

Comprehensive Financial Consultants Institutional, Inc.

**674 S. College Avenue
Bloomington, IN 47403**

**Telephone: (812) 334-3190
Toll Free: (800) 893-3958**

Website: www.cfcinc.com

3-3-2012

FORM ADV PART 2A

BROCHURE

This brochure provides information about the qualifications and business practices of Comprehensive Financial Consultants Institutional, Inc. If you have any questions about the contents of this brochure, please contact us at (812) 334-3190. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Comprehensive Financial Consultants Institutional, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Comprehensive Financial Consultants Institutional, Inc. is 128257.

Comprehensive Financial Consultants Institutional, Inc. is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Item 2 Material Changes

Form ADV Part 2 requires registered investment advisers to amend their brochure when information becomes materially inaccurate. If there are any material changes to an adviser's disclosure brochure, the adviser is required to notify you and provide you with a description of the material changes.

Generally, Comprehensive Financial Consultants Institutional, Inc will notify clients of material changes on an annual basis. However, where we determine that an interim notification is either meaningful or required, we will notify our clients promptly. In either case, we will notify our clients in a separate document.

Item 3 Table of Contents

Item 1 Cover Page	Page 1
Item 2 Material Changes	Page 2
Item 3 Table of Contents	Page 3
Item 4 Advisory Business	Page 4
Item 5 Fees and Compensation	Page 8
Item 6 Performance-Based Fees and Side-By-Side Management	Page 9
Item 7 Types of Clients	Page 9
Item 8 Methods of Analysis, Investment Strategies and Risk of Loss	Page 9
Item 9 Disciplinary Information	Page 11
Item 10 Other Financial Industry Activities and Affiliations	Page 11
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	Page 12
Item 12 Brokerage Practices	Page 13
Item 13 Review of Accounts	Page 15
Item 14 Client Referrals and Other Compensation	Page 16
Item 15 Custody	Page 16
Item 16 Investment Discretion	Page 17
Item 17 Voting Client Securities	Page 17
Item 18 Financial Information	Page 17
Item 19 State Registered Investment Adviser Requirements	Page 17
Item 20 Additional Information	Page 17

Item 4 Advisory Business

Comprehensive Financial Consultants Institutional, Inc. is a registered investment adviser based in Bloomington, Indiana. We are organized as a subchapter S-corporation under the laws of the State of Indiana. We have been providing investment advisory services since 2003. David K. Hays, President, and Eric Q. Giesler, Secretary and Chief Compliance Officer, are our principal owners. Other owners of the firm include: Daniel L. Hays, Treasurer, and Rodney L. Holloway.

As used in this brochure, the words "we", "our" and "us" refer to Comprehensive Financial Consultants Institutional, Inc. and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and all individuals providing investment advice on behalf of our firm.

Our advisory services include: discretionary and non-discretionary portfolio management services on a continuous basis, financial planning and consulting, and recommendation of independent advisers. The process typically begins with an introduction meeting during which the various services we provide are explained. During or after the initial meeting, if you decide to engage us for investment advisory services, we will collect pertinent information about your personal and financial circumstances and objectives. As required, we will conduct follow-up interviews for the purpose of reviewing and/or collecting additional financial data. As part of the process we may complete a risk assessment, investment policy statement or similar document. Prior to proceeding, we will work with you to determine the scope of the services to be provided. Investment advisory services begin only after we formalize the relationship by executing an agreement for services.

The following paragraphs describe our services and fees. Please refer to the description of each investment advisory service listed below for information on how we tailor our advisory services to your individual needs.

Portfolio Management Services

We provide discretionary and non-discretionary portfolio management services in accordance with your individual investment objectives. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. This authorization includes deciding which securities to buy and sell, when to buy and sell, in what amounts, and the broker or dealer to be used, in accordance with your investment program, without obtaining your prior consent or approval for each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, and/or trading authorization forms. You may limit our discretionary authority (for example, limiting the types of securities that can be purchased for your account) by providing our firm with your restrictions and guidelines in writing.

