interests, needs or are otherwise limited, clients must understand that a client's overall financial and investment needs and objectives may not be considered as a result of time and/or service restraints placed on the Advisor's services.

Advisory Representatives may suggest the client work closely with the client's attorney, accountant, insurance agent, and the client's custodian. Clients requiring assistance on issues relating to matters outside of investment advisory topics should consult their personal tax Advisor, legal counsel, or other professionals for expert opinions.

Implementation of any advice or recommendations pertaining to securities and/or non-securities matters (such as insurance), in whole or in part, is entirely at the client's discretion via the service provider(s) of the client's choice.

When providing advice in connection with retirement plan investments, the advice and recommendations are limited to plan offerings.

The advice provided by the Advisor may include recommendations for updates and reviews and these services can be obtained under a new or amended agreement at the client's discretion.

### **C. CLIENT TAILORED SERVICES AND CLIENT IMPOSED RESTRICTIONS**

Cole Investment Advisors focuses on providing individualized services. The Advisor can tailor services to focus only on certain portfolio components, depending upon the client's wishes and/or the nature of the engagement. However, where client services or information are limited, clients must understand that comprehensive financial and/or investment needs and objectives may not be fully considered due to the client's option to receive limited services, the lack of information received, and/or client disclosure.

The Advisor and client will share in a data gathering and discovery process in an effort to determine the client's stated needs, goals, intentions, time horizons, risk tolerance and investment objectives, based upon information provided by the client and the nature of services requested.

## **ITEM 4: ADVISORY BUSINESS**

*(Continued)*

The client and Advisor may complete a risk assessment, investment policy statement or similar document, depending upon the nature of services to be provided. Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs (i.e., no liquor, gambling, tobacco, etc.), unless otherwise agreed by the Advisor in writing. Clients are welcome to set parameters on the Advisor's limited discretionary authority in writing as to types of investments and amounts purchased or sold.

Where clients retain authority to implement recommendations, they are welcome to do so in whole or in part via the financial services provider(s) of their choice.

### **D. WRAP FEE PROGRAMS**

Cole Investment Advisors does not participate in wrap fee program recommending wrap fee programs nor is the Advisor engaged as a wrap fee program manager or sponsor.

### **E. AMOUNTS OF ASSETS UNDER MANAGEMENT**

Cole Investment Advisors' fiscal year end assets under management as reported in the Advisor's 2011 fiscal year end filing were \$37,961,000 in a total of 128 accounts. Of this total, \$11,135,000 of the assets were managed on a discretionary basis and \$26,826,000 were managed on a non-discretionary basis.

Just under 50% of the Advisor's managed assets are those of individual clients; Just under 50% of the assets are those of high net worth clients and the remaining small percentage of overall assets are those of pension & profit sharing plans or corporations and other entities.

## **ITEM 5: FEES AND COMPENSATION**

### **A. FEE SCHEDULES**

Cole Investment Advisors is only compensated for advisory services in the following manner: A percentage of assets under management or via hourly or project-based fees (which are dependent upon the nature and scope of the engagement and advisory billings are based upon the number of project hours, using the Advisor's hourly rate as a guide).

**1. Advisory fees for Investment Management Services** are agreed upon at the time of engagement and range up to 1% annually.

The Advisor's fees are based upon a percentage of the assets under management and are invoiced quarterly in arrears. Fees are based upon the nature, complexity and scope of the services required. The Advisor's fee will also be dependent upon the amount and nature of assets to be managed, required services, complexities, or other

## ITEM 5: FEES AND COMPENSATION

*(Continued)*

factors, and at the discretion of the Advisor. The Advisor's fee is agreed to at the time of engagement. Advisory fees are billed quarterly in arrears based upon the portfolio's market value on the last trading day of the relevant billing period. The portfolio's market value is determined by the client's selected custodial firm. The Advisor's quarterly fee is determined by multiplying the portfolio balance on the last trading day of the billing period by  $\frac{1}{4}$  of the Advisor's annual fee. A pro-rata fee is calculated for services initiated at any time other than at the beginning of a calendar quarter.

During the course of an engagement, the Advisor reserves the right to modify the fee with 30 days written notice where the nature and complexity of the portfolio or services to be provided are modified. Clients are welcome to discontinue services at any time.

**2. The fees Financial Planning Services and Consultation Services** are determined at the time of engagement and based upon the time and effort required and/or the nature and complexity of services. The Advisor's fee is \$200 per hour. For larger projects, the Advisor may propose a project-based fee which will be calculated by multiplying the Advisor's hourly fee by the proposed number of hours required to complete the project taking into consideration the effort, scope of engagement and complexity of services. Project-based fees are agreed to at the time of engagement.

Cole Investment Advisors may require a retainer equal to  $\frac{1}{2}$  the proposed project fee in order to schedule services. In these cases, the project balance is due upon the delivery of services. Should the client's condition change during the course of services such that new advice, re-evaluations, recommendations, or research are required or the Advisor must re-work the advice, recommendations or other services, additional fees will apply. The Advisor will not engage in additional services that result in fees without the client's approval.

### **B. PAYMENT OF FEES**

**1. Investment Management Services.** Unless otherwise agreed in writing, Investment Management fees are payable quarterly in arrears. Payment of Investment Management fees may be made directly to the Advisor or through a debit directly to the client's account by the qualified custodian holding the client's funds and securities.

The Advisor follows the following criteria when payment is made via a qualified custodian as required by the State of Michigan's Uniform Securities Act of 2008, as amended:

1) The client provides written authorization permitting the fees to be paid directly from the client's account held by the independent qualified custodian and the authorization is limited to withdrawing contractually agreed upon Investment Advisor fees; (2) The client will directly receive regular (monthly or quarterly) reports directly from the qualified custodian which reflect the Advisor's fee deduction; (3) The frequency of fee withdrawal shall be specified in the written authorization/agreement; (4) The custodian

## ITEM 5: FEES AND COMPENSATION

(Continued)

of the account shall be advised in writing of the limitation on the Advisor's access to the account and; (5) The client shall be able to terminate the written billing authorization or agreement at any time.

It is important to note that custodial firms do not verify advisory fees. Therefore, clients should review their custodial statements carefully. If a client should have any questions or concerns in connection with an advisory fee deduction, they should promptly contact Cole Investment Advisors.

If at any time during the engagement, the client fails to receive the regular statements produced by the custodian, it is important for the client to promptly notify Cole Investment Advisors and the custodial firm.

If the designated account(s) do not contain sufficient funds to pay advisory fees, the client can leave standing orders to deduct fees via other accounts. In the absence of alternate instructions, the Advisor will issue an invoice for advisory fees to the client and payment is expected with 10 days of the invoice date.

**2. Financial Planning Services and Consultation Services** are invoiced directly. Services are normally payable at the conclusion of services. However, as outlined in this Brochure, Cole Investment Advisors may require a retainer in order to schedule services. In such cases, the retainer is normally equal to ½ the proposed project fee. The balance is thereafter due upon the delivery of services.

