

## **Form ADV Part 2A: Disclosure Brochure**

### **American Service Corp.**

**1733 E. Powell Blvd., Suite 104  
Gresham, OR 97030**

**Telephone: 503-661-9010  
Facsimile: 503-666-9054**

**4-4-2012**

This brochure provides information about the qualifications and business practices of American Service Corp. If you have any questions about the contents of this brochure, please contact us at 503-661-9010. 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 American Service Corp. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

American Service Corp. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

## Item 2 Material Changes

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

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

## Item 3 Table of Contents

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

## Item 4 Advisory Business

### Description of Services and Fees

American Service Corp. is a registered investment adviser based in Gresham, Oregon. We are organized as a corporation under the laws of the State of Oregon and we have been providing investment advisory services since 1984. Roger Miracle is our principal owner.

The following paragraphs describe our services and fees. As used in this brochure, the words "we", "our" and "us" refer to American Service Corp. 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.

### Portfolio Management Services

We offer non-discretionary portfolio management services to our clients and prospective clients. Our investment advice is personalized to each individual client and 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 from our initial meeting to develop a strategy that enables our firm to give you continuous and focused investment advice and to make investments on your behalf. As part of our portfolio management services, we may customize an investment portfolio for you in accordance with your risk tolerance and investing objectives. 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. We will obtain your approval prior to executing any transactions in your account.

We charge a negotiable annualized fee ranging between 0.50% and 1.50% of your assets under management. Our portfolio management fee is billed and payable quarterly in advance based on the value of your account at the end 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.

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.

We will send you an invoice for our fees or we will deduct our fee directly from your account through the qualified custodian holding your funds and securities. We will deduct our advisory fee only when the following requirements are met:

- You provide our firm with written authorization permitting the fees to be paid directly from your account held by the qualified custodian.
- We send you an invoice showing the amount of the fee, the value of the assets on which the fee is based, and the specific manner in which the fee was calculated.
- The qualified custodian agrees to send you a statement, at least quarterly, indicating all amounts dispersed from your account including the amount of the advisory fee paid directly to our firm.

You may terminate the portfolio management agreement upon 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. If you have pre-paid advisory fees that we have not yet earned, you will receive a prorated refund of those fees (any offset of advisory fees based on commissions earned by registered representatives are not subject to a pro-rated refund).

### **Financial Planning Services**

For clients who retain us to provide portfolio management services, we may also provide financial planning and consulting services. Such services are incidental to providing portfolio management services and we do not charge a separate fee for providing financial planning and consulting.

### **Types of Investments**

We primarily offer advice on no-load mutual funds.

### **Assets Under Management**

As of September 30, 2011, we manage \$54,000,000 in client assets on a non-discretionary basis.

## **Item 5 Fees and Compensation**

Please refer to the "Advisory Business" section in this brochure for information on our fees and compensation.

### **Additional Fees and Expenses**

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

### **Compensation for the Sale of Securities or Other Investment Products Securities**

Associated Persons providing investment advice on behalf of our firm are registered representatives with Lincoln Financial Securities Corporation ("Lincoln Financial"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as registered representatives, these persons receive commission-based compensation in connection with the purchase and sale of securities (such as stocks, bonds, variable annuities, and limited partnerships), including 12b-1 fees for the sale of investment company products ("mutual funds"). When suitable, we generally recommend no-load mutual funds. 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. However, you are under no obligation, contractually or otherwise, to buy or sell securities products through any person affiliated with our firm.

To the extent any commissions and/or 12b-1 fees are received by registered representatives on securities transactions in advisory accounts, such commissions are offset against advisory fees charged by the firm.

