



This brochure provides information about Alison & Hill, LLC's ("Advisor" or "Firm") qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at (541) 342-3433 or by email at [stephen@alison-hill.com](mailto:stephen@alison-hill.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any State Securities Authority.

Additional information about Alison & Hill, LLC is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (under "investment adviser firm" and type in our Firm name).

We are a Registered Investment Advisor (RIA) Firm. Our registration as an RIA does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, are for you to evaluate us. Please use this information as factors in your decision to hire us or to continue our business relationship.

JULY 29, 2011

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## **ITEM 2 – MATERIAL CHANGES**

This brochure, dated July 29, 2011, has been prepared by Alison & Hill, LLC to meet new SEC requirements. As a new document, it is different structurally and substantively from our previous brochure. In future filings, this section will only address material changes that have been incorporated since this brochure was released.

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## ITEM 4 – ADVISORY BUSINESS

### 4a: Firm Description

Alison & Hill, LLC was established in August 2004 by Stephen D. Alison. The firm's main office is located in Eugene, Oregon.

#### 4a1: Principal Member

- Stephen D. Alison, Founder & Chief Compliance Officer

Either of whom may be reached via the contact information found on the cover page of this document.

### 4b: Types of Advisory Services

Alison & Hill, LLC offers a variety of investment advisory services to our clients. We tailor our advice and services to your objectives, means and timelines. We will create a document that will precisely define the types of services we are providing, our role in providing those services to you and how we may carry out those services for you.

Client services include:

- Investment Planning
- Investment Policy Statements
- Financial Independence
- Retirement Planning
- Capital Needs Analysis
- Estate Planning
- Education Planning
- Risk Management (Life and Disability Insurance)
- Employee Stock Option Planning
- Property and Casualty insurance

#### **4c: Financial Planning**

Alison & Hill, LLC offers financial planning services for its clients. We may prepare a written financial plan for all financial planning clients. The plan includes gathering all information necessary to provide you with appropriate and agreed upon services, which may include one or more of the following:

- budgeting and cash flow planning,
- disability planning and income protection,
- debt management,
- estate planning,
- business succession planning,
- retirement planning and
- investment planning.

The plan considers all of your assets, liabilities, goals and objectives.

The fee also includes the time and activities necessary to work with your attorney and/or accountant in reaching agreement on solutions, as well as assisting those advisors in implementation of all appropriate documents. We are not responsible for attorney or accountant fees charged to you as a result of the above activities.

Alison & Hill, LLC encourages you to review your plan on a regular basis.

For California Residents: Financial Planning includes, in all or part, but is not limited to, the preparation of a financial plan by an Investment Advisor or an associated person of an Investment Advisor for an investment advisory client which may include a state or tax planning recommendation, an annual or periodic review of a financial plan, the management and/or monitoring of a client's investments under a financial plan, a provision of information and/or advice to a client regarding the purchase and/or sale of securities, real estate, insurance contracts, annuities contracts, or any types of real or personal property under a financial plan.

#### **4d: Client Tailored Relationships and Restrictions**

As a fiduciary, Alison & Hill, LLC always acts solely in the client's best interests. Your portfolio is customized based on your investment objectives. You may make requests or make suggestions regarding the investments made in your portfolio. Restrictions on trading which, in our opinion, are not in your best interest cannot be honored.

#### **4e: Wrap Fee Program**

Alison & Hill, LLC does not sponsor a wrap fee program.

#### **4f: Assets under Management (AUM)**

Alison & Hill, LLC, as of December 31, 2010, has \$117,000,000 in discretionary reportable Assets under Management and \$37,000,000 in non-discretionary reportable Assets under Management for a total of \$154,000,000.

### **ITEM 5 – FEES AND COMPENSATION**

#### **5a: Tiered Fee Schedule**

<b>Assets Under Management</b>	<b>Annual Fee (%)</b>
\$500,000 to \$1,000,000	1.00%
\$1,000,001 to \$2,000,000	0.85%
\$2,000,001 and above	Negotiable

On smaller accounts, fees may be in excess of the above percentages. The above fees may be negotiable in special circumstances.

#### *Minimum Account Size*

There is no account minimum. However, Alison & Hill, LLC may decline to accept clients with smaller portfolios.

Compensation for our services will be calculated in accordance with the Schedule A of the Investment Advisory Agreement. We may modify the terms of the Investment Advisory Agreement with at least 30 days prior written notice. All of the Advisor's accounts are held by a qualified custodian.