### C. FEES ASSOCIATED WITH INVESTING

Clients are responsible for the payment of all third party fees associated with investing. Clients may pay transaction and brokerage commission to their broker/dealer or other service providers ("*Financial Institution[s]*") as well as any fees associated with their particular accounts (e.g., account opening, maintenance, transfer, termination, wire transfer, retirement plan, trust fees, and all such applicable third party fees, deferred sales charges, oddlot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. All fees paid to the Advisor for advisory services are separate from the fees and expenses charged to shareholders of ETF's or mutual fund shares offered by mutual fund companies. If a mutual fund previously purchased by or selected by a client should impose a sales charge, a client may pay an initial or deferred sales charge. Cole Investment Advisors does not receive any portion of these investment-related fees. Such charges, fees and commissions are exclusive of and in addition to the Advisor's fees. A complete explanation of the expenses charged by a mutual fund or ETF should be contained in the respective mutual fund prospectus. Clients are encouraged to read each prospectus and securities offering documents.

## ITEM 5: FEES AND COMPENSATION

(Continued)

### D. PREPAYMENT OF FEES

Cole Investment Advisors' fees for **Investment Management Services** are invoiced quarterly and in arrears. Investment Management Services are ongoing until either party receives notice of termination. Either party may terminate services with written notice to the other and where services are terminated prior to the end of a calendar quarter, the Advisor will only invoice services up until the effective date of termination.

**Financial Planning Services** and **Consultation Services** are invoiced in arrears at the conclusion of services. However, for larger projects the Advisor may require a retainer equal to ½ of the proposed project fee at the time of engagement. In such cases, the balance of fees due is payable at the conclusion of services. The engagement for Financial Planning Services and Consultation Services terminate upon the delivery of services or at the conclusion of the project, as outlined in the engagement. Services will not include any portfolio management, monitoring, reviews, follow-ups, or other services. Financial Planning Services and Consultation Services may be immediately terminated prior to the conclusion of services upon written notice from either party and the client will only be invoiced for time incurred by the Advisor up until the effective date of termination or the prepaid but unearned portion of fees will be refunded.

Any of the Advisor's services may be terminated within 5 days of engagement if the client did not receive the Advisor's ADV Part 2 at least 48 hours prior to the client's execution of the engagement.

### E. OTHER COMPENSATION FOR THE SALE OF SECURITIES OR OTHER INVESTMENT PRODUCTS TO CLIENTS

Cole Investment Advisors is a *fee-only* Registered Investment Advisor. Neither Cole Investment Advisors nor its supervised persons accept any compensation/commission for the recommendation of securities or insurance products including asset-based sales charges or service fees from the sale of mutual funds.

Many times during the financial planning process, an Advisor may review a client's insurance coverages, if requested. Cole Investment Advisors will not undertake a review or provide recommendations on issues relating to property and/or casualty insurance. Since these coverages are important, clients should seek the services of a licensed property and casualty firm.

## ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Cole Investment Advisors' fees associated with services are not "performance based" (based upon a share of capital gains or capital appreciation, or performance, for any portion of funds under an advisory contract). The fees noted herein represent fees for advisory services only.

## **ITEM 7: TYPES OF CLIENTS AND MINIMUM CONDITIONS**

The Advisor's services are primarily provided to individuals; high net worth individuals; pension and profit sharing plans; trusts, estates and charitable organizations; corporations or other business entities.

If an account is subject to the Employee Retirement Income Security Act of 1974, as amended, ("*ERISA*"), the Advisor acknowledges that Advisor is a fiduciary within the meaning of the Act and the ERISA Client is a named fiduciary with respect to the control or management of the assets in the Account. In each instance, the Client will agree to obtain and maintain a bond satisfying the requirements of Section 412 of ERISA and to include the Advisor and the Advisor's principals, agents, and employees under those insured under that bond and will deliver to the Advisor a copy of the governing plan documents. If the Account assets for which the Advisor provides services represent only a portion of the assets of an employee benefit plan, Client will remain responsible for determining an appropriate overall diversification policy for the assets of such plan.

The Advisor desires a minimum portfolio size of \$100,000 for clients seeking Investment Management Services. The Advisor, at its sole discretion, reserves the right to accept portfolios that do not meet the minimum where special circumstances exist, for family members, charitable organizations, pre-existing relationships or where the client has the ability to meet the minimum portfolio amount within a reasonable time period.

Cole Investment Advisors reserves the right to decline to offer services to any person or firm at its sole discretion.

## **ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **A. METHODS OF ANALYSIS AND INVESTMENT STRATEGIES**

The Advisor believes each client presents a unique set of goals, values, interests, objectives, time horizons and challenges. Cole Investment Advisors provides individualized attention to each type of investor who engages the Advisor for services.

The Advisor conducts various client interviews and data gathering activities in an effort to help determine an investment plan or portfolio to best fit each client's stated individual situation. Client participation and the client's delivery of accurate and complete information are critical to the Advisor's process.

In performing its services, the Advisor shall not be required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information.

## ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

(Continued)

The Advisor may recommend the services of itself, its Advisory Representatives in their individual capacities as investment managers, and other professionals to implement its recommendations. Any professional referrals (*i.e.*, insurance firms, accounting professionals, legal professionals, etc.) are *solely* a courtesy and the Advisor receives no direct or indirect compensation as a result of referrals. Clients are welcome but are never under any obligation to act upon any of the recommendations made by the Advisor or to engage the services of any such recommended service firm or professional, including the Advisor itself.

Based upon information provided by the client, the Advisor attempts to evaluate an investor's risk tolerance, time horizon, goals and objectives through an interview and data-gathering process in an effort to determine an investment plan or portfolio to best fit the investor's profile. Client participation and the client's delivery of accurate and complete information are critical to the Advisor's process.

The Advisor may utilize aspects of Fundamental Analysis methods, but focuses on providing uniquely personalized Investment Management Services as outlined in Item 2 of this section. Below is an overview of the Advisor's methodologies:

1. **Fundamental Analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages. Fundamental analysis generally means using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security. For example, an investor can perform fundamental analysis on a bond's value by looking at economic factors, such as interest rates and the overall state of the economy, and information about the bond issuer, such as potential changes in credit ratings. For assessing stocks, this method uses revenues, earnings, future growth, return on equity, profit margins and other data to determine a company's underlying value and potential for future growth. In terms of stocks, fundamental analysis focuses on the financial statements of the company being evaluated.

Very broadly described, this type of analysis involves a method of evaluating a security that entails an attempt to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and company-specific factors (like financial condition and management).

The end goal of performing fundamental analysis is to attempt to produce a value that an investor may use to compare with the security's current price, with the aim of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short).

Fundamental analysis is performed on historical and present data, but with the goal of making financial forecasts. Past performance is never a guaranteed indicator, of course.

**ITEM 8: METHOD OF ANALYSIS, INVESTMENT  
STRATEGIES AND RISK OF LOSS**  
*(Continued)*

There are several possible objectives in Fundamental Analysis:

- To conduct a company stock valuation and to attempt to predict its probable price evolution,
- To make a projection on based on its business performance,
- To evaluate its management and its internal business decisions
- As a tool to try to calculate its credit risk.

