

McDermott Investment Advisors, LLC

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FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of McDermott Investment Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (866) 905-7375. 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 McDermott Investment Advisors, LLC, is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for McDermott Investment Advisors, LLC is 132221.

McDermott Investment Advisors, LLC is an investment adviser registered with the California Department of Corporations, the Florida Office of Financial Regulation, The New Jersey Bureau of Securities, The New York Investor Protection Bureau and the Pennsylvania Securities Commission. An "investment adviser" means any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Material Changes - Item 2

The purpose of this page is to inform you of any material changes since the previous version of this Disclosure Brochure.

On May 2, 2012 we amended our form ADV Part 2A to disclose the following:

1. We updated our cover page to disclose our registration with the Florida Office of Financial Regulation;
2. We updated Item 5 of our ADV to disclose our procedure for invoicing clients and added a new fee schedule for deep value and aggressive growth portfolios; and
3. Due to the Dodd Frank Wall Street Reform and Consumer Protection Act, our firm is no longer eligible for SEC registration. As such, we have filed several state registration requests and we have revised Item 19 of our brochure to disclose certain information required for state registered investment advisers.

We review and update our brochure at least annually to make sure that it remains current.

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Advisory Business - Item 4

McDermott Investment Advisors, LLC is a registered investment adviser with its principal place of business in Fort Myers, Florida. Our firm is organized as a limited liability company domiciled in Florida. We have been providing investment advisory services since 2004. Dean McDermott, Ph.D. is our principal owner and began his career in the financial services industry in 1987. Currently, we offer the following investment advisory services, which are personalized to each individual client:

- Portfolio Management Services
- Financial Planning Services
- Selection of Other Advisers

As used in this brochure, the words “we”, “our” and “us” refer to McDermott Investment Advisors, LLC, 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.

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 offer discretionary and non-discretionary portfolio management services. Our investment advice is tailored to meet our clients’ needs and investment objectives. If you retain our firm for portfolio management services, we will meet with you to determine your investment objectives, risk tolerance, and other relevant information (the “suitability information”) at the beginning of our advisory relationship. We will use the suitability information we gather to develop a strategy that enables our firm to give you continuous and focused investment advice and/or to make investments on your behalf. Once we construct an investment portfolio for you, we will monitor your portfolio’s performance on an ongoing basis, and will rebalance the portfolio as required by changes in market conditions and in your financial circumstances.

In order to participate in our discretionary portfolio management program, you will have to grant our firm discretionary authority in writing to manage your account. Discretionary authorization will allow our firm to determine the specific securities, and the amount of securities, to be purchased or sold for your account without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, 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.

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.

Financial Planning Services

We offer broad-based and structured financial planning services. Financial planning will typically involve providing a variety of advisory services to clients regarding the management of their financial resources based upon an

analysis of their individual needs. If you retain our firm for financial planning services, we will meet with you to gather information about your financial circumstances and objectives. Once we review and analyze the information you provide to our firm, we will deliver a written plan to you, designed to help you achieve your stated financial goals and objectives.

Financial plans are based on your financial situation at the time we present the plan to you, 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.

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

Selection of Other Advisers

As part of our investment advisory services, 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 will 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 following: the TPA's performance, methods of analysis, fees, 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.

Types of Investments

We offer advice on equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, US Government securities, options contracts on securities, and interest in partnerships investing in real estate, oil and gas interests, and others.

Additionally, we may advise you on any type of investment that we deem appropriate based on your stated goals and objectives. We may also provide advice on any type of investment held in your portfolio at the inception of our advisory relationship.

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.

Wrap Fee Programs

McDermott Investment Advisors, LLC does not participate in any wrap fee programs.

Assets Under Management

As of February 23, 2012, we manage \$48,630,547 in client assets on a discretionary basis, and \$2,207,811 in client assets on a non-discretionary basis.

Fees and Compensation - Item 5

Portfolio Management Services

Our fee for portfolio management services is based on a percentage of your assets we manage and is set forth in the following fee schedule:

Assets Under Management	Annualized Fee
\$25,000 - \$500,000	2.00%
\$500,001 - \$1,000,000	1.50%
\$1,000,001 and above	1.00%

In certain circumstances, higher fees may be negotiated. For example, we may charge an annual fee of 2.50% to manage a deep value and aggressive growth portfolio. These types of portfolios are primarily managed with the goal of generating profits on the investments and may employ high frequency trading and monitoring strategies.

Our annual portfolio management fee is billed and payable quarterly in advance based on the value of your account on the last day of the previous quarter.

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.

At our discretion, we may combine the account values of family members living in the same household to determine the applicable advisory fee. For example, we may combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts. Combining account values may increase the asset total, which may result in your paying a reduced advisory fee based on the available breakpoints in our fee schedule stated above.

We will deduct our fee directly from your account through the qualified custodian holding your funds and securities provided the following requirements are met:

- You must provide written authorization permitting the fees to be paid directly from your account held by the custodian. We not have access to Client funds for payment of fees without Client consent in writing.
- We will send you an invoice showing the amount of the fee, the value of assets on which the fee is based, and the specific manner in which the fee was calculated.
- We will disclose that it is your responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee is properly calculated.
- We will send an invoice to the custodian indicating the amount of the fee to be paid by the custodian.
- The custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from the account, including the amount of the advisory fee paid directly to us. Please review each statement for accuracy. We will also receive a copy of your account statements from the custodian.