If you enter into non-discretionary arrangements with our firm, we must obtain your approval prior to executing any transactions on behalf of your account. You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis. Non-discretionary services are provided relative to: your individual employer-sponsored retirement plans or for any other types of investments. Retirement plan assets are maintained 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). You are welcome to retain authority to implement recommendations in whole or in part.

Clients engaging investment advisory services must play an active role. We require your direct participation in the formation of the investment plan, investment advice and recommendations. During the course of the engagement, you may call our office to discuss your portfolio or ask

questions at any time. In all cases, we recommend that you initiate a meeting with us no less frequently than annually. You must promptly notify our firm if your financial situation, goals, objectives, or needs change.

You may choose to make self-directed securities transactions which are investments that are not reviewed and/or not recommended by us. In such cases, we have not passed on the suitability of the investments and while we may assist you with client-directed implementation as a value-added service at your request, we will not manage these types of investments unless agreed upon in writing.

In all cases, you have a direct and beneficial interest in your securities (individual ownership), rather than an undivided interest in a pool of securities. Your funds and securities will be held at your selected custodial services provider(s). We do not and will not have custody of your funds or securities. We will only have access to custodial accounts in order to deduct investment advisory fees and only with your written authorization.

Our annual advisory fee is billed and payable quarterly in arrears based on the value of your account on the last day of the quarter. The Market Value is determined by the custodial firm. If the portfolio management agreement is executed at any time other than the first day of a calendar quarter, our fees will apply on a pro rata basis, which means that the advisory fee is payable in proportion to the number of days in the quarter for which you are a client. Our advisory fee is negotiable, depending on individual client circumstances, and is based on the following fee schedule:

Portfolio Size	Annual Fee*
Up to \$99,999	1.80%
\$100,000 to \$249,000	1.55%
\$250,000 to \$999,999	1.50%
\$1,000,000 to \$5,000,000	1.40%
Over \$5,000,000	Negotiable

*Related accounts may be aggregated for fee calculations.

During the first year of service, we will allocate \$500.00 of your first quarter's fee for "start-up" expenses related to establishing a new account(s); this portion of the fee is non-refundable. The remainder of the fee shall be apportioned on a pro rata basis to the advisory services rendered throughout the year. Since start-up expenses are only incurred during the first year of the advisory relationship, fees paid in subsequent years will be charged for the rendering of investment advice only.

We will send you an invoice for the payment of our advisory fee, or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when you have given our firm written authorization permitting the fees to be paid directly from your account. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. We will also receive a duplicate copy of your account statements.

We encourage you to reconcile our invoices with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian, please call our main office number located on the cover page of this brochure.

During an ongoing engagement, the scope of the services desired or complexity of your financial situation may change, which may result in an increase of our advisory fee. We will only adjust our fees after providing you with a 30-day pre-notification. Should you decide not to accept the fee adjustment, you may terminate our services at any time thereafter.

We may adjust our fee schedule on 30-days prior written notice. Therefore, arrangements with existing clients may differ from the fees published above. In all cases, applicable fees and fee paying arrangements will be clearly set forth in the executed agreement for services.

Either party may terminate the portfolio management agreement upon 30-days' written notice to the other party. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days in the quarter for which you are a client. Refunds are not applicable as fees are payable in arrears.

Selection of Other Advisers

As part of our investment advisory services, and predicated on suitability, we may recommend that you use the services of a third party investment adviser ("TPA") to manage your entire, or a portion of your, investment portfolio. After gathering information about your financial situation and objectives, we may recommend that you engage a specific TPA or investment program. Factors that we take into consideration when making our recommendation(s) include, but are not limited to: the TPA's performance, your financial needs, investment goals, risk tolerance, and investment objectives. We will monitor the TPA(s)' performance to ensure its management and investment style remains aligned with your investment goals and objectives.