## **Insurance**

Persons associated with our firm are licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products. Insurance commissions earned by these persons are separate and in addition to our advisory fees. This practice presents a conflict of interest because persons insurance agents have an incentive to recommend insurance products to you for the purpose of generating commissions rather than solely based on your needs. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

## **Item 6. Performance-Based Fees and Side-By-Side Management**

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

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

## **Item 7 Types of Clients**

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

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

### **Our Methods of Analysis and Investment Strategies**

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

- **Quantitative and Qualitative Assessment** - involves the evaluation of fund managers based on quantitative (measurable) factors such as performance and qualitative factors, which cannot be precisely measured, such as experience and caliber of management style and investment philosophy. Although quantitative and qualitative factors are distinguishable, they must be combined to arrive at sound business and financial judgment. The risk of quantitative and qualitative assessment is that the information obtained is subject to a subjective analysis and which may lead to differing conclusions on decisions to invest.
- **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.

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.

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. Most custodians use the FIFO ("First In First Out") accounting method as the default method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will

alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

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

### **Recommendation of Particular Types of Securities**

As disclosed under the Advisory Business section in this Brochure, we primarily recommend no-load mutual funds.

Mutual funds are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, primarily invests in small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. The returns on mutual funds can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, the fund, other types of mutual funds do charge such fees which can also reduce returns.

## **Item 9 Disciplinary Information**

Neither our firm nor any of our Associated Persons has any reportable disciplinary information.

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

### **Registrations with Broker-Dealer**

Persons providing investment advice on behalf of our firm are registered representatives with Lincoln Financial Securities Corporation ("Lincoln Financial").

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

### **Description of Our Code of Ethics**

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. 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.

A copy of our Code of Ethics is available by contacting us at the telephone number on the cover page of this brochure.

### **Participation or Interest in Client Transactions**

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this Brochure.

### **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.

A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our Associated Persons nor we shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We require you to use the brokerage and custodial services of Lincoln Financial Securities Corporation and Pershing, LLC members of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Pershing, LLC provides investment advisers services, which include custody of client securities, trade execution, clearance and settlement of transactions, and daily research and investment information.

We may receive certain benefits from Lincoln Financial and/or Pershing that include financial publications, information about particular companies and industries, and computer software, e.g. customized statements and reporting features. These products and services provide lawful and appropriate assistance to our firm in the performance of our investment decision-making responsibilities.

We believe that Lincoln Financial and Pershing 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, including the value of research provided, the firm's reputation, execution capabilities, commission rates, and responsiveness to our clients and our firm. It may be the case that Lincoln Financial and/or Pershing, LLC charge higher fees than another broker charges for a particular type of service.

### **Directed Brokerage**

Persons providing investment advice on behalf of our firm who are registered representatives of Lincoln Financial will recommend Lincoln Financial to you for brokerage services. These individuals are subject to applicable rules that restrict them from conducting securities transactions away from Lincoln Financial unless Lincoln Financial provides the representative with written authorization to do so. Therefore, these individuals are generally limited to conducting securities transactions through Lincoln Financial or approved custodians. It may be the case that Lincoln Financial charges higher transactions costs and/or custodial fees than another broker charges for the same types of services. If transactions are executed through Lincoln Financial, these individuals (in their separate capacities as registered representatives of Lincoln Financial) may earn commission-based compensation as result of placing the recommended securities transactions through Lincoln Financial. You may utilize the broker-dealer of your choice and have no obligation to purchase or sell securities through such broker as we recommend. However, if you do not use Lincoln Financial or approved custodians, we may not be able to accept your account. Please see the Fees and Compensation section in this Brochure for more information on the compensation received by registered representatives who are affiliated with our firm.

### **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.

### **Block Trades**

We do not combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading") because we invest mostly in Mutual Funds which do not trade in blocks.



## **Item 13 Review of Accounts**

Roger Miracle, President, monitors accounts on an ongoing basis and conducts an internal review, on a monthly basis, to ensure that the advisory services provided to you are consistent with your current/stated investment needs and objectives. Additional reviews may be conducted based on various circumstances, including, but not limited to:

- upon client request
- contributions and withdrawals,
- market moving events,
- security specific events, and/or,
- changes in your risk/return objectives.

We will provide you with monthly reports containing a summary and performance of your accounts. In addition, you will receive trade confirmations and monthly or quarterly statements from your account custodian(s).

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

We do not compensate any individual or firm for client referrals. Please refer to the Brokerage Practices section above for disclosures on research and other benefits our firm may receive from broker-dealers.