You may terminate the portfolio management agreement by providing written notice to our firm. 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.

Financial Planning Services Fees

We charge an hourly fee of \$200 for financial planning services, which is negotiable depending on the scope and complexity of the plan, your situation, and your financial objectives. An estimate of the total time/cost will be determined at the start of the advisory relationship. In limited circumstances, the cost/time could potentially exceed the initial estimate. In such cases, we will notify you and request that you approve the additional fee.

We require that you pay 50% of the fee in advance and the remaining portion upon the completion of the services rendered. We will not require prepayment of a fee more than six months in advance and in excess of \$500.

You may terminate the financial planning agreement by providing written notice to our firm. 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.

Third Party Adviser (TPAs) Fees

We do not charge you a separate fee for evaluating and recommending other advisers to you. 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 ADV 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.

You will 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. You should contact the TPA directly for questions regarding your advisory agreement with the TPA.

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 which 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 Disclosure Brochure.

Compensation for the Sale of Securities or Other Investment Products

Certain individuals providing investment advice on behalf of our firm are registered representatives with McDermott Investment Services, LLC, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investor Protection Corporation ("SIPC"). 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 registered representatives, 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. **Clients of our firm have the option to purchase investment products that we recommend through other brokers and agents that are not affiliated with our firm.**

Certain individuals 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. **Clients of our firm are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our**

firm.

At our discretion, we may offset our advisory fees to the extent our Associated Persons earn commissions in their separate capacities as registered representatives and insurance agents.

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 arise, we will provide you with written notification of the material conflicts of interest or an updated Disclosure Brochure.

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

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.

Types of Clients - Item 7

We offer investment advisory services to individuals, high net worth individuals, trusts, estates and charitable organizations.

In general, we require a minimum of \$25,000 to open and maintain our Asset Allocation Exchanged traded fund Portfolio; a minimum of \$100,000 to open and maintain our Customer managed Individual Stock and Bond Portfolio; and a minimum of \$250,000 to open and maintain our Multi-Manager Portfolio.

At our discretion, we may waive this minimum account size. For example, we may waive the minimum if you appear to have significant potential for increasing your assets under our management. We may also combine account values for you and your minor children, joint accounts with your spouse, and other types of related accounts to meet the stated minimum.

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

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.

Methods of Analysis

We may use one or more of the following methods of analysis when formulating investment advice:

- **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.

Investment Strategies

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

- **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.
- **Short Sales** – a securities transaction in which an investor sells securities he or she borrowed in anticipation of a price decline. The investor is then required to return an equal number of shares at some point in the future. A short seller will profit if the stock goes down in price.

Associated Risks

You should be aware that investing in securities will subject you to market, interest rate, and economic risks. The risk of fundamental analysis is that information obtained may be incorrect and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

Tax Considerations

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. Our firm or the TPA managing your account will either instruct the custodian to use the *first-in, first-out* "FIFO" accounting method for calculating and reporting the cost basis of your investments or the custodian will default to the FIFO method where no instruction is given.

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.

Disciplinary Information - Item 9

McDermott Investment Advisors, LLC has been registered and providing investment advisory services since 2004. We conduct our business with integrity and have procedures in place to stay in compliance with all relevant securities laws and regulations.

At this time, we do not have any reportable legal or disciplinary events that would impact the integrity of the services we provide to you.

Other Financial Industry Activities or Affiliations - Item 10

Registrations with Broker-Dealer

Dean P. McDermott, Ph.D., Managing Member of McDermott Investment Advisors, LLC is also the principal owner and a registered representative with McDermott Investment Services, LLC ("MIS"). MIS is a diversified financial services company engaged in the sale of specialized investment products.

Certain Investment adviser representatives of our firm are also licensed as registered representatives of MIS and may recommend securities or insurance products offered by MIS as part of your investment portfolio. If clients purchase these products through MIS, these individuals will receive the customary commissions in their separate capacity as registered representatives of MIS. These individuals may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation creates a conflict of interest because it provides an incentive to recommend investment products based on the compensation tied to those products. Investment adviser representatives of the firm endeavors at times to act in your best interest and to only recommend investments that are suitable for you. We have policies and procedures in place to monitor all Client transactions.

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.

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

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is 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. All of our Associated Persons are expected to adhere strictly to these guidelines. Our Code of Ethics also requires that certain persons associated with our firm submit reports of their personal account holdings and transactions to a qualified representative of our firm who will review these reports on a periodic basis. Persons associated with our firm are also required to report any violations of our Code of Ethics. 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.

Our Code of Ethics is available to you upon request. You may obtain a copy of our Code of Ethics by contacting Dean P. McDermott at (866) 905-7375.

Participation or Interest in Client Transactions

As disclosed above, advisory representatives are registered representatives licensed to sell securities through McDermott Investment Services, LLC. In this capacity, advisory representatives may be involved in, and compensated for, the sale of securities of various types, including, but not limited to, stocks, bonds, and mutual funds.

You are expressly advised that you have total freedom to implement recommendations through any broker/dealer of your choosing. If you choose to implement recommendations we make by purchasing securities through McDermott Investment Services, LLC, your advisory representative in his or her separate capacity as a registered representative, may receive additional compensation in the form of commissions, including 12b-1 fees for the sale of investment company products.