For California Residents: Financial Planning includes, in all or part, but is not limited to, the preparation of a financial plan by an Investment Advisor or an associated person of an Investment Advisor for an investment advisory client which may include a state or tax planning recommendation, an annual or periodic review of a financial plan, the

management and/or monitoring of a client's investments under a financial plan, a provision of information and/or advice to a client regarding the purchase and/or sale of securities, real estate, insurance contracts, annuities contracts, or any types of real or personal property under a financial plan.

## **5b: Selection of Other Advisors' Fees**

Alison & Hill, LLC does not select other advisors.

## **5c: Fee Payment Options**

### *Investment Management Fees*

Alison & Hill, LLC fees are paid from your account by the custodian when we submit an invoice to them. The invoice we submit shows the amount of fees, the value of your assets on which the fees are based, and the specific manner in which the fees are calculated. If there is insufficient cash in your account, securities may be sold. In addition to our fees, there may be custodial, mutual fund or similar third party management fees and charges.


Alison & Hill, LLC fees are paid quarterly in advance, with payment due within 10 days from the date of the invoice. The fee will be equal to the agreed upon rate per annum, times the market value of the account, divided by the number of days in the agreed upon year and multiplied by the number of days in the quarter. The market value is the sum of the values of all assets in the account, not adjusted by any margin debit. Fees for partial quarters at the commencement or termination of Wealth Management Agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter.

Quarterly fee adjustments for additional assets received into the account during a quarter or for partial withdrawals will also be provided on the above pro rata basis.

### *Financial Planning Fees*

Alison & Hill, LLC provides financial planning services for its clients. Fees for planning services are based on an hourly rate (due at time of service) of:

- \$325 per hour for Principals of Advisor
- \$275.00 per hour for Senior Advisors
- \$150.00 per hour for Para-planners
- \$65.00 per hour for Support Staff



Alison & Hill, LLC will also perform certain financial planning projects on a fixed fee basis. Services performed on a fixed fee basis require a retainer equal to one-half the fixed fee. The remaining balance will be billed in equal installments on a monthly basis until the project is completed. All invoices are due within 10 days of invoice. Special arrangement may be made with clients wishing to retain financial planning services on an ongoing basis.

For California Residents: Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment Advisors disclose to their clients that lower fees for comparable services may be available from other sources. Pursuant to California Rule 260.235.2, if a conflict exists between the interests of the Advisor or its associated persons and the interest of the client; the client is under no obligation to act upon this Advisor's or associated person's recommendations. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the Advisor or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

#### **5.c.1: Termination**

The financial planning relationship may be terminated by you at any time with or without cause. Unearned payments will be refunded to client by check payment.

You may request termination of the advisory relationship either verbally or in writing. Refunds will be considered on a case by case basis. Refunds for partial quarters will be refunded on a pro-rated basis contingent on the number of days the account was under management during the quarter. You may be responsible for custodial termination and transfer fees, if any, assessed by custodian. Refunds of unearned payments will be refunded. The investment advisory agreement will inure to the benefit of Alison & Hill, LLC and its successors, irrespective of any change in the personnel thereof, and shall bind you, your estate and any heirs, beneficiaries or successors in interest.

#### **5d: Third Party Fees**

You are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees we charge.

All brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to us. You bear the responsibility for verifying the accuracy of fee calculations.



## **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Alison & Hill, LLC does not charge advisory fees on the performance of funds or securities in your account.

## **ITEM 7 – TYPES OF CLIENTS**

Alison & Hill, LLC generally provides asset management and financial planning services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Trusts
- Estates
- Charities
- Corporations

## **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

### **8a: Analysis**

Alison & Hill, LLC uses multiple sources of information to obtain analysis and strategies. They include sources such as financial newspapers, financial magazines, research prepared by others, prospectuses, annual reports and filings with the SEC.

### **8b: Investment Strategies**

Alison & Hill, LLC utilizes multiple investment strategies to meet our clients' investment objectives. These methodologies are formulated based on a comprehensive review and assessment of the client's expectations, investment time horizon, risk tolerance level, present investment allocation, and current and projected financial requirements.

Ultimately, each strategy must maximize return within reasonable and prudent levels of risk. Also, the approach taken must provide exposure to a wide range of investment opportunities in various markets while limiting risk exposure through prudent diversification. Finally, the costs of administering and managing the investments related to the strategy cannot be excessive.