The TPA(s) will manage your portfolio and may assume discretionary investment authority over your account. We will assume discretionary authority to engage and terminate TPA(s) and/or reallocate your assets to other TPA(s) where you and your advisor deem appropriate.

We do not charge you a separate fee for the selection of other advisers. We will share in the advisory fee you pay directly to the TPA. The advisory fee you pay to the TPA is established and payable in accordance with the disclosure brochure provided by each TPA to whom you are referred. These fees may or may not be negotiable. Our compensation may differ depending upon the individual agreement we have with each TPA. As such, we may have an incentive to recommend one TPA over another TPA with whom we have less favorable compensation arrangements or other advisory programs offered by TPAs with which we have no compensation arrangements.

You may be required to sign an agreement directly with the recommended TPA(s). You may terminate your advisory relationship with the TPA according to the terms of your agreement with the TPA. You should review each TPA's disclosure brochure for specific information on how you may terminate your advisory relationship with the TPA and how you may receive a refund, if applicable.

The selected TPA is responsible for portfolio management, portfolio reporting services, best execution review, quarterly reporting, trade error resolution, custodial reconciliations, and implementation of trades within their respective programs.

General Financial Planning Services

We offer financial planning and consulting services on securities, non-securities related investments, general planning, or retirement plan participant services, on a non-continuous basis (via an hourly, project or other type of engagement). The frequency of the services provided will be agreed upon in advance and shall be formalized in the executed agreement for services. Topics may range from overall investment advisory questions, research and analysis, discussions pertaining to financial planning, assistance with goals and objectives or various issues as may be requested.

In conjunction with services to plan participants pursuant to engagement with Plans (such as 401(a) and 403(b) Plans), plan participants may be entitled to a certain number of office consultations each year at our offices. In addition we may be available to assist with your needs at the onset of a school/calendar year, depending upon the engagement. During these meetings, we can provide participants with onsite access to financial consultants during specific times and locations to be determined at the beginning of the engagement. Additionally, an Associated Person of our firm can be available to conduct onsite meetings at times and locations to be determined by both parties. Our Associated Person will be present to meet with individual participants, to answer questions and to provide personalized information. The intent of the engagement between our firm and the Plan is to provide advisory services related to the Plan, the retirement goals under the terms of the Fund(s) and how these can be customized for a participant's own personal investment plan. Services to be provided and fee structures are determined at the beginning of each engagement.

Financial planning and consulting related services are based on your financial situation at the time the services are rendered, and on the financial information you provide to our firm. You must promptly notify our firm if your financial situation, goals, objectives, or needs change. Should your condition change during the course of services such that additional effort, new advice, recommendations or research are required or if we must re-work the advice, recommendations or other services, additional fees may apply. We will not engage in additional services that result in added fees without your prior written approval.

You are under no obligation to act on our financial planning or consulting recommendations. Should you choose to act on any of our recommendations, you are not obligated to implement the recommendations through any of our other investment advisory services. Moreover, you may act on our recommendations by placing securities transactions with any brokerage firm.

Fees for financial planning and consulting services are computed at the maximum hourly rate of \$150 or we will quote a project fee, depending upon the complexity, nature of services or expertise required. The hourly fee is billed in 15-minute increments. Consultation fees for larger projects will be determined at the time of engagement and based upon the time and complexity of services required. We may require a retainer equal to one-half of the estimated project fee in order to schedule projects; the balance would be due upon the completion of the contracted services. We may waive financial planning/consulting fees if you otherwise engage our firm for investment supervision or management services within 30 days of the consultation services.

Either party, upon advance written notice to the other, may terminate the engagement. You will incur a pro rata charge for services rendered prior to the termination of the agreement. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees.

Types of Investments

We primarily offer advice on equity securities, taxable and tax-exempt fixed income securities, commercial paper, certificates of deposit, investment company securities, U.S. Government securities, options contracts on securities, futures contracts on intangibles, and others. Additionally, we may recommend other types of investments since each client has different needs and different tolerances for risk. We may also advise you on any type of investment held in your portfolio at the inception of our advisory relationship, or on specific types of investments at your request.