Personal Trading Practices

Our firm or persons associated with our firm may buy or sell securities for you at the same time we or persons associated with our firm buy or sell such securities for our own account. We may also combine our orders to purchase securities with your orders to purchase securities ("block trading"). Please refer to the "Brokerage Practices" section in this Brochure for information on our block trading practices. Our firm or persons associated with our firm may recommend securities to you at the same time we or persons associated with our firm purchase such securities for our own 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 eliminate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

Brokerage Practices - Item 12

When selecting brokerage firms to recommend to our clients, we consider such firms' reputation, execution capabilities, commission rates, and the ease of trading and management of clients' accounts by having the majority of client accounts resident at the same brokerage firm.

Currently, we recommend the brokerage services of McDermott Investment Services, LLC, a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation, and its custodian RBC Capital Markets Corporation. McDermott Investment Services, LLC is affiliated with our firm through common control and ownership. We believe that McDermott Investment Services, LLC provides quality execution services for you at competitive prices. Price is not the sole factor we consider in evaluating best execution. We also consider the quality of the brokerage services provided by McDermott Investment Services, LLC, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. In recognition of the value of research services and additional brokerage products and services McDermott Investment Services, LLC provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

The practice of executing transactions for advisory accounts through McDermott Investment Services, LLC, our affiliate, poses a conflict of interest. Persons associated with our firm who are licensed as registered representatives or otherwise have a financial interest in McDermott Investment Services, LLC, may receive commissions and other transaction-related compensation from McDermott Investment Services, LLC in connection with client securities transactions. We have adopted compliance procedures and a code of ethics to address all possible conflicts of interest and to require our Associated Persons to adhere to our fiduciary duty of fair dealing with clients.

Brokerage for Client Referrals

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

Directed Brokerage

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent our firm from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. 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.

Block Trades

We 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.

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.

Review of Accounts - Item 13

Portfolio Management Account Reviews

Dean P. McDermott, Managing Member, or another qualified Investment Adviser Representative of our firm will monitor your securities holdings on an ongoing basis and will conduct account reviews at least monthly to ensure the advisory services provided to you is consistent with your current investment needs and objectives. Additional reviews may be conducted based on various factors, including, but not limited to: contributions and withdrawals, market moving events, security specific events, and/or, changes in your risk/return objectives.

You will receive trade confirmations and monthly or quarterly statements from your account custodian(s). Only at your request will we provide you with additional written reports in conjunction with account reviews.

A financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan. Such reviews and updates are subject to the firm's then current hourly rate.

Client Referrals and Other Compensation - Item 14

As disclosed under the “Fees and Compensation” section in this Brochure, persons providing investment advice on behalf of our firm are registered representatives with McDermott Investment Services, LLC., a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. While we endeavor at all times to put your interests first as part of our fiduciary duty we owe, you should be aware that the receipt of additional compensation itself creates a conflict of interest.

For more information on the conflicts of interest this presents, and how we address these conflicts, please refer to the “Fees and Compensation” section of this brochure.

Recommendation of Other Advisors

We may recommend that you use a third party advisor (TPA) as part of our asset allocation and investment strategy. We will share in the compensation received by the TPA for managing your account. The compensation arrangement presents a conflict of interest due to a financial incentive to recommend the services of the third party advisor. In order to address this conflict, the firm has adopted a code of ethics that obliges all associated persons to deal fairly with all clients when taking investment action and to uphold their fiduciary duty and to put the client's interest first. Clients are not required to use the services of any TPA we recommend.

We and our related persons do not compensate, either directly or indirectly, any person or entity who is not our supervised person for client referrals.

Custody - Item 15

We directly debit your account(s) for the payment of our advisory fees. This ability to deduct our advisory fees from your accounts 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 qualified custodian. You will receive account statements from the qualified custodian holding your funds and securities at least quarterly. The account statements from your custodian will indicate the amount of our advisory fees deducted from your accounts each billing period. You should carefully review account statements for accuracy.

If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact Dean P. McDermott, Managing Member, at (866) 905-7375.

Investment Discretion - Item 16

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

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).

Voting Client Securities - Item 17

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 applicable securities, 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.

Financial Information - Item 18

We are required in this Item to provide you with certain financial information or disclosures about our financial condition. we do not require the prepayment of over \$500, six or more months in advance. Additionally, our firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Requirements of State-Registered Advisers - Item 19

Principal Executive Officers and Management Persons

Dean P. McDermott, Ph.D.

Year of Birth: 1959

Formal Education after High School:

- B.S., Kutztown University, Social Sciences, 1981.
- M.P.A., Kutztown University, Finance, 1991.
- Ph.D, LaSalle University, Finance, 1994.

Business Background for the Previous Five Years:

- McDermott Investment Advisors, LLC, Managing Member/Investment Adviser representative, 06/2004 to Present.

- McDermott Investment Services, LLC, Managing Member/Registered Representative, 05/2011 to Present
- Iacocca Institute, Leigh University, Lecturer, 01/2001 to 08/2011.
- Steven L. Falk & Associates, Inc., Managing Director Clearing Operations/Registered Representative, 02/2000 to 05/2011.

Outside Business Activities

Certain individuals providing investment advice on behalf of our firm are registered representatives with McDermott Investment Services, LLC, a securities broker-dealer, and a member the Financial Industry Regulatory Authority ("FINRA").