**2.** Cole Investment Advisors utilizes many sources of public information to include financial news and research materials. Investment strategies may include long-term and short-term purchases depending upon the individual needs of the client.

The Advisor seeks to take an independent, balanced approach to the management of client investment portfolios. After working with the client to identify both short-term and long-term financial goals, a strategic investment framework can be tailored to address these objectives.

Investment concepts are based upon a variety of sources including internal research, screening software, and publicly available materials. Third-party research is also utilized by the Advisor.

Prospective investments are always considered in relation to the structure of the overall portfolio and purchased only when the Advisor feels such purchase improves the portfolio's overall risk-adjusted expected return potential.

Funds are researched and monitored internally by the Advisor with a process that emphasizes investment philosophy, management quality, and overall expense ratios.

The Advisor normally sells investments when conditions warrant based on the Advisor's analysis rather than in accordance with a preset timetable. Changing conditions in the client's financial life or significant changes in market conditions may warrant a collaborative effort with the client to modify their strategic investment framework, which consequently may also trigger changes to investment holdings within the portfolio.

Clients may choose to make self-directed securities transactions, which are investments that are not reviewed and/or not recommended by the Advisor. In such cases, the Advisor has not passed on the suitability of said investments and while the Advisor may assist with client-directed implementation as a value-added service at the client's request, the Advisor will not generally manage these types of investments unless agreed in writing.

While the Advisor makes every effort to consider tax consequences, the sale of investments may cause taxable gain(s) or loss(es) to the client. Clients are welcome to consult their independent personal tax Advisor about tax consequences resulting from transactions or any particular investment held in their account.



**ITEM 8: METHOD OF ANALYSIS, INVESTMENT  
STRATEGIES AND RISK OF LOSS**  
(Continued)

The Advisor provides individualized Investment Management Services to its clients. The Advisor can provide advisory services for portfolios ranging from conservative to aggressive each designed to meet the varying needs of and within the direction set forth by the investors. The Advisor selects the portfolio best suited to their individual needs after clients have defined their objectives, risk tolerance and time horizons and the selection is approved by the client.

Portfolio additions may be in cash or securities provided that the Advisor reserves the right to liquidate any transferred securities, or decline to accept particular securities into the client's account.

The Advisor may consult with its clients about the options and ramifications of transferring previously purchased securities when provided pre-notification of the client's intentions. In such cases, clients are hereby advised that when transferred and liquidated, these types of securities may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

Clients may withdraw account assets on notice to the Advisor, subject to the usual and customary securities settlement procedures. The Advisor generally designs its client portfolios as long-term investments and assets withdrawals may impair the achievement of a client's investment objectives.

*It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear.*

**B. MATERIAL RISKS INVOLVED**

Cole Investment Advisors takes the general position that investors with diverse portfolios have a better chance of making a profit because it is difficult to accurately predict the movement of the economy.

The Advisor takes the position that no single strategy can be relied upon to outperform the market. As outlined below, Cole Investment Advisors' goal in its analysis is not to time the market.

Cole Investment Advisors generally utilizes long-term trading and short-term trading. Margin transactions may be utilized when the need is determined.

Cole Investment Advisors seeks to utilize investment strategies that are designed to help capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes. Short sales, margin transactions and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

## **ITEM 8: METHOD OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

*(Continued)*

*It is important to understand that investing in securities involves a risk of loss that a client should be prepared to bear.*

### **C. RISKS OF SPECIFIC SECURITIES UTILIZED**

Cole Investment Advisors generally seeks investment strategies that do not involve significant risk or unusual risk beyond that of the general domestic and / or international equity markets.

Investments in individual stocks can be risky. Some risks can be controlled and some risks can be guarded against but no investment strategy can carry guarantees from loss. Certain market risks cannot be controlled, such as market or economic conditions. Certain strategies may be employed to adjust portfolios or the Advisor and client may agree to hold the portfolio's course. Cole Investment Advisors designs portfolio strategies for the long-term, unless otherwise specifically requested in writing.

Cole Investment Advisors does not attempt to time the market.

Investments in mutual funds may bear a risk of investment loss. Clients who invest should also be prepared to bear a loss of investment proceeds.

Thoughtful investment selections that meet a client's stated goals and risk profile may help keep individual stock and bond risks at an acceptable level.

Fixed income investments generally are utilized as a portfolio diversification element as well as for income deriving investments outside of equity exposure.

There are certain risks involved in investing in all types of bonds: Government, Municipal, and Corporate. The following is an overview of the types of risks that one should consider in terms of bond investments:

Interest rate risk; reinvestment risk; inflation risk; mark risk, selection risk, timing risk, and price risk. Additional risks for some government agency, corporate and municipal bonds may include: Legislative risk (a change in the tax code could affect the value of taxable or tax-exempt interest income); Call risk (some corporate, municipal and agency bonds have a "call provision" entitling their issuers to redeem them at a specified price on a date prior to maturity. Declining interest rates may accelerate the redemption of a callable bond, causing an investor's principal to be returned sooner than expected. In that scenario, investors have to reinvest the principal at the lower interest rates.

Additional risks for corporate and municipal bonds may include: Credit risk; default risk; event risk and duration risk.

*Past performance is not a guarantee of future returns. Investing in securities involves A risk of loss that all clients should be prepared to bear.*

## **ITEM 9: DISCIPLINARY INFORMATION**

Cole Investment Advisors has not been involved in any legal or disciplinary events. The Advisor has not been involved in any criminal or civil actions; administrative proceedings before the SEC or any other federal, state or foreign regulatory authority.

Cole Investment Advisors has not been involved in any self-regulatory organization proceedings.

The Advisor's record does not reflect the existence of any data that would be material to a client's or prospective client's evaluation of Cole Investment Advisors or the integrity of its management. Information pertaining to the officer(s) and advisory representative(s) of Cole Investment Advisors are contained on ADV Part 2B which is attached to this section.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **A. REGISTRATION AS A BROKER/DEALER OR BROKER/DEALER REPRESENTATIVE**

Neither Cole Investment Advisors nor its representatives are registered as a broker/dealer or as Representatives of a broker/dealer.

### **B. REGISTRATION AS A FUTURES COMMISSION MERCHANT, COMMODITY POOL OPERATOR OR A COMMODITY TRADING ADVISOR**

Neither Cole Investment Advisors nor its representatives are registered as a FCM, CPO or a CTA.

### **C. REGISTRATION RELATIONSHIPS MATERIAL TO THIS ADVISORY BUSINESS AND CONFLICTS OF INTEREST**

Neither Cole Investment Advisors nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

Cole Investment Advisors does not operate and does not have a material relationship with a hedge fund or other type of private pooled investment vehicle.

**ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES  
AND AFFILIATIONS**  
(Continued)

Cole Investment Advisors does not maintain registration relationships with any of the following:

- broker-dealer, municipal securities dealer, or government securities dealer or broker
- investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
- other investment Advisor or financial planner
- futures commission merchant, commodity pool operator, or commodity trading advisor
- banking or thrift institution
- lawyer or law firm
- insurance company or agency
- pension consultant
- real estate broker or dealer
- sponsor or syndicator of limited partnerships.