As disclosed under the "Fees and Compensation" section in this brochure, persons providing investment advice on behalf of our firm are registered representatives and licensed insurance agents. For information on the conflicts of interest this presents, and how we address these conflicts, please refer to the "Fees and Compensation" section.

## **Item 15 Custody**

As paying agent for our firm, your independent custodian will 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 bank, broker-dealer, or other independent, qualified custodian. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy. We will also provide statements to you reflecting the amount of advisory fee deducted from your account.

You should compare our statements with the statements from your account custodian(s) to reconcile the information reflected on each statement. If you have a question regarding your account statement, or if you did not receive a statement from your custodian, please contact us directly at the telephone number on the cover page of this brochure.

## **Item 16 Investment Discretion**

We do not take investment discretion over any client accounts. We will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm.

## Item 17 Voting Client Securities

We will not vote proxies on behalf of your advisory accounts. At your request, we may offer you advice regarding corporate actions and the exercise of your proxy voting rights. If you own shares of 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.

## Item 18 Financial Information

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

- require the prepayment of more than \$500 in fees and six or more months in advance, or
- take custody of client funds or securities, or
- have a financial condition that is reasonable likely to impair our ability to meet our contractual commitments to you

## Item 19 Requirements for State-Registered Advisers

Refer to the Part(s) 2B for background information about management personnel and those giving advice on behalf of our firm.

Our firm is not actively engaged in any business other than giving investment advice.

Neither our firm, nor any persons associated with our firm are compensated for advisory services with performance-based fees. Please refer to the "Performance-Based Fees and Side-By-Side Management" section above for additional information on this topic.

Neither our firm, nor any of our management persons have any reportable arbitration claims, civil, self-regulatory organization proceedings or administrative proceedings.

Neither our firm, nor any of our management persons have a material relationship or arrangement with any issuer of securities.

## Item 20 Additional Information

### Your Privacy

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 not 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 our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

**Trade Errors**

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

**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.

**ROGER JOHN MIRACLE**

**CRD No. 336594**

**American Service Corp.**

**1733 E. Powell Blvd., Suite 104  
Gresham, OR 97030**

**Telephone: 503-661-9010**

**Facsimile: 503-666-9054**

**FORM ADV PART 2B  
BROCHURE SUPPLEMENT**

**4-4-2012**

This brochure supplement provides information about Roger Miracle that supplements American Service Corp.'s brochure. You should have received a copy of that brochure. Please contact us at (503) 661-9010 if you did not receive American Service Corp.'s brochure or if you have any questions about the contents of this supplement.

Additional information about Roger Miracle is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 Educational Background and Business Experience**

*Year of Birth:* 1949

*Formal Education after High School:*

- The Oregon College of Education, B.S. in General Studies, 1971

*Business Background for the Previous Five Years:*

- American Service Corp., President/Chief Compliance Officer, 10/1984 to Present
- Lincoln Financial Securities Corporation, Registered Representative, 10/1997 to Present

## **Item 3 Disciplinary Information**

Mr. Miracle does not have any reportable disciplinary disclosure.

## **Item 4 Other Business Activities**

Mr. Miracle is licensed to sell securities through Lincoln Financial Service Corp., a registered broker/dealer, member FINRA/SIPC. In this capacity, Mr. Miracle 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 Mr. Miracle in his capacity as a registered representative is separate and in addition to our advisory fees. This practice presents a conflict of interest because Mr. Miracle has an incentive to effect securities transactions for the purpose of generating commissions rather than solely based on your needs.

Mr. Miracle currently does not actively sell securities through Lincoln Financial; but may do so in the future.

## **Item 5 Additional Compensation**

Please refer to the other Business Activities Section above for disclosure on Mr. Miracle's receipt of additional compensation resulting from his Other Business Activities.

## **Item 6 Supervision**

As President and Chief Compliance Officer of American Service Corp. Mr. Miracle is not supervised by other persons. Mr. Miracle can be reached at 503-661-9010.

## **Item 7 Requirements for State Registered Advisers**

Roger Miracle does not have any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.