As dually licensed representatives, such individuals will receive commissions for the purchase and sale of securities and annuity products. This commission revenue is separate and in addition to revenue received from advisory fees. This arrangement represents a conflict of interest due to the receipt of both advisory and commission compensation. We have policies and procedures in place to monitor all Client transactions.

Performance Based Fees

We and our Associated Persons do not accept performance based fees. Performance based fees are based on a share of capital gains on or capital appreciation of the client's assets.

Disciplinary Information

Our firm and our management persons have not been involved in any reportable disciplinary events.

Other Relationships or Arrangements With Issuers of Securities

Our firm and our related persons do not have any relationships or arrangements with any issuer of securities.

Miscellaneous**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.

Class Action Lawsuits

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.

Confidentiality

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.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will never sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

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 Dean P. McDermott, Managing Member, at (866) 905-7375, if you have any questions regarding this policy.

Dean P. McDermott, Ph.D.
Managing Member

McDermott Investment Advisors, LLC

**11208 Suffield Street
Fort Myers, FL 33913
(866) 905-7375**

May 2, 2012

Form ADV Part 2B – Brochure Supplement

This brochure supplement provides information about Dean P. McDermott, Ph.D. that supplements the McDermott Investment Advisors, LLC brochure. You should have received a copy of that brochure. Please contact Dean P. McDermott, Ph.D., President, if you did not receive McDermott Investment Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Dean P. McDermott, Ph.D. is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Dean P. McDermott, Ph.D. is 1731834.

Educational Background and Business Experience - Item 2

Dean P. McDermott, Ph.D.

Year of Birth: 1959

Formal Education after High School:

- B.S., Kutztown University, Social Sciences, 1981.
- M.P.A., Kutztown University, Finance, 1991.
- Ph.D., LaSalle University, Finance, 1994.

Business Background for the Previous Five Years:

- McDermott Investment Advisors, LLC, Managing Member/Investment Adviser representative, 06/2004 to Present.
- McDermott Investment Services, LLC, Managing Member/Registered Representative, 05/2011 to Present.
- Iacocca Institute, Leigh University, Lecturer, 01/2001 to 08/2011.
- Steven L. Falk & Associates, Inc., Managing Director Clearing Operations/Registered Representative, 02/2000 to 05/2011.

Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Dean P. McDermott and McDermott Investment Advisors, LLC. Dean McDermott has been providing investment advisory services through his own advisory firm since 2004. Mr. McDermott does not have any reportable legal or disciplinary events that would impact the integrity of the services he provides to you.

Other Business Activities - Item 4

Dean P. McDermott, Ph.D., is 100% owner and a registered representative with McDermott Investment Services, LLC ("MIS"). MIS is a diversified financial services company engaged in the sale of specialized investment products. In this capacity, Dean P. McDermott, Ph.D. may recommend securities or insurance products offered by MIS as part of your investment portfolio. If clients purchase these products through Mr. Dean P. McDermott, Ph.D., he will receive the customary commissions in his/her separate capacity as registered representatives of MIS. He may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation creates a conflict of interest because it provides an incentive to recommend investment products based on the compensation tied to those products; however, Mr. McDermott endeavors at times to act in your best interest and to only recommend investments that are suitable for you.

Please refer to the Fees and Compensation section and the Client Referrals and Other Compensation section of McDermott Investment Advisors, LLC's firm brochure for additional disclosures on this topic.

Additional Compensation – Item 5

Please refer to the Other Business Activities section above for disclosures on Mr. Dean P. McDermott, Ph.D.'s receipt of additional compensation as a result of his activities as a registered representative of MIS.

Please refer to the Fees and Compensation section and the Client Referrals and Other Compensation section of McDermott Investment Advisors, LLC firm brochure for additional disclosures on this topic.

Supervision - Item 6

Mr. McDermott is the Owner and Chief Compliance Officer of McDermott Investment Advisors, LLC; In this role, Mr. McDermott is responsible for the monitoring of client portfolios for investment objectives and other supervisory reviews.

McDermott Investment Advisors, LLC has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients of the firm. Mr. McDermott adheres himself to the firm's code of ethics and compliance manual as mandated.

McDermott Investment Advisors, LLC is subject to regulatory oversight by various agencies. These agencies require registration by the firm and its employees. As a registered entity, our firm is subject to examinations by regulators, which may announced or unannounced. McDermott Investment Advisors, LLC is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets.

Requirements for State-Registered Advisers - Item 7

Disciplinary Information

Mr. McDermott has not been involved in any reportable disciplinary events.

Bankruptcy Petition

Mr. McDermott has not been subject to a bankruptcy petition.

Andrew F. Aigner
Investment Adviser Representative

**26 West Broad St.
Bethlehem, PA 18018
(610) 882-1460**

McDermott Investment Advisors, LLC

**11208 Suffield Street
Fort Myers, FL 33913
(866) 905-7375**

May 2, 2012

Form ADV Part 2B – Brochure Supplement

This brochure supplement provides information about Andrew F. Aigner that supplements McDermott Investment Advisors, LLC's brochure. You should have received a copy of that brochure. Please contact Mr. Dean P. McDermott, Managing Member, if you did not receive McDermott Investment Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Andrew F. Aigner is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience - Item 2

Andrew F. Ainger

Year of Birth: 1953

Formal Education after High School:

- Indiana University of Pennsylvania, BA 1975
- Dickinson School of Law at Penn State University, JD 1979
- Lehigh University MBA Coursework

Business Background for the Previous Five Years:

- McDermott Investment Advisors, LLC, Investment Adviser Representative, 04/2012 to Present.
- Liberty Asset Management, Investment Adviser Representative, 01/2008 to 04/2012.
- GM Financial Group, Registered Representative/Investment Adviser Representative, 01/2005 to 12/2008.

Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Bruce Roland Ainger and McDermott Investment Advisors, LLC. Mr. Ainger does not have any reportable disciplinary events.

Other Business Activities - Item 4

None

Additional Compensation – Item 5

None

Supervision - Item 6

Bruce Roland Ainger is supervised by Dean P. McDermott, the Managing Member and the Chief Compliance Officer of McDermott Investment Advisors, LLC. Mr. McDermott can be reached at the phone number listed on the cover of this Brochure Supplement.

McDermott Investment Advisors, LLC has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients of McDermott Investment Advisors, LLC. Mr. Ainger adheres himself to McDermott Investment Advisors, LLC's code of ethics and compliance manual as mandated.

McDermott Investment Advisors, LLC is subject to regulatory oversight by various agencies. These agencies require registration by McDermott Investment Services, LLC and its employees. As a registered entity, McDermott Investment Advisors, LLC is subject to examinations by regulators, which may announced or unannounced. McDermott Investment Advisors, LLC is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets.

Requirements for State-Registered Advisers - Item 7

Disciplinary Information

Andrew F. Ainger has not been involved in any reportable disciplinary events.

Bankruptcy Petition

Andrew F. Ainger has not been subject to a bankruptcy petition.

Bruce Roland Downing
Investment Adviser Representative

26 West Broad St.
Bethlehem, PA 18018
(610) 882-1460

McDermott Investment Advisors, LLC

11208 Suffield Street
Fort Myers, FL 33913
(866) 905-7375

May 10, 2012

Form ADV Part 2B – Brochure Supplement

This brochure supplement provides information about Bruce Roland Downing that supplements McDermott Investment Advisors, LLC's brochure. You should have received a copy of that brochure. Please contact Mr. Dean P. McDermott, Managing Member, if you did not receive McDermott Investment Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Bruce Roland Downing is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience - Item 2

Bruce Roland Downing

Year of Birth: 1943

Formal Education after High School:

- Rider College, Business – Accounting Concentration
- Bucknell University – Banking and Trust Administration School
- University of Oklahoma – National Installment Lending School
- Various – American Institute of Banking Coursework

Business Background for the Previous Five Years:

- McDermott Investment Advisors, LLC, Investment Adviser Representative, 06/2007 to Present.
- McDermott Investment Services, LLC, Registered Associate, 05/2011 to Present.
- Steven Falk & Associates, Inc., Registered Sales Associate, 01/2008 to 05/2011.
- National Penn Bank, Business Developer, 05/1993 to 02/2007.

Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Bruce Roland Downing and McDermott Investment Advisors, LLC. Mr. Downing does not have any reportable disciplinary events.

Other Business Activities - Item 4

Bruce Roland Downing is a registered representative with McDermott Investment Services, LLC ("MIS"). In this capacity, Mr. Downing may recommend securities or insurance products offered by MIS as part of your investment portfolio. If clients purchase these products through Mr. Downing, he will receive the customary commissions in his separate capacity as registered representative of MIS. Additionally, Mr. Downing could be eligible to receive incentive awards such as MIS may offer. He may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation may give Mr. Downing an incentive to recommend investment products based on the compensation received, rather than on your investment needs. Please refer to the Fees and Compensation section and the Client Referrals and Other Compensation section of McDermott Investment Advisors, LLC's firm brochure for additional disclosures on this topic.

Additional Compensation – Item 5

Please refer to the *Other Business Activities* section above for disclosures on Mr. Downing's receipt of additional

compensation as a result of his activities as a registered sales associate of McDermott Investment Services, LLC

Please refer to the Fees and Compensation section and the Client Referrals and Other Compensation section of McDermott Investment Advisors, LLC firm brochure for additional disclosures on this topic.

Supervision - Item 6

Bruce Roland Downing is supervised by Dean P. McDermott, the Managing Member and the Chief Compliance Officer of McDermott Investment Advisors, LLC. Mr. McDermott can be reached at the phone number listed on the cover of this Brochure Supplement.

McDermott Investment Advisors, LLC has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients of McDermott Investment Advisors, LLC. Mr. Downing adheres himself to McDermott Investment Advisors, LLC's code of ethics and compliance manual as mandated.

McDermott Investment Advisors, LLC is subject to regulatory oversight by various agencies. These agencies require registration by McDermott Investment Advisors, LLC and its employees. As a registered entity, McDermott Investment Advisors, LLC is subject to examinations by regulators, which may announced or unannounced. McDermott Investment Advisors, LLC is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets.

Requirements for State-Registered Advisers - Item 7

Disciplinary Information

Bruce Roland Downing has not been involved in any reportable disciplinary events.

Bankruptcy Petition

Bruce Roland Downing has not been subject to a bankruptcy petition.