Jeffrey Cole, CPA, CFP®, the President and Chief Compliance Officer of Cole Investment Advisors is also President of Cole Gavlas, P.C., a Certified Public Accounting Firm.

As a Certified Public Accountant (“CPA”) of Cole Gavlas, P.C., Jeffrey Cole is at times principally engaged (approximately 90% of his time) in delivery of high quality professional accounting and consulting services to the clients of this CPA firm.

**D. SELECTION OF OTHER ADVISORS OF MANAGERS AND HOW THIS ADVISOR IS COMPENSATED FOR THOSE SELECTIONS**

Cole Investment Advisors does not recommend the services of Independent Managers, Separate Account Managers or Wrap Fee Programs to clients.

**ITEM 11: CODE OF ETHICS, PARTICIPATION OR  
INTEREST IN CLIENT TRANSACTIONS  
AND PERSONAL TRADING**

**A. CODE OF ETHICS**

Cole Investment Advisors takes the issue of regulatory compliance seriously and is committed to maintain compliance with federal and applicable state securities laws. Additionally, Cole Investment Advisors has a position of public trust and it is our goal to maintain that trust; provide excellent service, good investment performance; and advice that is suitable.

## **ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

*(Continued)*

Cole Investment Advisors places great value on ethical conduct. Therefore, the ultimate goal of our internal policies is to challenge our staff to live up not only to the letter of the law, but also to the ideals set forth by the Advisor. Clients may be familiar with the roles fiduciaries play in various legal situations and in certain industries. As a Registered Investment Advisor, Cole Investment Advisors is a fiduciary to each and every client. As fiduciaries, Investment Advisors owe their clients several specific duties. According to the SEC (to which Michigan defers on this topic), an Advisor's fiduciary duties include:

- ❖ Providing advice that is suitable;
- ❖ Providing full disclosure of material facts and potential conflicts of interest (such that the client has complete and honest disclosure in order to make an informed decision about services of the Advisor and about investment recommendations);
- ❖ The utmost and exclusive loyalty and good faith;
- ❖ Best execution of transactions under the available circumstances;
- ❖ The Advisor's reasonable care to avoid ever misleading clients;
- ❖ Only acting in the best interests of clients.

It is Cole Investment Advisors' policy to protect the interests of each of the Advisor's clients and to place the clients' interests first and foremost in each and every situation. Cole Investment Advisors will abide by honest and ethical business practices to include, but is not limited to:

- ❖ The Advisor will not induce trading in a client's account that is excessive in size or frequency in view of the financial resources and character of the account.
- ❖ The Advisor will make investment decisions with reasonable grounds to believe that the decisions are suitable for the client on the basis of information furnished by the customer and we will document suitability.
- ❖ The Advisor and Advisory Representatives will not borrow money from clients.
- ❖ Cole Investment Advisors will not recommend the purchase of a security without the reasonable belief that the security is registered, or the security or transaction is exempt from registration in states where we provide investment advice and based upon information the Advisor receives.
- ❖ The Advisor will not recommend that clients place orders to purchase or sell a security or engage in services through a broker/dealer or agent that

**ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT  
TRANSACTIONS AND PERSONAL TRADING**

*(Continued)*

is not licensed, based upon information available to the Advisor.

- ❖ The Advisor's staff shall report all required personal securities transactions to Jeffrey Cole, the Chief Compliance Officer as required by the State of Michigan. Reportable trades for this Advisor include all but the following exceptions:
  - Transactions effected pursuant to an automatic investment plan;
  - Securities held in accounts over which the access person has no direct or indirect influence or control;
  - Transactions and holdings in direct obligations of the Government of the United States;
  - Money market instruments — bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments;
  - Shares of money market funds;
  - Transactions and holdings in shares of mutual funds are not reportable, since the Advisor does not have a material relationship with an investment company which would otherwise require reporting;
  - Transactions in units of a unit investment trust are not reportable if the unit investment trust is invested exclusively in unaffiliated mutual funds.

All applicable securities rules and regulations will be strictly enforced. Cole Investment Advisors will not permit and has instituted controls against insider trading.

Advisory Representatives and administrative personnel who do not follow the Advisor's Code of Ethics or who in any way violate securities rules and regulations, or who fail to report known or suspected violations will be disciplined or terminated, depending upon severity. Such persons could also face action by the SEC and/or state securities regulators.

Clients are welcome to request a copy of the Advisor's Code of Ethics by contacting the Advisor's office.

The Advisor emphasizes the unrestricted right of clients to decline to implement any advice rendered, in whole or part. Where the Advisor is granted discretionary authority of the client's accounts, clients are welcome to set investment parameters and/or limitations in writing and such direction is followed until such time the client's instructions are amended in writing.

**ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT  
TRANSACTIONS AND PERSONAL TRADING**

*(Continued)*

**B. RECOMMENDATIONS INVOLVING MATERIAL FINANCIAL INTERESTS**

Cole Investment Advisors does not recommend that clients buy or sell any security in which any of Cole Investment Advisors' related persons have a material financial interest.

**C. INVESTING PERSONAL MONIES IN THE SAME SECURITIES AS CLIENTS**

Cole Investment Advisors and/or individuals associated with Cole Investment Advisors may have similar investment goals and objectives and as a result may buy or sell securities for their personal accounts that may be identical to or different from those recommended to clients. Thus, at times the interests of the Advisor's or staff members' accounts may coincide with the interests of clients' accounts. However, at no time will the Advisor or any related person receive an added benefit or advantage over clients with respect to these transactions nor will the Advisor nor its associated persons will not place itself in a position to have added benefit as a result of advice given to clients.

**D. TRADING SECURITIES AT/AROUND THE SAME TIME AS CLIENTS'  
SECURITIES**

Cole Investment Advisors its Advisory Representatives acknowledges the Advisor's fiduciary responsibility to place the investment needs of clients ahead of the Advisor and its staff. The interests of clients are held in the highest regard. At no time will the Advisor or any related person receive an added benefit or advantage over clients with respect to these transactions. The Advisor and its associated persons will not place itself in a position to have added benefit as a result of advice given to clients.

The staff of Cole Investment Advisors shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry.

The Advisor has established trading policies for its access persons. Jeffrey Cole, the Chief Compliance Officer of Cole Investment Advisors, is responsible for the monitoring of personal trading conducted by staff.

## ITEM 12: BROKERAGE PRACTICES

### A. FACTORS USED TO SELECT CUSTODIANS AND/OR BROKER/DEALERS

Consultation clients can use any brokerage firm of their choice to implement any desired transactions, in whole or in part, at their discretion.

The Advisor recommends Charles Schwab & Co., Inc., ("*Charles Schwab & Co.*") and Fidelity Brokerage Services, ("*Fidelity*"). The Advisor is enrolled in the Fidelity and Charles Schwab & Co. Institutional programs which provide custodial and account services to independent registered investment advisers.

Cole Investment Advisors is independently owned and operated and has no affiliation with either of the recommended custodial firms.

The Advisory Representatives of Cole Investment Advisors are not registered representatives of any broker/dealer firm.