You may request that we refrain from investing in particular securities or certain types of securities. You must provide these restrictions to our firm in writing.

Assets Under Management

As of January 3, 2012 we manage \$83,648,617 in client assets on a discretionary basis, and \$7,706,648 in client assets on a non-discretionary basis.

Item 5 Fees and Compensation

Please refer to the "Advisory Business" section in this Brochure for information on our advisory fees, fee deduction arrangements, and refund policy according to each service we offer.

Additional Fees and Expenses

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds and exchange traded funds. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange traded funds, our firm, and others. For information on our brokerage practices, please refer to the "Brokerage Practices" section of this Brochure.

Compensation for the Sale of Securities or Other Investment Products

Certain persons providing investment advice on behalf of our firm are registered representatives with Sammons Securities LLC, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons, in their capacities as a registered representative, is separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are registered representatives have an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Certain persons providing investment advice on behalf of our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons providing investment advice on behalf of our firm who are insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm. We will not undertake a review or provide recommendations on issues relating to property and/or casualty insurance. Since these coverage areas are important, you should consider seeking the services of a licensed property and casualty firm.

We may make differing recommendations with respect to the same securities or insurance products to different advisory clients. All recommendations made are specific to each your individualized needs and current financial situation.

Any material conflicts of interest between you and our firm, or our employees are disclosed in this Disclosure Brochure. If at any time, additional material conflicts of interest develop, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

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

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees.

Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, and other business entities.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, we reserve the right to terminate your account if it falls below a minimum size which, in our sole opinion, is too small to effectively manage.

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

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Charting Analysis - involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- Fundamental Analysis - involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Technical Analysis - involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Cyclical Analysis - a type of technical analysis that involves evaluating recurring price patterns and trends.
- Long Term Purchases - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short term price fluctuations.
- Options Trading/Writing: a securities transaction that involves buying or selling (writing) an option. If you write an option, and the buyer exercises the option, you are obligated to purchase or deliver a specified number of shares at a specified price at the expiration of the option regardless of the market value of the security at expiration of the option. Buying an option gives you the right to purchase or sell a specified number of shares at a specified price until the date of expiration of the option regardless of the market value of the security at expiration of the option.

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors. Your restrictions and guidelines may affect the composition of your portfolio.

Market risk and factors that affect the overall economy or securities markets (systematic risk) are present in all securities and strategies.

- *Interest-rate risk* describes the risk that the value of a security will go down because of changes in interest rates. For example, when interest rates overall increase, bond issuers must offer higher coupon rates on new bonds in order to attract investors. The consequence is that the prices of existing bonds drop because investors prefer the newer bonds paying the higher rate. On the other hand, there's also interest-rate risk when rates fall because maturing bonds or bonds that are paid off before maturity must be reinvested at a lower yield.
- *Inflation risk* describes the risk that increases in the prices of goods and services, and therefore the cost of living, reduce your purchasing power. Let's say a can of soda increases from \$1 to \$2. In the past, \$2 would have bought two cans of soda, but now \$2 can buy only one can, resulting in a decline in the value of your money.

Inflation risk and interest rate risk are closely tied together, as interest rates generally rise with inflation. Because of this, inflation risk can also reduce the value of your investments. For example, to keep pace with inflation and compensate for the loss of purchasing power, lenders will demand increased interest rates. This can lead to existing bonds losing value because, as mentioned above, newly issued bonds will offer higher interest rates. Inflation can go in cycles, however. When interest rates are low, new bonds will likely offer lower interest rates.