Charles Alan Bowers
Investment Adviser Representative

17 Eastwood Dr.
Palm Coast, Florida 32164
Phone: (386) 437-0072

McDermott Investment Advisors, LLC

11208 Suffield Street
Fort Myers, FL 33913
(866) 905-7375

May 10, 2012

Form ADV Part 2B – Brochure Supplement

This brochure supplement provides information about Charles Alan Bowers that supplements McDermott Investment Advisors, LLC's brochure. You should have received a copy of that brochure. Please contact Mr. Dean P. McDermott, Managing Member, if you did not receive McDermott Investment Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Charles Alan Bowers is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience - Item 2

Charles Alan Bowers

Year of Birth: 1943

Formal Education after High School:

- 1961-1963 Pennsylvania Military College, concentration in economics studies
- 1978-1980 Widener University, concentration in economics studies

Business Background for the Previous Five Years:

- McDermott Investment Advisors, LLC, Investment Adviser Representative, 01/2008 to Present.
- McDermott Investment Services, LLC, Registered Representative, 09/2010 to Present.
- Steven Falk & Associates, Inc., Registered Representative, 11/1993 to 05/2011.

Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Charles Alan Bowers and McDermott Investment Advisors, LLC. Mr. Bowers does not have any reportable disciplinary events.

Other Business Activities - Item 4

Charles Alan Bowers is a registered representative with McDermott Investment Services, LLC ("MIS"). In this capacity, Mr. Bowers may recommend securities or insurance products offered by MIS as part of your investment portfolio. If clients purchase these products through Mr. Bowers, he will receive the customary commissions in his separate capacity as registered representative of MIS. Additionally, Mr. Bowers could be eligible to receive incentive awards such as MIS may offer. He may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation may give Mr. Bowers an incentive to recommend investment products based on the compensation received, rather than on your investment needs. Please refer to the Fees and Compensation section and the Client Referrals and Other Compensation section of McDermott Investment Services, LLC's firm brochure for additional disclosures on this topic.

Mr. Bowers is separately licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Bowers for insurance related activities. This presents a conflict of interest because Mr. Bowers may 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.

Additional Compensation – Item 5

Please refer to the *Other Business Activities* section above for disclosures on Mr. Bowers' receipt of additional compensation as a result of his activities as a registered representative of McDermott Investment Services, LLC and as a licensed insurance agent.

Mr. Bowers is a Registered Tax Return Preparer (RTRP), spending approximately 35 to 40 hours per week from February 15 to April 20 each year. Compensation for completed tax returns is on a fee basis.

Mr. Bowers is an ordained Minister of the Gospel and serves as an associate pastor at Tomoka Christian Church in Ormond Beach, Florida. There is no monetary compensation for this position.

Please refer to the Fees and Compensation section and the Client Referrals and Other Compensation section of McDermott Investment Services, LLC firm brochure for additional disclosures on this topic.

Supervision - Item 6

Charles Alan Bowers is supervised by Dean P. McDermott, the Managing Member and the Chief Compliance Officer of McDermott Investment Services, LLC. Mr. McDermott can be reached at the phone number listed on the cover of this Brochure Supplement.

McDermott Investment Services, LLC has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients of McDermott Investment Services, LLC. Mr. Bowers adheres himself to McDermott Investment Services, LLC's code of ethics and compliance manual as mandated.

McDermott Investment Services, LLC is subject to regulatory oversight by various agencies. These agencies require registration by McDermott Investment Services, LLC and its employees. As a registered entity, McDermott Investment Services, LLC is subject to examinations by regulators, which may announced or unannounced. McDermott Investment Services, LLC is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets.

Requirements for State-Registered Advisers - Item 7

Disciplinary Information

Charles Alan Bowers has not been involved in any reportable disciplinary events.

Bankruptcy Petition

Charles Alan Bowers has not been subject to a bankruptcy petition.

Edmund Gerald Riccio
Investment Adviser Representative

**26 West Broad St.
Bethlehem, PA 18018
(610)882-1460**

McDermott Investment Advisors, LLC

**11208 Suffield Street
Fort Myers, FL 33913
(866) 905-7375**

May 2, 2012

Form ADV Part 2B – Brochure Supplement

This brochure supplement provides information about Edmund Gerald Riccio that supplements McDermott Investment Advisors, LLC's brochure. You should have received a copy of that brochure. Please contact Mr. Dean P. McDermott, Managing Member, if you did not receive McDermott Investment Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Edmund Gerald Riccio is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience - Item 2

Edmund Gerald Riccio

Year of Birth: 1942

Formal Education after High School:

- Lehigh University – BSIE, 1965
- Univ. of Bridgeport – BSME, 1975

Business Background for the Previous Five Years:

- McDermott Investment Advisors, LLC, Investment Adviser Representative, 11/2008 to Present.
- McDermott Investment Services, LLC, Registered Representative, 02/2012 to Present.
- General Foundry, LLC, President, 04/1998 to Present.

Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Edmund Gerald Riccio and McDermott Investment Advisors, LLC. Mr. Riccio does not have any reportable disciplinary events.