Factors which the Advisor considers in recommending *Fidelity*, *Charles Schwab & Co.* or any other broker-dealer, to clients include their respective financial strength, reputation, execution, pricing, research, and service. *Fidelity* and *Charles Schwab & Co.* enables the Advisor to obtain many cost effective mutual funds as well as other securities at reasonable transaction charges. The commissions and/or transaction fees charged by *Fidelity* and *Charles Schwab & Co.* may be higher or lower than those charged by other broker-dealers.

The Advisor takes the position that excellent customer service and trade execution available through its preferred service providers is superior to most non-service oriented and internet-based brokers that may otherwise be available to the general public. The Advisor's recommended service providers feature broad lines of products and services that may be suitable to many types of investors with varying investable assets. *Fidelity* and *Charles Schwab & Co.* serve the needs of a great number of independent advisors nationwide.

In addition to the above information, Cole Investment Advisors recognizes its duty to obtain best price and execution for its clients under the circumstances available. The decision to recommend the preferred service provider is also based upon the overall services provided to investors and the services available to the Advisor and providing such recommendation is consistent with the Advisor's fiduciary duty to the client. The Advisor also considers its experience with the service provider, the provider's reputation, and the quality of execution services and costs. Cole Investment Advisors clients should also evaluate these service providers before opening an account. While it is possible that clients may pay higher commissions or transaction fees through its preferred service provider, the Advisor has determined it currently offers the best overall value to the Advisor and clients for the brokerage and technology provided. The Advisor shall periodically and systematically review its policies and procedures regarding recommending broker-dealers to its client in light of its duty to obtain best execution.



## ITEM 12: BROKERAGE PRACTICES

(Continued)

Cole Investment Advisors periodically reviews other alternatives that are available to the Advisor market. However, Cole Investment Advisors believes that excellent customer service and trade execution is superior to most non-service oriented, deep-discount and internet/web based brokers that may otherwise be available to the public.

Fidelity and Charles Schwab & Co. feature a broad line of products and services that are available to every investor, regardless of the amount of investable assets. Both firms carefully monitor trade execution and are large and sophisticated order senders.

Advisory clients should also evaluate service providers before opening an account since they are welcome to select their preferred firm. While it is possible that clients may pay higher commissions or transaction fees through its preferred service provider, the Advisor has determined it currently offers the best overall value to the Advisor and clients for the brokerage, service, and technology provided.

### 1. RESEARCH AND OTHER SOFT DOLLAR BENEFITS

Cole Investment Advisors receives no research, product or service other than execution from a broker/dealer or third-party in connection with client securities transactions. The Advisor does not receive any "soft dollar" benefits.

The Advisor participates in the Fidelity and Charles Schwab & Co.'s institutional programs for independent Investment Advisors. While there is no direct linkage between the investment advice given and the participation in a custodial firm's institutional program, economic benefits are received which would not be otherwise, if the Advisor did not give advice to clients.

Cole Investment Advisors may receive certain added benefits for utilizing the recommended custodian such as research, the ability to deduct advisory fees from clients' custodial accounts, discounts on periodicals or materials, complimentary business and compliance newsletters, and various other non-cash services. Any general research received is used for the benefit of all clients. The value of products, research and services given if any, is negligible and not a material factor. The Advisor has no written or verbal arrangements whereby it receives soft dollars.

The Advisor may also receive from its preferred custodial firms (*Fidelity* and *Charles Schwab & Co.*), without cost to the Advisor, computer software and related systems support, which allow the Advisor to better monitor client accounts maintained at *Fidelity* and *Charles Schwab & Co.*. The Advisor may receive the software and related support without cost because the Advisor renders investment management services to clients that maintain assets at *Fidelity* and *Charles Schwab & Co.* The software and related systems support may benefit the Advisor, but not its clients directly. Receipt of business-related support and business services or other items may influence the Advisor's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

## **ITEM 12: BROKERAGE PRACTICES**

*(Continued)*

The Advisor and its Advisory Representative may receive occasional business offers of travel, meals and lodging when evaluating and performing due diligence on investment and mutual fund managers. The Chief Compliance Officer monitors all gifts and other considerations. The Advisor will not permit the acceptance of any entertainment related events including, but not limited to, sporting events, concerts, or shows.

In fulfilling its duties to its clients, the Advisor endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the Advisor's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence the Advisor's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. Additionally, the Advisor may receive the following benefits from *Fidelity* and *Charles Schwab & Co.*: Receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Advisor program participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

Fidelity and Charles Schwab & Co. generally does not charge its advisor clients 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 the service provider or that settle into the service provider's accounts (i.e., transactions fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity and Charles Schwab & Co. provide access to many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges.

### **2. BROKERAGE FOR CLIENT REFERRALS**

Cole Investment Advisors receives no referrals from a broker/dealer or third party in exchange for using that broker/dealer or third party.

### **3. CLIENTS DIRECTING WHICH BROKER/DEALER/CUSTODIAN TO USE**

Financial Planning and Consultation clients are welcome to utilize any service provider they may choose and are welcome to implement any advice or recommendations in whole or in part.

Clients are welcome to utilize the service provider of their choice, and in such cases, will direct the Advisor to use their firm of choice (via written direction). If the client requests the Advisor to arrange for the execution of securities brokerage transactions for the client's account, the Advisor shall direct such transactions through their selected broker-dealer until alternative directions are provided in writing.

## **ITEM 12: BROKERAGE PRACTICES**

*(Continued)*

As disclosed in the Advisor's Client Agreement, the Advisor cannot guarantee best execution of transactions in these cases, due to limitations that may be imposed by the client's service provider either on the Advisor or in connection with transactions.

In such cases, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Advisor will not seek better execution services or prices from other broker-dealers or be able to "batch" client transactions for execution through other broker-dealers with orders for other accounts managed by the Advisor (as described below). As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, the Advisor may decline a client's request to direct brokerage if, in the Advisor's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

### **B. AGGREGATION (BLOCK) TRADING FOR MULTIPLE CLIENT ACCOUNTS**

Transactions for each client generally will be effected independently, unless the Advisor decides to purchase or sell the same securities for several clients at approximately the same time. The Advisor may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among the Advisor's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Due to the individualized nature of services, however, large orders of securities are not always consistent with the nature of the Advisor's services. Aggregation is undertaken in firms processing large orders of securities in order to realize more effective trade execution and the cost efficiencies that come from executing larger order sizes. In each case, the Advisor strives to allocate investment opportunities or trades among its clients in a manner that is fair and equitable and based upon the client investment objectives.

Normally, under this procedure, transactions will generally be averaged as to price and allocated according to the Advisor's standard allocation procedure. This procedure considers the circumstances of each trade and always strives for fairness and cost-effectiveness to the client. In most cases when the Advisor executes only a partial fill of a targeted buy order, allocations will prioritize complete fills for clients with the most available cash as a percentage of portfolio assets. Likewise, when the Advisor executes only a partial fill of a targeted sell order, allocations will prioritize complete fills for clients with the least available cash as a percent of portfolio assets. To the extent that the Advisor determines to aggregate client orders for the purchase or sale of securities, including securities in which the Advisor's Advisory Representatives may invest, the Advisor shall normally do so in accordance with applicable rules promulgated under the SEC's Investment Advisors Act and no-action guidance provided by the staff of the SEC. An allocation statement will be prepared and any special circumstances or conditions will be outlined in connection with each event. The Advisor shall not receive any additional compensation or remuneration as a result of the aggregation.