- *Currency risk* occurs because many world currencies float against each other. If money needs to be converted to a different currency to make an investment, any change in the exchange rate between that currency and yours can increase or reduce your investment return. You are usually only impacted by currency risk if you invest in international securities or funds that invest in international securities.
- *Liquidity risk* is the risk that you might not be able to buy or sell investments quickly for a price that is close to the true underlying value of the asset. Sometimes you may not be able to sell the investment at all if there are no buyers for it. Liquidity risk is usually higher in over-the-counter markets and small-capitalization stocks. Foreign investments can pose liquidity risks as well. The size of foreign markets, the number of companies listed, and hours of trading may limit your ability to buy or sell a foreign investment.
- *Sociopolitical risk* is the possibility that instability or unrest in one or more regions of the world will affect investment markets. Terrorist attacks, war, and pandemics are just examples of events, whether actual or anticipated, that impact investor attitudes toward the market in general and result in system-wide fluctuations in stock prices. Some events, such as the September 11, 2001, attacks on the World Trade Center and the Pentagon, can lead to wide-scale disruptions of financial markets, further exposing investments to risks. Similarly, if you are investing overseas, problems there may undermine those markets, or a new government in a particular country may restrict investment by non-citizens or nationalize businesses.

An option you should consider to mitigate systematic risk is to build a portfolio that includes investments that react differently to the same economic factors. It is a strategy known as 'asset allocation'. There are also two primary non-systematic risks associated with these strategies:

- *Management risk*, refers to the impact that bad management decisions, other internal missteps, or even external situations can have on a company's performance and, as a consequence, on the value of investments in that company. Even if you research a company carefully before investing and it appears to have solid management, there is no way to know that a competitor is about to bring a superior product to market. Nor is it easy to anticipate a financial or personal scandal that undermines a company's image, its stock price, or the rating of its bonds.

- *Credit risk*, also called default risk, is the possibility that a bond issuer won't pay interest as scheduled or repay the principal at maturity. Credit risk may also be a problem with insurance companies that sell annuity contracts, where your ability to collect the interest and income you expect is dependent on the claims-paying ability of the issuer.

One way to manage non systematic risk is to spread diversify your portfolio holdings within each major asset class—stock, bonds, and cash—either by owning individual securities or mutual funds that invest in those securities. While you are likely to feel the impact of a company that fails, it should be much less dramatic if that company's stock is just one among several you currently own.

Taxation

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Custodians will default to the FIFO accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

Risk of Loss

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

Item 9 Disciplinary Information

Comprehensive Financial Consultants Institutional, Inc. has been registered and providing investment advisory services since 2003. Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

Item 10 Other Financial Industry Activities and Affiliations

Certain persons providing investment advice on behalf of our firm are registered representatives with Sammons Securities LLC a securities broker-dealer, and a member of the Financial Industry Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). Our advisory representatives may suggest that you place your transactional business through Sammons Securities Company. If your transactions are executed through Sammons Securities Company, our Advisory Representatives may receive normal commissions, thus a conflict of interest exists between our interests and your interests. You are under no obligation to purchase products we may recommend through Sammons Securities Company.

Certain persons providing investment advice on behalf of our firm may also be licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these

persons are separate from our advisory fees. Please see the "Fees and Compensation" section in this Brochure for more information on the compensation received by insurance agents who are affiliated with our firm.

Eric Gielser, Chief Compliance Officer of our firm is also the owner of another SEC registered investment adviser, Blue Crab Partners, LLC ("Blue Crab"). The services offered and fees charged by Blue Crab are separate and distinct from the fees charged by our firm. In rare circumstances and if appropriate a client of our firm may be referred to Blue Crab and vice versa however there are no referral fees paid.

While these individuals endeavor at all times to put the interest of our clients first as part of our firm's fiduciary duty, you should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Outside Business Activities

"Your Money with David Hays" began broadcasting in January 2002 as a live, local show for investment and financial information. Today, "Your Money with David Hays" is an hour of interactive news, market reports and general financial and investment education.

Recommendation of Other Advisers

We may recommend that you use a third party adviser ("TPA") based on your needs and suitability. We will receive compensation from the TPA for recommending that you use their services. These compensation arrangements present a conflict of interest because we have a financial incentive to recommend the services of the third party adviser. You are not obligated, contractually or otherwise, to use the services of any TPA we recommend.