## **8c: Risk of Loss**

All investments include a risk of loss. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We use our best efforts and expertise to manage your assets. However, we cannot guarantee any level of performance or that you will not experience financial loss.

Alison & Hill, LLC will use our best judgment and good faith efforts in rendering services to you. We cannot warrant or guarantee any particular level of account performance, or that the account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. You assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understand that investment decisions made for this account are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by law, we will not be liable to you for (a) any loss that you may suffer by reason of any investment decision made or other action taken or omitted in good faith by Alison & Hill, LLC with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from our adherence to your instructions; or (c) any act or failure to act by a custodian of your account. Nothing in this document shall relieve us from any responsibility or liability we may have under state or federal statutes.

## **ITEM 9 – DISCIPLINARY INFORMATION**

Alison & Hill, LLC does not have any legal, financial or other “disciplinary” items to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating our Firm and its employees.

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

### **10a: Broker Dealers and Registered Representatives**

Some members of Alison & Hill, LLC may be registered representatives of FINRA broker-dealer firms. Employees who are registered representatives are paid fees and/or commissions based on the products that you purchase. In cases where we receive fees and/or commissions on products, there may be a conflict of interest. At all times, the client is free to choose outside broker-dealers to avoid the possibility of there being a conflict of interest.

## **10b: Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither the Firm nor its employees hold any of the above registrations.

## **10c: Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

The principal business of Advisor is that of a registered investment advisor and provider of financial planning services. Some members of Alison & Hill, LLC may be a registered representative of a broker-dealer and a licensed insurance agent. When acting in the capacity of either a registered representative or an insurance agent, Advisor may receive the usual and customary commissions or fees on the products the client purchases. Receiving commissions on products may cause a conflict of interest. Therefore, the advisory client is free to select any insurance company or broker dealer the client desires for implementation of Advisor's recommendations.

As well, Advisor also owns a tax preparation business; Alison & Hill Tax and Consulting Services, LLC. Some of the principals and associated persons of Advisor may assist in preparing client tax returns. Approximately 5% of their time is spent in this capacity.

## **10d: Selection of Other Advisors and How this Advisor is Compensated for those Selections**

Advisor does not select other advisors.


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

## **11a: Code of Ethics Description**

As required by regulation we have adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you, our client (or prospective client) and to stress the importance of a culture of compliance within our firm.

An additional benefit of our Code of Ethics is to detect and prevent violations of securities laws, including our obligations we owe to you.

Our Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code of Ethics with annual training and on-going monitoring of employee activity.



Our Code of Ethics includes the following:

- Requirements related to the confidentiality of client's private information;
- Prohibitions on:
  - Insider trading (if we are in possession of material, non-public information);
  - Rumor mongering;
  - The acceptance of gifts and entertainment that exceed our policy standards;
- Reporting of gifts and business entertainment;
- Pre-clearance of employee and firm transactions;
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call "reportable securities" as mandated by regulation); and,
- On an annual basis, we require all employees to re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (they "own" the account or have "authority" over the account), securities held in certificate form and all securities they own at that time.

#### **11b, c & d: Participation or Interest in Client Transactions**

Advisor, or individuals associated with Advisor, may buy and sell some of the same securities for its own account that Advisor buys and sells for its clients or non-clients. In all instances, where appropriate the Advisor will purchase a security for all of its existing accounts for which the investment is appropriate before purchasing any of the securities for its own account and, likewise, when it determines that securities should be sold, where appropriate will cause these securities to be sold from all of its advisory accounts prior to permitting the selling of the securities from its accounts. In some cases Advisor may buy or sell securities for its own account for reasons not related to the strategies adopted by the Advisor's clients.

Advisor has a fiduciary duty to disclose all material information in order not to mislead clients, so that the client can make informed decisions about entering into or continuing the advisory relationship. Any perceived conflicts will be analyzed by the Advisor from the point of view of the client. Examples of analysis would include whether the disclosure or lack of disclosure would unfairly influence the client's decision related to their investments or work with

the Advisor, would disclosure or lack of disclosure mislead the client or take unfair advantage of the client. If the above analysis demonstrates an element of unfairness the client will immediately be informed of the relevant material information.

