

# R. Meier, Inc.

## Brochure Dated 1/25/2012

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Fort Atkinson, WI 53538

**This Brochure provides information about the qualifications and business practices of R. Meier, Inc. If you have any questions about the contents of this Brochure, please contact us at (920) 568-3601 or [mark@rmeierinc.com](mailto:mark@rmeierinc.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Additional information about R. Meier, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**References herein to R. Meier, Inc. as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.**

## **Item 2           Material Changes**

There have been no material changes made to R. Meier, Inc.'s disclosure statement since last year's Annual Amendment filing on June 1, 2011.

## **Item 3           Table of Contents**

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

#### Item 4            **Advisory Business**

- A. R. Meier, Inc. ("R. Meier") is a corporation formed on October 3, 1997 in the state of Wisconsin. R. Meier became registered as an Investment Adviser Firm on March 31, 2005. R. Meier is owned by Mark Meier.
- B. As discussed below, R. Meier offers to its clients (individuals, business entities, trusts, estates and charitable organizations, etc.) investment advisory services. R. Meier **does not** provide financial planning, estate planning or insurance planning services.

#### **INVESTMENT ADVISORY SERVICES**

The client can determine to engage R. Meier to provide discretionary investment advisory services on a *fee only* basis. R. Meier's annual investment advisory fee is based upon a percentage (%) of the market value of the assets placed under R. Meier's management (between 0.75% and 1.00%) as follows:

<u>Market Value of Portfolio</u>	<u>% of Assets</u>
First \$100,000.00	1.00%
Next \$200,000.00	0.90%
Next \$400,000.00	0.80%
Assets over \$700,000.00	0.75%

#### **TAX PREPARATION SERVICES AND TAX CONSULTING SERVICES**

To the extent specifically requested by a client, R. Meier *may* determine to provide tax preparation services and tax consulting services on a stand-alone fee basis. R. Meier's tax preparation and consulting fees are negotiable, but generally range from \$50.00 to \$450.00 on a fixed fee basis, and from \$50.00 to \$125.00 on an hourly rate basis, depending upon the level and scope of the service(s).

#### **MISCELLANEOUS**

**Limited Consulting/Implementation Services.** Although R. Meier does not hold itself out as providing financial planning, estate planning or insurance planning services, to the extent specifically requested by the client, on an unsolicited basis, R. Meier *may* provide limited consultation services to its investment management clients on investment and non-investment related matters, such as estate planning, insurance, etc. R. Meier shall usually not receive any separate or additional fee for any such consultation services. Neither R. Meier, nor any of its representatives, serves as an attorney or licensed insurance agent, and no portion of R. Meier's services should be construed as same. To the extent requested by a client, R. Meier may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from R. Meier. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify R. Meier if there is ever any change in

his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising R. Meier's previous recommendations and/or services.

**Trade Error Policy.** R. Meier shall reimburse accounts for losses resulting from R. Meier's trade errors, but shall not credit accounts for such errors resulting in market gains. The gains and losses are reconciled within R. Meier's custodian firm account and R. Meier retains the net gains and losses.

**Client Obligations.** In performing its services, R. Meier shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify R. Meier if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising R. Meier's previous recommendations and/or services.

**Disclosure Statement.** A copy of R. Meier's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*.

- C. R. Meier shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, R. Meier shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on R. Meier's services.
- D. R. Meier does not participate in a wrap fee program.
- E. As of January 6, 2012, R. Meier had \$44,101,506 in assets under management on a discretionary basis.

## Item 5 Fees and Compensation

- A. The client can determine to engage R. Meier to provide discretionary investment advisory services on a *fee only* basis.

### **INVESTMENT ADVISORY SERVICES**

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Assets over \$700,000.00	0.75%

### **TAX PREPARATION SERVICES AND TAX CONSULTING SERVICES**

To the extent specifically requested by a client, R. Meier may determine to provide tax preparation services and tax consulting services on a stand-alone fee basis. R. Meier's tax preparation and consulting fees are negotiable, but generally range from \$50.00 to \$450.00 on a fixed fee basis, and from \$ 50.00 to \$125.00 on an hourly rate basis, depending upon the level and scope of the service(s).