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

Description of Our Code of Ethics

It is our policy to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. Our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or perspective clients may contact us at (812) 334-3190 to request a copy of our Code of Ethics.

Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services, separate capacity as registered representatives, and separate capacity as licensed insurance agents as otherwise disclosed in this Brochure.

Personal Trading Practices

Our firm and our Associated Persons acknowledge our fiduciary responsibility to place the investment needs of our clients ahead of our own. As our client, your interests are held in the highest regard. Our firm or persons associated with our firm may have similar investment goals and objectives and as a result we may buy or sell securities for our personal accounts that may be identical to or different from those recommended to you or that you already hold in your account. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, where we trade on the same trading day, it is our policy that we will only execute transactions for personal accounts in the same direction as, and after the trade is complete in, your customer account. These requirements are not applicable to: (i) direct obligations of the Government of the

United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Item 12 Brokerage Practices

Consultation and Financial Planning Clients are welcome to implement recommendations in whole or in part via the financial services firm's of their choice.

We will recommend that a Client in need of brokerage and custodial services utilize Sammons Securities and its custodial firm First Clearing Corporation. In their capacities as insurance agents and registered representatives of Sammons Securities, certain of our Associated Persons will sell securities and insurance products, including, but not limited to, mutual funds, equities, variable insurance products, life, health, and long-term care products, and will receive additional compensation, in the form of commissions, on the sale of such products. As previously disclosed, these representatives may also receive 12b-1 distribution fees from investment companies (mutual funds) in connection with the placement of your funds into investment companies through their separate capacity of being registered representatives of Sammons Securities. Please see the "Fees and Compensation" section in this Brochure for more information on this topic.

Associated Persons of our firm may receive other cash and non-cash compensation from investment companies (mutual funds) in their separate capacity of being a registered representative of Sammons Securities.

For Portfolio Management Services, we will utilize the services of Raymond James and Fidelity, an independent registered securities broker/dealer and custodian, and FINRA/SIPC member, among others, to maintain custody of your assets and to effect trades for your accounts. Raymond James, JP Morgan, Fidelity, Morgan Keegan and Advisors Asset Management provide our firm with access to their trading and execution services.

You are hereby advised that there will be custodial fees associated with purchasing or selling securities. These fees are assessed in addition to the investment advisory fees we charge. We do not share in any portion of the brokerage fees and/or transaction charges imposed by custodial firms.

We recognize our duty to seek best execution for our clients. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. Best execution is not measured solely by reference to commission rates. Qualitative factors must also be considered. We will also consider the value of research provided, execution capabilities, financial responsibility, administrative resources, and responsiveness. The fees charged by the selected service provider may be higher or lower than those charged by other firms offering similar services.

We believe that excellent customer service and trade execution available through our preferred service providers is superior to most non-service oriented and internet-based brokers that may otherwise be available to the general public. The service providers we recommend feature a broad line of products and services that may be suitable to many types of investors with varying investable assets.

In addition to the above information, the decision to recommend the preferred service providers is also based upon the level of services available to our firm, and providing such recommendation is consistent with our fiduciary duty. We also consider our experience with the service providers and

the providers' reputation. While fees may vary, we have determined these firms currently offer the best overall value to our firm and our clients for the brokerage, services, and technology provided. We also recommend that you evaluate recommended service providers before opening an account.

We 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. We have no written or verbal arrangements whereby we receive soft dollars.

We may also receive, without cost to our firm, computer software and related systems support, which allow us to better monitor client accounts maintained at the preferred custodial firms. We may receive the software and related support without cost because we render investment management services to clients that maintain assets at the preferred service providers. The software and related systems support may benefit us, but not our clients directly. In fulfilling our duties to you, we endeavor at all times to put your interests first. You should be aware, however, that our receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence our choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services. Additionally, we may receive the following benefits: Receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Registered Investment Advisor Group 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.