Other Business Activities - Item 4

Edmund Gerald Riccio is a registered representative with McDermott Investment Services, LLC (“MIS”). In this capacity, Mr. Riccio may recommend securities or insurance products offered by MIS as part of your investment portfolio. If clients purchase these products through Mr. Riccio, he will receive the customary commissions in his separate capacity as registered representative of MIS. Additionally, Mr. Riccio could be eligible to receive incentive awards such as MIS may offer. He may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation may give Mr. Riccio an incentive to recommend investment products based on the compensation received, rather than on your investment needs. Please refer to the Fees and Compensation section and the Client Referrals and Other Compensation section of McDermott Investment Advisors, LLC’s firm brochure for additional disclosures on this topic.

Mr. Riccio is the President of General Foundry, LLC, an iron foundry brokerage business. Mr. Riccio spends about 20% of his professional time in his separate capacities at General Foundry, LLC.

Additional Compensation – Item 5

Please refer to the *Other Business Activities* section above for disclosures on Mr. Riccio’s receipt of additional compensation as a result of his activities as the President of General Foundry, LLC, a registered representative of McDermott Investment Services, LLC .

Please refer to the Fees and Compensation section and the Client Referrals and Other Compensation section of McDermott Investment Advisors, LLC firm brochure for additional disclosures on this topic.

Supervision - Item 6

Edmund Gerald Riccio is supervised by Dean P. McDermott, the Managing Member and the Chief Compliance Officer of McDermott Investment Advisors, LLC. Mr. McDermott can be reached at the phone number listed on the cover of this Brochure Supplement.

McDermott Investment Advisors, LLC has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients of McDermott Investment Advisors, LLC. Mr. Riccio adheres himself to McDermott Investment Advisors, LLC's code of ethics and compliance manual as mandated.

McDermott Investment Advisors, LLC is subject to regulatory oversight by various agencies. These agencies require registration by McDermott Investment Advisors, LLC and its employees. As a registered entity, McDermott Investment Advisors, LLC is subject to examinations by regulators, which may announced or unannounced. McDermott Investment Advisors, LLC is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets.

Requirements for State-Registered Advisers - Item 7

Disciplinary Information

Edmund Gerald Riccio has not been involved in any reportable disciplinary events.

Bankruptcy Petition

Edmund Gerald Riccio has not been subject to a bankruptcy petition.

John Philip Cito
Investment Adviser Representative

**354 State Street, Suite 204,
Hackensack, NJ 07601
(201) 498-0072**

McDermott Investment Advisors, LLC

**11208 Suffield Street
Fort Myers, FL 33913
(866) 905-7375**

June 22, 2012

Form ADV Part 2B – Brochure Supplement

This brochure supplement provides information about John Philip Cito that supplements McDermott Investment Advisors, LLC's brochure. You should have received a copy of that brochure. Please contact Mr. Dean P. McDermott, Managing Member, if you did not receive McDermott Investment Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about John Philip Cito is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience - Item 2

John Philip Cito

Year of Birth: 1956

Formal Education after High School:

- St. Thomas Aquinas College, Bachelors of Science, 1980.

Business Background for the Previous Five Years:

- McDermott Investment Advisors, LLC, Investment Adviser Representative, 08/2006 to Present.
- McDermott Investment Services, LLC, Registered Representative, 11/2010 to Present.
- Cito Capital Advisors, President and 100% Owner, 12/2009 to Present.
- World Capital Brokerage, Inc., Registered Representative, 09/2009 to 12/2010.
- Steven L. Falk & Associates, Inc., Registered Representative, 11/1999 to 12/2007.

Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of John Philip Cito and McDermott Investment Advisors, LLC. Mr. Cito does not have any reportable disciplinary events.

Other Business Activities - Item 4

John Philip Cito is a registered representative with McDermott Investment Services, LLC ("MIS"). In this capacity, Mr. Cito may recommend securities or insurance products offered by MIS as part of your investment portfolio. If clients purchase these products through Mr. Cito, he will receive the customary commissions in his separate capacity as registered representative of MIS. Additionally, Mr. Cito could be eligible to receive incentive awards such as MIS may offer. He may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation may give Mr. Cito an incentive to recommend investment products based on the compensation received, rather than on your investment needs. Please refer to the Fees and Compensation section and the Client Referrals and Other Compensation section of McDermott Investment Advisors, LLC's firm brochure for additional disclosures on this topic.

Mr. Cito is separately licensed as an independent insurance agent. In this capacity, he can effect transactions in insurance products for his clients and earn commissions for these activities. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Cito for insurance related activities. This presents a conflict of interest because Mr. Cito may 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.

Mr. Cito is also registered as an Investment Adviser Representative through Cito Capital Advisors ['CCA'], an Investment Advisor duly registered in the State of New Jersey. Mr. Cito is 100% owner of this company and

receives compensation in the form of fees based on a percentage of assets that are managed. The fees you pay our firm for advisory services are separate and distinct from the commissions earned by Mr. Cito in his capacity as an investment advisor representative for CCA. This presents a conflict of interest because Mr. Cito may have an incentive to recommend that you conduct business through CCA for the purpose of generating fees rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase products or services through any person affiliated with our firm.

Additional Compensation – Item 5

Please refer to the *Other Business Activities* section above for disclosures on Mr. Cito's receipt of additional compensation as a result of his activities as an Investment Adviser Representative of Cito Capital Advisors, a registered representative of McDermott Investment Services, LLC and as a licensed insurance agent.

Please refer to the Fees and Compensation section and the Client Referrals and Other Compensation section of McDermott Investment Advisors, LLC firm brochure for additional disclosures on this topic.