## ITEM 12: BROKERAGE PRACTICES

*(Continued)*

Certain issues may impact the Advisor's allocation under the particular circumstances and in such cases, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

The Advisor receives no additional benefit as a result of the proposed aggregation.

**Trade error policy:** The Advisor requires its personnel to carefully implement investment decisions. Nevertheless, if a trade error occurs, it is the Advisor's policy to correct the error as soon as possible and in such a manner that the affected client is not disadvantaged and bears no loss. The Advisor utilizes a trade-error account at Fidelity and Charles Schwab & Co., as needed, to process trade error reimbursements.

If an investment gain results from the correcting trade, the gain will remain in your account unless the same error involved other client account(s) that should have received the gain, it is not permissible for you to retain the gain, or we confer with you and decide to forego the gain (e.g., due to tax reasons). If the gain does not remain in your account and Charles Schwab & Co. is the custodian, this custodian will donate the amount over \$100 to charity in accordance with their then-current internal policy.

If a loss occurs greater than \$100, Cole Investment Advisors will pay for the loss. Charles Schwab & Co. will maintain the loss or gain (if such gain is not retained in your account) if it is under \$100 to minimize and offset its administrative time and expense. Generally, if related trade errors result in both gains and losses in your account, they may be netted.

**Trading Away from the Custodian:** Clients may incur transaction costs in addition to any commissions charged by the broker-dealer when securities traded over-the-counter are effected on their behalf through the broker-dealer on an agency basis. Broker custody of client assets may limit or eliminate the Advisor's ability to obtain best price and execution of transactions in over-the counter securities. with their then current internal policy.

## ITEM 13: REVIEW OF ACCOUNTS

### A. FREQUENCY AND NATURE OF PERIODIC REVIEWS AND WHO CONDUCTS THE REVIEWS

**Investment Management Services** involve continuous and ongoing services to include frequent monitoring and internal review of portfolio assets on a quarterly, monthly, or perhaps a more frequent basis. The frequency of and processes for the internal portfolio reviews are dependent upon the nature and complexity of the portfolio and at the discretion of the Advisor. Reviews may also occur at the time of significant deposits or withdrawals. Reviews generally entail analyzing securities, sensitivity to various markets, investment results and other factors. The Advisor may also review a portfolio if the client's asset allocation deviates over the target acceptable limits, at which time portfolio action is considered.

Individual reviews (with clients) are conducted as requested by the client, at the Advisor's discretion, or according to the interval agreed upon in the Client Agreement. The timing of reviews conducted with clients are guided by the client's stated objectives or at the Advisor's discretion, however, the Advisor prefers clients initiate meetings at least annually. *In addition, clients are obligated to contact the Advisor when there exists a real or potential change in the clients' financial condition. This prompt notification gives the Advisor the opportunity to review the clients' new information and as a result the Advisor and client can help ensure the investment strategies continue to be appropriate based on client's data and stated objectives.*

The Advisor is available to provide **Financial Planning and Consultation Services** on an hourly or project basis. These services are not ongoing in nature and terminate upon the conclusion of services unless otherwise outlined in the Client Agreement. While the advice provided may include a recommendation for reviews or meetings at a later date, the client is welcome but never obligated to engage the Advisor for additional and/or future services.

In such cases, additional or follow-up services can be conducted via a new or amended agreement.

### B. REVIEWERS

Reviews are conducted by Jeffrey Cole, CFP®, the President and Chief Compliance Officer of the Advisor.

### C. FACTORS THAT WILL TRIGGER NON-PERIODIC REVIEWS OF CLIENT ACCOUNTS

The timing of Internal portfolio reviews may also be guided by the underlying assets of the portfolio, individual circumstances as reasonably known by the Advisor, market conditions and the request of the client.

## **ITEM 13: REVIEW OF ACCOUNTS**

*(Continued)*

Reviews may also be triggered by material market, economic or political events. As noted in Item B above, reviews may also be triggered by reported changes in the client's financial situation (which may include but are not limited to: Termination of employment, physical relocation, inheritance or retirement).

### **D. CONTENT AND FREQUENCY OF REGULAR REPORTS PROVIDED TO CLIENTS**

Clients can expect to receive confirmation statements from all transactions and a monthly/quarterly statement, directly from their custodial firm. The custodian's quarterly reports detail account value, net change, portfolio holdings, and all account activity. The Advisor may prepare additional portfolio data or post meeting communications at the Advisor's discretion.

## **ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION**

### **A. ECONOMIC BENEFITS PROVIDED BY THIRD PARTIES FOR ADVICE RENDERED TO CLIENTS (INCLUDES SALES AWARDS OR OTHER PRIZES)**

Cole Investment Advisors does not receive any economic benefit, directly or indirectly from any third party in connection with advice rendered to Cole Investment Advisors clients other than the general business-related benefits from custodial firms as outlined in Item 12 of this Brochure.

### **B. COMPENSATION TO NON-ADVISORY PERSONNEL FOR CLIENT REFERRALS**

Cole Investment Advisors does not directly or indirectly compensate any person who is not part of Cole Investment Advisors' advisory personnel for client referrals.

## **ITEM 15: CUSTODY**

Cole Investment Advisors does not take custody of client accounts (funds or securities) at any time. Custody of clients' accounts is held at Fidelity or Charles Schwab & Co., Members FINRA/SIPC, or the client's selected custodial firm. Clients will receive regular and customary account statements from the custodian and should carefully review those statements.

In all cases, clients have a direct and beneficial interest in their securities (individual ownership), rather than an undivided interest in a pool of securities. Execution of

**ITEM 15: CUSTODY**  
(Continued)

transactions and custody of client funds and securities are services provided by the client's selected brokerage/custodial services provider(s).

The Advisor will only have access to custodial accounts in order to implement trades via written authorization and to deduct investment advisory fees and only with the appropriate client authorization. In each instance where fee deduction occurs, it is important that clients receive custodial statements directly. If clients find that statements are not being received directly, they must promptly contact Cole Investment Advisors and their custodial firm.

**ITEM 16: INVESTMENT DISCRETION**

Clients engaging the Advisor for Investment Management Services have the ability to leave standing instructions with the Advisor to refrain from investing in particular industries, invest in limited amounts of securities and to re-balance portfolios (also termed as "limited discretion").

With the client's authorization as provided in the custodial account forms and the Advisor's Client Agreement, Cole Investment Advisors will maintain limited discretionary trading authority to execute securities transactions in the investor's portfolio within investor's designated investment objectives, to include the securities to be bought and sold, and the amount of securities to be bought and sold. Cole Investment Advisors will never have full power of attorney nor will the Advisor ever have authority to withdraw funds or to take custody of investor funds or securities other than the ability to deduct advisory fees via investor's qualified custodian and only with client authorization.