As discussed herein, certain Associated Persons in their respective individual capacities are registered representatives of Sammons Securities Company. These Associated Persons are subject to FINRA's Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless Sammons Securities Company provides written consent. Therefore, you are advised that certain Associated Persons may be restricted to conducting securities transactions through Sammons Securities Company unless they first secure written consent from Sammons Securities Company to execute securities transactions through a different broker-dealer. Absent such written consent or separation from Sammons Securities Company, these persons are prohibited from executing securities transactions through any broker-dealer other than Sammons Securities Company under Sammons Securities Company's internal supervisory policies.

Directed Brokerage

In limited circumstances, and at our discretion, some clients may instruct our firm in writing to use one or more particular brokers to execute some or all of the transactions in their accounts. If you choose to direct our firm to use a particular broker, you will negotiate terms and arrangements for your account with the broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to aggregate trades with other client accounts (as described below at *Block Trades*). As a result, you 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. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you. Subject to our duty to obtain best execution, we may decline your request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

You may choose to make self-directed securities transactions which are investments that are not reviewed and/or not recommended by us. In such cases, we will not review these investments for suitability purposes. While we may assist with client-directed implementation as a value-added

service at your request, we will not manage these types of investments unless previously agreed to in writing. If you decide to self-direct these transactions, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services.

Block Trades

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. However, if you have an account with a smaller dollar amount, you may bear higher charges if your account fails to meet the minimum account size set by the broker. We strive to ensure that order allocations among client accounts are made in a fair and equitable manner. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

Item 13 Review of Accounts

For those clients to whom we provide investment management services, we monitor those portfolios as part of an ongoing process to ensure the advisory services provided to you remain consistent with your stated investment needs and objectives. We provide formal account reviews on an annual basis or more often at your request. For those clients to whom we provide financial planning and/or consulting services, reviews are conducted on an "as needed" basis. David Hays, President, and all qualified Associated Persons of our firm will conduct account reviews.

Additional reviews may be conducted based on various circumstances, including, but not limited to: significant market corrections, contributions and withdrawals; year-end tax planning; security specific events; and/or, changes in your risk/return objectives.

The portfolio review process will focus on market developments, measuring the progress toward portfolio goals, evaluation of the investment policy and asset allocation, performance measuring, returns vs. benchmarks, as well as your current financial situation (based upon information provided by you). You are encouraged to discuss your needs, goals, and objectives with our firm, and to keep us informed of any changes in this information.

You will receive transaction confirmation notices and regular summary account statements, at least quarterly, directly from the broker-dealer or custodian for your account(s). We may also provide additional performance and holdings reports at your request. Where available, such information may be accessed online.

If you have retained our firm for financial planning and/or consulting services, you will receive reports from us summarizing our analysis and conclusions as requested by you or as otherwise agreed to in writing.

We encourage you to reconcile our reports with those received from the qualified custodian. If you find your holdings differ between these two statements, please call our main office number located on the cover page of this brochure.

Item 14 Client Referrals and Other Compensation

As disclosed under the "Fees and Compensation" section in this Brochure, persons providing investment advice on behalf of our firm are licensed insurance agents, and are registered representatives with Sammons Securities LLC a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

We directly compensate non-employee (outside) consultants, individuals, and/or entities (Solicitors) for client referrals. In order to receive a cash referral fee from our firm, Solicitors must comply with the requirements of the jurisdictions in which they operate. If you were referred to our firm by a Solicitor, you should have received a copy of this Disclosure Brochure along with the Solicitor's disclosure statement at the time of the referral. If you become a client, the Solicitor that referred you to our firm will receive a percentage of the advisory fee you pay our firm for as long as you are a client with our firm, or until such time as our agreement with the Solicitor expires or a one-time, flat referral fee upon your signing an advisory agreement with our firm. You will not pay additional fees because of this referral arrangement. Referral fees paid to a Solicitor are contingent upon your entering into an advisory agreement with our firm. Therefore, a Solicitor has a financial incentive to recommend our firm to you for advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

Solicitors that refer business to more than one investment adviser may have a financial incentive to recommend advisers with more favorable compensation arrangements. We request that our Solicitors disclose to you whether multiple referral relationships exist and that comparable services may be available from other advisers for lower fees and/or where the Solicitor's compensation is less favorable.