## **ITEM 12 – BROKERAGE PRACTICES**

### **12a: Selecting Brokerage Firms**

Except to the extent that the client directs otherwise, the Advisor may recommend a broker-dealer. The client is not obligated to effect transactions through any broker-dealer recommended by Advisor. In recommending broker-dealers, Advisor will generally seek “best execution.” In recommending a broker-dealer the Advisor will comply with its fiduciary duty to obtain best execution by taking into account such relevant factors as (a) price, (b) the broker-dealer’s facilities, reliability and financial responsibility, (c) the ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size and execution of order, (d) the research and related brokerage services provided by such broker or dealer to the Advisor, notwithstanding that the account may not be the direct or exclusive beneficiary of such services and (e) any other factors the Advisor considers to be relevant.

Recommending a broker-dealer may create a conflict of interest. Accordingly Advisor has established the following restrictions in order to ensure its fiduciary responsibilities:

1. A director, officer, associated person, or employee of Advisor shall not buy or sell securities for her/his personal portfolio where her/his decision is substantially derived, in whole or in part, by reason of her/his employment unless the information is also available to the investing public or reasonable inquiry. No person of Advisor shall prefer her/his or her own interest to that of the advisory client.
2. Advisor maintains a list of all securities holdings for itself and anyone associated with its advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer of Advisor.
3. If Advisor receives separate compensation for effecting transactions on the client’s behalf such compensation arrangements will be fully disclosed to client.
4. Advisor emphasizes the unrestricted right of the client to select and choose their own broker or dealer.
5. Advisor requires that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.
6. Any individual not in observance of the above may be subject to termination.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **13a: Periodic Reviews**

Advisor Stephen Alison or qualified staff members continuously review the status of all securities in client accounts. An overall assessment is performed on at least a quarterly basis. All reviews are based on client's stated investment objectives.

Financial planning clients receive their financial plans and recommendations at time service. Financial planning clients are encouraged to have at least biannual reviews of their financial plans. If requested, Advisor will meet on a regular basis (as outlined in the Financial Planning Agreement) with clients to discuss any potential changes to their financial plan.

### **13b: Review Triggers**

More frequent reviews may also be triggered by a change in client's investment objectives; tax considerations; large deposits or withdrawals; large security sales or purchases; loss of confidence in corporate management objectives and, changes in macro-economic climate.

### **13c: Regular Reports**

Investment advisory clients will receive standard account statements from the custodian of their accounts on a quarterly basis.

Financial planning clients do not normally receive investment reports.

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

### **14a: Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

Advisor may purchase software, research tools, training programs or seminar services from its broker-dealer. Additionally, broker-dealers may provide services, tools or other non-financial benefits to the Advisor as a benefit for using the broker-dealer's services. As part of its fiduciary duties to clients, Alison & Hill, LLC endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of the types of benefits discussed above can create a potential conflict of interest by influencing the Advisor's choice of a broker-dealer.

#### **14b: Compensation to Non-Advisory Personnel for Client Referrals**

Advisor does not directly or indirectly compensate any person for client referrals.

### **ITEM 15 – CUSTODY**

Clients' accounts are held by a qualified custodian. Advisor does not have custody of the assets in the account and shall have no liability to the client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer.

### **ITEM 16 – INVESTMENT DISCRETION**

Except as otherwise instructed, client grants Advisor ongoing and continuous discretionary authority to execute its investment recommendations, without the client's approval of each specific transaction, in accordance with Advisor's Investment Philosophy. Under this authority, client shall allow Advisor to purchase and sell securities and instruments in this account, arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors and act on behalf of the client in most matters necessary or incidental to the handling of the account, including monitoring certain assets.

In certain cases we may allow for the client to grant non-discretionary authority which requires consent prior to each transaction.

### **ITEM 17 – VOTING CLIENT SECURITIES (I.E., PROXY VOTING)**

Unless specifically directed otherwise in writing by the client, Alison & Hill, LLC is not authorized to receive and vote proxies on issues held in the accounts. Nor is Advisor authorized to receive annual reports.



## **ITEM 18 – FINANCIAL INFORMATION**

### **18a: Financial Condition**

The Firm has no financial issues that could impair our ability to carry out our fiduciary duty to our clients. Advisor has not been the subject of a bankruptcy petition in the last ten (10) years.

The Advisor does not require prepayment of more than \$500.00 in fees from clients more than six (6) months in advance of services.

## **ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISORS**

Alison & Hill, LLC is an SEC registered firm and only notice files to state regulators.