The Advisor also may render non-discretionary investment management services to its clients relative to: (1) variable life/annuity products that they may own, and/or (2) their individual accounts held through employer-sponsored retirement plans. In so doing, the Advisor either directs or recommends the allocation of client assets among the various mutual fund subdivisions that comprise the variable life/annuity product or the retirement plan. The client assets shall be maintained at either the specific insurance company that issued the variable life/annuity product which is owned by the client, or at the custodian designated by the sponsor of the client's retirement plan. Investments and service providers relative to Plan offerings are limited to only those available through the respective Plans and are determined by the Plan Sponsor(s).

**ITEM 17: VOTING CLIENT SECURITIES (PROXIES)**

Clients retain the authority to vote proxies. The Advisor requests that investors ensure that proxy ballots are mailed directly to each investor or an authorized third party. The Advisor will not take action with respect to any securities or other investments that become the subject of any legal proceedings, including bankruptcies.

## **ITEM 18: FINANCIAL INFORMATION**

### **A. BALANCE SHEET**

Cole Investment Advisors does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance of services and therefore is not required to include a balance sheet with this brochure.

### **B. FINANCIAL CONDITIONS REASONABLY LIKELY TO IMPAIR THE ADVISOR'S ABILITY TO MEET CONTRACTUAL COMMITMENTS TO CLIENTS**

Neither Cole Investment Advisors nor its management have any financial conditions that are likely to reasonably impair the Advisor's ability to meet contractual commitments to clients.

### **C. BANKRUPTCY PETITIONS IN PREVIOUS TEN YEARS**

Cole Investment Advisors has never been party to or the subject of a bankruptcy petition.

## **ITEM 19: ADDITIONAL INFORMATION FOR STATE REGULATED ADVISERS**

For information about Cole Investment Advisors' President and Chief Compliance Officer, please refer to ADV 2, Part B which accompanies this Brochure.

Angela ("Angie") Immekus is the firm's Corporate Secretary but does not hold an ownership position. Ms. Immekus is the Advisor's administrative professional and does not engage in investment advisory services.

Cole Investment Advisors is solely engaged in the business of providing investment and financial advisory services. Jeffrey Cole, CPA, the President and Chief Compliance Officer of the Advisor is otherwise engaged in the delivery of tax preparation, bookkeeping and business advisory services through an affiliated entity, Cole Gavlas, P.C. Mr. Cole is a Partner of the firm and a Certified Public Accountant ("CPA"). Cole Gavlas, P.C. is located in the same business location as Cole Investment Advisors.

Mr. Cole acts as a registered agent in Michigan for certain unaffiliated business entities but he is not involved in the day-to-day operations of those entities nor does he hold an ownership position in those firms.



**ITEM 19: ADDITIONAL INFORMATION FOR STATE REGULATED ADVISERS**  
(Continued)

Cole Investment Advisors and its Advisory Representatives do not accept performance-based fees in connection with its advisory services.

Cole Investment Advisors is a fee-only Advisor. The Advisor and its Advisory Representatives do not accept commissions for securities or insurance recommendations.

The Advisor and its Advisory Representatives do not have any relationship or arrangement with any issuers of securities.

Cole Investment Advisors and its Advisory Representatives have not been involved in any arbitration claims or any civil, regulatory or self-regulatory proceedings. The Advisor and its Advisory Representatives have not had a registration or license suspended or revoked.

**ADDITIONAL INFORMATION:  
PRIVACY POLICY**

As a state regulated Registered Investment Advisor, Cole Investment Advisors is covered under the definition of a “financial institution” in the Federal Gramm-Leach-Bliley Act (the “Act”). The Advisor is therefore subject to Act as well as the rules of privacy imposed on Investment Advisors and other financial services firms. The Advisor is also subject to the Privacy Rules established by the State of Michigan.

Privacy of nonpublic personal information is an issue that the staff of Cole Investment Advisors takes seriously.

To maintain compliance with Privacy Rules, every broker, dealer, investment company and investment Advisor is required to adopt policies and procedures reasonably designed to safeguard customer and consumer records and information. Cole Investment Advisors has adopted a Privacy Policy to protect clients and consumers.

In its role as Investment Advisor, Cole Investment Advisors routinely collects nonpublic personal information from clients and prospective clients. This information generally will include but is not limited to:

- Information provided from applications, forms and other information provided to us either verbally or in writing, and include but are not limited to your name, address, phone number, account information, social security number, assets, employment, income and debt;
- Information about your transactions, accounts, trading activity and parties to transactions; health and beneficiary information (such as may pertain to investment planning issues);

## PRIVACY POLICY

*(Continued)*

- Information from other outside sources;
- Any other data that is deemed to be nonpublic personal information as defined by the Act and state privacy rules.

Cole Investment Advisors values our clients' trust and confidence. We will never sell the nonpublic personal information we obtain from consumers or clients.

All information provided by clients or prospective clients to Cole Investment Advisors, (including the Advisor's personnel), and information and advice furnished by the Advisor to clients, shall be treated as confidential and shall not be disclosed to unaffiliated third parties, except as directed by clients with written authorization, by application to facilitate the investment advisory services offered by the Advisor via an affiliated or unaffiliated financial services provider (such as the client's custodial firm or broker/dealer), or as required by any rule, regulation or law to which the Advisor or its staff may be subject.

Cole Investment Advisors maintains clients records in a controlled environment and records (electronic and otherwise) are only available to authorized persons of the Advisor who have a need to access client information in order to deliver advisory services, provide administrative support, or to respond to client requests. The Advisor has made reasonable efforts and conducts periodic tests to ensure that its electronic network is hack-proof.

Cole Investment Advisors' position on protecting non-public personal information extends beyond the life of the Advisory Agreement. Client information is retained in a protected manner for the time period required by regulators (five years from the data of last use) and thereafter is safely destroyed via in-house shredding or a contracted secure shredding service.

Consumers (who are not clients) who provide information during an initial consultation or for other purposes but do not go on to become clients of the Advisor also receive privacy protection. Original information will be promptly returned in person or via the mail if the Adviser's services are not engaged. Alternatively, if nonpublic personal information is contained in copies of documents, notes or some other media, this information will be securely filed for a period of up to one year (depending upon likelihood of engagement) before being shredded in-house or via our secure shredding service.

Clients are encouraged to discuss any questions regarding Cole Investment Advisors' privacy policies and procedures with Jeffrey Cole, CPA, CFP®, President and Chief Compliance Officer.