Supervision - Item 6

John Philip Cito is supervised by Dean P. McDermott, the Managing Member and the Chief Compliance Officer of McDermott Investment Advisors, LLC. Mr. McDermott can be reached at the phone number listed on the cover of this Brochure Supplement.

McDermott Investment Advisors, LLC has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients of McDermott Investment Advisors, LLC. Mr. Cito adheres himself to McDermott Investment Advisors, LLC's code of ethics and compliance manual as mandated.

McDermott Investment Advisors, LLC is subject to regulatory oversight by various agencies. These agencies require registration by McDermott Investment Advisors, LLC and its employees. As a registered entity, McDermott Investment Advisors, LLC is subject to examinations by regulators, which may announced or unannounced. McDermott Investment Advisors, LLC is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets.

Requirements for State-Registered Advisers - Item 7

Disciplinary Information

John Philip Cito has not been involved in any reportable disciplinary events.

Bankruptcy Petition

John Philip Cito has not been subject to a bankruptcy petition.

Seema S. Kale, CPA
Investment Adviser Representative

McDermott Investment Advisors, LLC

**11208 Suffield Street
Fort Myers, FL 33913
(866) 905-7375**

June 22, 2012

Form ADV Part 2B – Brochure Supplement

This brochure supplement provides information about Seema S. Kale, CPA. that supplements the McDermott Investment Advisors, LLC brochure. You should have received a copy of that brochure. Please contact Dean P. McDermott, Ph.D., President, if you did not receive McDermott Investment Advisors, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Seema S. Kale, CPA. is available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Seema S. Kale, CPA is 2908616.

Educational Background and Business Experience - Item 2

Seema S. Kale, CPA

Year of Birth: 1957

Formal Education after High School:

- Cedar Crest College, Bachelors of Science, Accounting, 1989.

Business Background for the Previous Five Years:

- McDermott Investment Advisors, LLC, Investment Adviser Representative, 06/2004 to present.
- McDermott Investment Services, LLC, Chief Financial Officer, Financial and Operations Principal ("FinOp"), and Registered Representative, 05/2011 to present.
- Steven L. Falk & Associates, Inc., Registered Representative, 08/2000 to 10/2008.

Professional Designations Qualifications:

CPAs are licensed and regulated by their state boards of accountancy. While state laws and regulations vary, the education, experience and testing requirements for licensure as a CPA generally include minimum college education (typically 150 credit hours with at least a baccalaureate degree and a concentration in accounting), minimum experience levels (most states require at least one year of experience providing services that involve the use of accounting, attest, compilation, management advisory, financial advisory, tax or consulting skills, all of which must be achieved under the supervision of or verification by a CPA), and successful passage of the Uniform CPA Examination. In order to maintain a CPA license, states generally require the completion of 40 hours of continuing professional education (CPE) each year (or 80 hours over a two year period or 120 hours over a three year period). Additionally, 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.

Disciplinary Information - Item 3

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Seema S. Kale and McDermott Investment Advisors, LLC. Ms. Kale does not have any reportable disciplinary events.

Other Business Activities - Item 4

Seema S. Kale is a Chief Financial Officer, Financial and Operations Principal ("FinOp"), and registered representative with McDermott Investment Services ("MIS"). MIS is a diversified financial services company engaged in the sale of specialized investment products. In this capacity, Ms. Seema S. Kale may recommend securities or insurance products offered by MIS as part of your investment portfolio. If clients purchase these products through Seema S. Kale, she will receive the customary commissions in her separate capacity as registered

representatives of MIS. She may also receive 12b-1 fees from mutual funds that pay such fees. The receipt of additional compensation may give Seema S. Kale an incentive to recommend investment products based on the compensation received, rather than on your investment needs.

Please refer to the Fees and Compensation section and the Client Referrals and Other Compensation section of McDermott Investment Advisors, LLC's firm brochure for additional disclosures on this topic.

Additional Compensation – Item 5

Please refer to the *Other Business Activities* section above for disclosures on Seema S. Kale's receipt of additional compensation as a result of her activities as a registered representative of MIS.

Please refer to the Fees and Compensation section and the Client Referrals and Other Compensation section of McDermott Investment Advisors, LLC firm brochure for additional disclosures on this topic.

Supervision - Item 6

Seema S. Kale is supervised by Dean P. McDermott, the Managing Member and the Chief Compliance Officer of McDermott Investment Advisors, LLC. Mr. McDermott can be reached at the phone number listed on the cover of this Brochure Supplement.

McDermott Investment Advisors, LLC has implemented a Code of Ethics and an internal compliance program that guides each Associated Person in meeting their fiduciary obligations to clients of McDermott Investment Advisors, LLC. Ms. Kale adheres herself to McDermott Investment Advisors, LLC's code of ethics and compliance manual as mandated.

McDermott Investment Advisors, LLC is subject to regulatory oversight by various agencies. These agencies require registration by McDermott Investment Advisors, LLC and its employees. As a registered entity, McDermott Investment Advisors, LLC is subject to examinations by regulators, which may be announced or unannounced. McDermott Investment Advisors, LLC is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets.

Requirements for State-Registered Advisers - Item 7

Disciplinary Information

Seema S. Kale has not been involved in any reportable disciplinary events.

Bankruptcy Petition

Seema S. Kale has not been subject to a bankruptcy petition.