- B. Clients may elect to have R. Meier's advisory fees deducted from their custodial account. Both R. Meier's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of R. Meier's investment advisory fee and to directly remit that management fee to R. Meier in compliance with regulatory procedures. In the limited event that R. Meier bills the client directly, payment is due upon receipt of R. Meier's invoice. R. Meier shall deduct fees and/or bill clients in arrears, calculated on the market value of the assets of the portfolio on the last business day of the quarter to which the fee applies, unless otherwise noted in the *Investment Advisory Agreement*. For new accounts, the first quarterly fee will be payable in the first month after the quarter in which the account is established and funded, and may be prorated for any partial quarter, if any.
- C. As discussed below, unless the client directs otherwise, R. Meier shall generally recommend that one or more broker-dealers/custodians ("Broker-dealers") serve as the broker-dealer/custodian for that particular client's investment management assets. Broker-dealers charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to R. Meier's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. R. Meier's annual investment advisory fee shall be prorated and paid quarterly, in arrears, based upon the market value of the assets on the last business day of the quarter to which

the fee applies. For new accounts, the first quarterly fee will be payable in the first month after the quarter in which the account is established and funded, and may be pro-rated for any partial quarter, if any. The *Investment Advisory Agreement* between R. Meier and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, a pro-rated portion of the earned but unpaid advisory fee shall be due.

- E. Neither R. Meier, nor its representatives accept compensation from the sale of securities or other investment products.

## **Item 6            Performance-Based Fees and Side-by-Side Management**

Neither R. Meier nor any supervised person of R. Meier accepts performance-based fees.

## **Item 7            Types of Clients**

R. Meier's clients shall generally include individuals, business entities, trusts, estates and charitable organizations. R. Meier does not generally require an annual minimum fee or asset level for investment advisory services. R. Meier, in its sole discretion, may reduce its investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. R. Meier may utilize the following methods of security analysis:
- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
  - Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)

R. Meier may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)

**Please Note: Investment Risk.** Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by R. Meier) will be profitable or equal any specific performance level(s).

- B. R. Meier's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis R. Meier must have access to current/new market information. R. Meier

has no control over the dissemination rate of market information; therefore, unbeknownst to R. Meier, certain analyses may be compiled with outdated market information, severely limiting the value of R. Meier's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

R. Meier's primary investment strategies - Long Term Purchases and Short Term Purchases- are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

- C. Currently, R. Meier primarily allocates client investment assets among various individual equity (stocks), debt (bonds) and fixed income securities, mutual funds and/or exchange traded funds ("ETFs") on a discretionary basis in accordance with the client's designated investment objective(s).

## **Item 9            Disciplinary Information**

R. Meier has not been the subject of any disciplinary actions.

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

- A. Neither R. Meier, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither R. Meier, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. R. Meier does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person.
- D. R. Meier does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. R. Meier maintains an investment policy relative to personal securities transactions. This investment policy is part of R. Meier's overall Code of Ethics, which serves to establish a standard of business conduct for all of R. Meier's representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

R. Meier also maintains and enforces policies reasonably designed to prevent the misuse of material non-public information by R. Meier or any person associated with R. Meier.

- B. Neither R. Meier nor any related person of R. Meier recommends, buys, or sells for client accounts, securities in which R. Meier or any related person of R. Meier has a material financial interest.

- C. R. Meier and/or representatives of R. Meier *may* buy or sell securities that are also recommended to clients. This practice may create a situation where R. Meier and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if R. Meier did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of R. Meier's clients) and other potentially abusive practices.

R. Meier has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of R. Meier's "Access Persons". R. Meier's securities transaction policy requires that an Access Person of R. Meier must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date R. Meier selects; provided, however that at any time that R. Meier has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. R. Meier and/or representatives of R. Meier *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where R. Meier and/or representatives of the firm are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, R. Meier has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of R. Meier's Access Persons.



## Item 12      Brokerage Practices

- A. R. Meier will recommend a Broker-dealer for execution and/or custodial services (exclusive of those clients that may direct R. Meier to use a specific broker-dealer/custodian), R. Meier will generally recommend that investment management accounts be maintained at a particular Broker-dealer. Prior to engaging R. Meier to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with R. Meier setting forth the terms and conditions under which R. Meier shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that R. Meier considers in recommending a Broker-dealer to clients include historical relationship with R. Meier, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by R. Meier's clients shall comply with R. Meier's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where R. Meier determines, in good faith, that the commission/transaction fee is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the Broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although R. Meier will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated Broker-dealer are exclusive of, and in addition to, R. Meier's investment management fee. R. Meier's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

### 1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, R. Meier may receive from the Broker-dealer without cost (and/or at a discount) support services and/or products, certain of which assist R. Meier to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by R. Meier may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by R. Meier in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist R. Meier in managing and administering client accounts. Others do not directly provide such assistance, but rather assist R. Meier to manage and further develop its business enterprise.

R. Meier's clients do not pay more for investment transactions effected and/or assets maintained at the Broker-dealer as a result of this arrangement. There is no

corresponding commitment made by R. Meier to the Broker-dealer or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**R. Meier's Chief Compliance Officer, Mark Meier, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.**

2. R. Meier does not receive referrals from broker-dealers.
3. R. Meier does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and R. Meier will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by R. Meier. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

**Please Note:** In the event that the client directs R. Meier to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through R. Meier.