# **COLE INVESTMENT ADVISORS, INC.**

## **FORM ADV PART 2B INDIVIDUAL DISCLOSURE BROCHURE**

*for*

**JEFFREY S. COLE, CPA, CFP®  
PRESIDENT AND CHIEF COMPLIANCE OFFICER**

*This brochure provides information about Jeffrey S. Cole CPA, CFP® and supplements the Cole Investment Advisors, Inc. ("Cole Investment Advisors") ADV Part 2A Brochure. Please contact the office of Cole Investment Advisors via the contact information listed below if you did not receive Cole Investment Advisors' ADV Part 2A Brochure or if you have any questions about the contents of this supplement.*

*The information in this Brochure has not been approved or verified by the State of Michigan's Office of Financial and Insurance Regulation or the United States Securities and Exchange Commission ("SEC"). Registration does not imply a certain level of skill or training. Additional information about Cole Investment Advisors and Jeffrey Cole, CFP® is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).*

*Jeffrey Cole's CRD number is: 4621290*

**2401 West Centre Avenue  
Portage, MI 49024  
(269)329-6600  
[coleadvisors@gmail.com](mailto:coleadvisors@gmail.com)**

Version Date 6/13/2012

## ITEM 2: EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

**JEFFREY S. COLE, CPA, CFP®**  
**PRESIDENT AND CHIEF COMPLIANCE OFFICER**

Year of Birth: 1959

***Designations, Licensing and Examinations:***

State of Michigan- CPA Certificate conferred 1983

CFP® (Certified Financial Planner™) 7/88

CVA (Certified Valuation Analyst) 11/95 – *inactive*

Series 65 (Investment Advisor Law Exam) 2001

***Post Secondary Education:***

Michigan State University

East Lansing, MI

BA/Accounting 1981

***Business:***

Cole Investment Advisors, Inc.

Portage, MI

President and Chief Compliance Officer

Registered Investment Advisor 5/99 – Present

Cole Gavlas, P.C. (*formerly Cole & Company, P.C.*)

Portage, MI

President, CPA

CPA Firm 1/94 - Present

AZO Properties, L.L.C.

Portage, MI

Member

Private Real Estate Investment 11/2003 – Present

Avenue West Group, L.L.C.

Portage, MI

Member

Private Real Estate Rental 10/1997 – 12/2010

Sideo Investments, LLC

Portage, MI

Member

Private Debt Service 10/2003 – 12/2010 (*one-time project; non-investment related*)

### **ITEM 3: DISCIPLINARY INFORMATION**

Jeffrey Cole has no record of legal or disciplinary events. His registration records contain no information that would be material to a client's or prospective client's evaluation of Mr. Cole or the integrity of his practice. Mr. Cole has not been involved in any issues involving criminal or civil actions; administrative proceedings before the SEC or any other federal, state or foreign regulatory authorities. Mr. Cole has also not been involved in any self-regulatory organization proceedings and has never had a license or registration revoked or suspended.

Disclosure background on Advisory Representative can be located via the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **ITEM 4: OTHER BUSINESS ACTIVITIES**

### **ITEM 5: ADDITIONAL COMPENSATION**

Other than salary, Jeffrey Cole does not receive any economic benefit from any person, company or organization, either directly or indirectly, in exchange for providing clients with advisory services through Cole Investment Advisors.

Jeffrey Cole also maintains ownership in a non-investment related business, Cole Gavlas Holdings, LLC. This outside business activity requires a minimal amount of time and rarely during market hours. Clients of the Advisor are never invited to engage in any investment in this private business.

Jeffrey Cole, CPA, CFP®, the President and Chief Compliance Officer of Cole Investment Advisors is also President of Cole Gavlas, P.C., a Certified Public Accounting Firm. As a Certified Public Accountant ("CPA") of Cole Gavlas, P.C., Jeffrey Cole is at times principally engaged (approximately 90% of his time) in delivery of high quality professional accounting and consulting services to the clients of this CPA firm. The time spent on these activities otherwise will vary throughout the year.

From time to time, Jeffrey Cole, CPA, CFP®, may agree to act as a Registered Agent in the State of Michigan for various unaffiliated entities. In such cases, Mr. Cole is not involved in the day-to-day business operations of these entities and he does not have any ownership role. These business services do not involve any time during market hours.

### **ITEM 6: SUPERVISION**

As President and Chief Compliance Officer of Cole Investment Advisors, Jeffrey Cole maintains a vested interest in the firm's internal compliance and risk management program. Mr. Cole is in charge of supervising the day-to-day activities of the Advisor and its personnel.

**JEFFREY S. COLE**

*(Continued)*

The Adviser maintains regularly updated written policies and procedures and conducts internal compliance and risk management reviews. The Adviser's supervisory system establishes clear lines of authority, accountability and responsibility. The Adviser takes the issue of compliance and risk management seriously. Mr. Cole is responsible for the monitoring of the Adviser's business.

Clients are welcome to contact the Chief Compliance Officer with questions or concerns in connection with the Adviser's services, staff monitoring or the Adviser's internal compliance program. Mr. Cole's contact information is listed on the cover page of ADV Part 2A and ADV 2B.

**ITEM 7: ADDITIONAL INFORMATION**

Cole Investment Advisors and its Officers have never been the subject of an arbitration claim and none of the parties have been involved in any investment-related proceedings. As noted in Item 3 of this Brochure, Jeffrey Cole has never been the subject of a bankruptcy petition.

*(Please see the continuation page for information about staff designations)*

## **COLE INVESTMENT ADVISORS, INC. FORM ADV PART 2B**

### **SUPPLEMENTAL INFORMATION REGARDING PROFESSIONAL AND FINANCIAL DESIGNATIONS HELD BY COLE INVESTMENT ADVISORS' REGISTERED PERSONNEL**

#### **INFORMATION ABOUT THE CPA LICENSE**

The requirements to obtain a Certified Public Accountant (CPA) license vary by state. CPAs are licensed by the state board of accountancy. Applicants must meet educational and experience requirements as well as pass the required uniform examination. Additionally, licensees must comply with continuing professional education requirements. Additional information about licensing requirements and the Advisor's outside business activities as a CPA, please contact Jeffrey Cole, CPA, CFP® or visit the State of Michigan's web site (Michigan.gov)'s Department of Energy, Labor & Economic Growth (Licensing).

All American Institute of Certified Public Accountants (AICPA) members are required to follow a rigorous *Code of Professional Conduct* which requires that they act with integrity, objectivity, due care, competence, fully disclose any conflicts of interest (and obtain client consent if a conflict exists), maintain client confidentiality, disclose to the client any commission or referral fees, and serve the public interest when providing financial services. The vast majority of state boards of accountancy have adopted the AICPA's *Code of Professional Conduct* within their state accountancy laws or have created their own.

#### **INFORMATION ABOUT THE CFP® DESIGNATION**

The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold the certification. It is recognized in the United States (U.S.) and a number of other countries for its:

- 1) high standard of professional education;
- 2) stringent code of conduct and standards of practice; and
- 3) ethical requirements that govern professional engagements with clients.

To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- ❖ Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor' Degree from a regionally accredited

**JEFFREY S. COLE**

(Continued)

U.S. college or university (or its equivalent from a foreign university).

- ❖ CFP Board's financial planning subject areas include insurance planning and risk management, employee benefits planning, investment planning, income tax planning, retirement planning, and estate planning;
- ❖ Examination – Pass the comprehensive CFP® Certification Examination. The examination, administered in 10 hours over a two-day period, includes case studies and client scenarios designed to test one's ability to correctly diagnose financial planning issues and apply one's knowledge of financial planning to real world circumstances;
- ❖ Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- ❖ Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- ❖ Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- ❖ Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The Standards prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

Note: The Certified Financial Planner™, CFP® and federally registered CFP (with flame design) marks (collectively, the "CFP® marks") are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board").