We have entered into reciprocal referral agreements with unaffiliated third party insurance providers. Under these agreements we will refer clients and other Advisors to unaffiliated third party providers offering non-securities insurance products in the general area of professional liability medical malpractice coverage and related medical practice or business lines of insurance coverage. As a result, we are paid a referral fee by the third party provider. Under these arrangements, the referred Client does not pay higher advisory fees than those disclosed above at the *Advisory Business* section of this Brochure. A list of third party firms is available upon request.

Item 15 Custody

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your account(s) causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact our firm at (812) 334-3190.

Item 16 Investment Discretion

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement, a power of attorney, and/or trading authorization forms.

You may grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). For example, you may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio and/or restrictions or prohibitions of transactions in the securities of a specific industry or security. Please refer to the "Advisory Business" section in this Brochure for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of common stock or mutual funds, you are responsible for exercising your right to vote as a shareholder.

In most cases, you will receive proxy materials directly from the account custodian. However, in the event we were to receive any written or electronic proxy materials, we would forward them directly to you by mail, unless you have authorized our firm to contact you by electronic mail, in which case, we would forward any electronic solicitation to vote proxies.

Item 18 Financial Information

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

Item 19 State Registered Investment Adviser Requirements

We are SEC registered therefore this section is not applicable.

Item 20 Additional Information

Privacy Policy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

The types of information we may collect during the normal course of business may include: Information provided in account applications, forms, and provided either verbally or in writing, and include but are not limited to: your name, address, phone number, account information, social security number, employment, assets, income and debt; information about your transactions,

accounts, balance information; trading activity, parties to transactions; Information from other outside sources, medical and beneficiary information (relating to insurance issues), conversations between clients and Associated Persons, and any other information deemed to be nonpublic personal as defined by the Act and Regulation S-P.

We realize that providing personal information is an act of trust and we take the issue of protecting privacy seriously. We value clients' trust and confidence and will never sell nonpublic personal information obtained from consumers or clients to an outside non affiliated third party.

All information provided to us and information and/or advice we furnish to clients, shall be treated as confidential and shall not be disclosed to non affiliated third parties, except: (1) as permitted by clients through a written authorization, (2) by application to facilitate the investment advisory services we offer through an unaffiliated financial services provider, (3) to a supervising entity (such as our unaffiliated broker/dealer, Sammons Securities Company) or as required by law, or (4) by any regulatory authority to which the firm or its associated persons may be subject. For example, we may be required to turn over information in order to cooperate with law enforcement authorities and/or securities regulators. We limit access of nonpublic information to only those who require the information for the delivery of advisory or administrative services and who have been educated about and have signed an acknowledgment of our privacy policies. Our policy to protect client information will also extend beyond the termination of the client agreement.

Additionally:

- We maintain a secure office and computer environment to ensure that your information is not placed at unreasonable risk.
- We do not provide your personally identifiable information to mailing list vendors or solicitors for any purpose.
- Personally identifiable information about you will be maintained and protected during the time you are a client, and for the required time that such records are to be maintained by securities laws (5 years). Thereafter, the records will be safely destroyed via in-house shredding or a secure shredding service.

If consumers provide us with nonpublic personal information but do not become clients, we may keep this information securely on file for up to a year before shredding in-house or via a secure shredding service, depending upon the nature of the information and the likelihood of engagement.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact Eric Giesler, Chief Compliance Officer, at (812) 334-3190 if you have any questions regarding this policy.

Trade Errors

In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the trading error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, you will keep the profit.