**R. Meier's Chief Compliance Officer, Mark Meier, remains available to address any questions that a client or prospective client may have regarding the above arrangement.**

- B. To the extent that R. Meier provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless R. Meier decides to purchase or sell the same securities for several clients at approximately the same time. R. Meier may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among R. Meier's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. R. Meier shall not receive any additional compensation or remuneration as a result of such aggregation.

### **Item 13      Review of Accounts**

- A. For those clients to whom R. Meier provides investment advisory services, account reviews are conducted on an ongoing basis by R. Meier's Principals and/or

representatives. All investment supervisory clients are advised that it remains their responsibility to advise R. Meier of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with R. Meier on an annual basis.

- B. R. Meier *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. R. Meier may also provide a written periodic report summarizing account activity and performance.

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

- A. As referenced in Item 12.A.1 above, R. Meier may receive an indirect economic benefit from the Broker-dealer. R. Meier, without cost (and/or at a discount), may receive support services and/or products from the Broker-dealer.

R. Meier's clients do not pay more for investment transactions effected and/or assets maintained at the Broker-dealer as a result of this arrangement. There is no corresponding commitment made by R. Meier to the Broker-dealer or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

**R. Meier's Chief Compliance Officer, Mark Meier, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.**

- B. Neither R. Meier nor any supervised person of R. Meier compensates any non-supervised person for client referrals.

## **Item 15           Custody**

R. Meier shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. R. Meier may also provide a written periodic report summarizing account activity and performance.

**Please Note:** To the extent that R. Meier provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by R. Meier with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of R. Meier's advisory fee calculation.

## **Item 16           Investment Discretion**

The client can determine to engage R. Meier to provide investment advisory services on a discretionary basis. Prior to R. Meier assuming discretionary authority over a client's account, the client shall be required to execute an *Investment Advisory Agreement*, naming R. Meier as the client's attorney and agent in fact, granting R. Meier full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage R. Meier on a discretionary basis may, at anytime, impose restrictions, **in writing**, on R. Meier's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe R. Meier's use of margin, etc.).

## **Item 17           Voting Client Securities**

- A. Unless, R. Meier has specifically designated in writing that it will vote proxies, the client shall be exclusively responsible for voting all proxies solicited by issuers of securities owned by the client and making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

Where R. Meier has specifically designated in writing that it will vote proxies, R. Meier shall vote proxies in accordance with its Proxy Voting Policy, a copy of which is available upon request. R. Meier shall monitor corporate actions of individual issuers and investment companies consistent with R. Meier's fiduciary duty to vote proxies in the best interests of its clients. Although the factors which R. Meier will consider when determining how it will vote differ on a case by case basis, they may, but are not limited to, include the following: a review of recommendations from issuer management, shareholder proposals, cost effects of such proposals, effect on employees and executive and director compensation. With respect to individual issuers, R. Meier may be solicited

to vote on matters including corporate governance, adoption or amendments to compensation plans (including stock options), and matters involving social issues and corporate responsibility. With respect to investment companies (e.g., mutual funds), R. Meier may be solicited to vote on matters including the approval of advisory contracts, distribution plans, and mergers. R. Meier shall maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c)(2) under the Advisers Act. Copies of Rules 206(4)-6 and 204-2(c)(2) are available upon written request. In addition, information pertaining to how R. Meier voted on any specific proxy issue is also available upon written request. Requests should be made by contacting R. Meier's Chief Compliance Officer, Mark Meier.

- B. Unless specifically requested by the client that R. Meier vote client proxies, clients will receive their proxies or other solicitations directly from their custodian. Clients may contact R. Meier to discuss any questions they may have with a particular solicitation.

#### **Item 18 Financial Information**

- A. R. Meier does not solicit fees of more than \$500, per client, six months or more in advance.
- B. R. Meier is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. R. Meier has not been the subject of a bankruptcy petition.

#### **Item 19 Requirements for State Registered Investment Advisers**

- A. Richard Meier is the President and Mark Meier is the sole-shareholder of R. Meier, Inc. For more information about the above individuals, please see the Brochure Supplement to R. Meier's Brochure.
- B. R. Meier is not engaged in any other business than as set forth in this brochure.
- C. Neither R. Meier, nor its representatives, accepts performance-based fees.
- D. R. Meier does not have any reportable disciplinary information.
- E. Neither R. Meier, nor its representatives, has any relationship or arrangement with any issuer of securities.

**ANY QUESTIONS: R. Meier's Chief Compliance Officer, Mark Meier, remains available to address any questions that a client or prospective client may have regarding the above disclosures and arrangements.**