

## **Firm Brochure**

(Part 2A of Form ADV)

**Absolute Return Solutions, Inc.**

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IARD 148106

This brochure provides information about the qualifications and business practices of Absolute Return Solutions, Inc. If you have any questions about the contents of this brochure, please contact us at: 425-558-3700, or by email at: [brian@absolutereturnsolutions.com](mailto:brian@absolutereturnsolutions.com). Registration does not imply a certain level of skill or training. 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 Absolute Return Solutions, Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

November 22, 2011

## **Item 2: Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

This brochure has been changed since the last filing to reflect that we do not offer non-discretionary asset management and the contact email has been changed to [brian@absolutereturnsolutions.com](mailto:brian@absolutereturnsolutions.com).

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 425-558-3700 or by email at: [brian@absolutereturnsolutions.com](mailto:brian@absolutereturnsolutions.com).

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## **Item 4: Advisory Business**

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### **Firm Description**

Absolute Return Solutions, Inc., ("ARS") was founded in 2008 by Brian Decker and James Black.

ARS provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations and other business entities. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

ARS is a fee based financial planning and investment management firm. The firm's management and employees are affiliated with entities that sell insurance products. Such affiliations may create a conflict of interest when ARS, its management persons or employees recommend insurance products that they may receive commissions for selling. This conflict is mitigated by the fact that ARS and its affiliated persons have a fiduciary duty to act in the best interest of the client and that clients are not required to purchase any products through the affiliated persons of ARS. The clients are free to purchase products through any insurance agent of their choosing.

Investment advice is provided, with the client making the final decision on investment selection. ARS does not act as a custodian of client assets. The client always maintains asset control.

A written evaluation of each client's initial situation may be provided to the client, often in the form of a net worth statement or risk analysis. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

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### **Types of Advisory Services**

ARS provides investment supervisory services, also known as asset management services and furnishes financial planning and investment advice through consultations.

On more than an occasional basis, ARS furnishes advice to clients on matters not involving securities, such as i trust services that often include estate planning.

### **ASSET MANAGEMENT**

ARS offers discretionary direct asset management services to advisory clients. ARS will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, assets allocation, portfolio monitoring and the overall investment program will be based on the above factors. The client will authorize ARS

discretionary authority to execute selected investment program transactions as stated within the Investment Advisory Agreement.

The client is responsible for all transaction and exchange costs associated with the portfolio. These individually managed portfolios will use individual securities and/or investment company securities as investments. ARS offers the following categories of investment supervisory services: Blended Tactical Portfolios, Blended Strategic Portfolios, Fixed Income Portfolios and Service Portfolios. Blended Portfolio investments include equity, fixed income, cash, and non-traditional investment products. The non-traditional asset class may be represented by investment company securities whose value is based on an alternative asset class. Such as mutual funds that are designed to follow the DJ-AIG Commodity Index. Fixed Income Portfolio investments may include but are not limited to corporate debt, commercial paper, certificate of deposit, municipal debt, mortgage debt, government debt, cash, and preferred stock. Strategic portfolios emphasize selection and the weight of asset classes within the portfolio that can and will change over time. Tactical portfolios may include investments viewed as opportunistic. Tactical portfolios can and will change over time, sometimes often. Service portfolios are designed to accommodate a client's current holdings that require a unique investment management service.

#### FINANCIAL PLANNING AND CONSULTING

Financial planning is offered to all clients. Clients are provided a written plan that includes a personal balance sheet and certain projections. The recommendation of insurance products may be involved with the financial planning process. If a client chooses to purchase an insurance product with an affiliate of ARS, a conflict of interest may occur. This conflict is mitigated by the fact that Investment Advisory Representatives maintain their fiduciary duty to the client and the client is not required to act on any recommendations. If the client does choose to purchase an insurance product, they may do so with any insurance agent of their choosing.

Initial consultations are provided at no charge. Advice pertaining to the design and establishment of an asset protection plan, retirement plan, tax planning analysis, or estate plan, including counsel regarding the use of grantor trusts, charitable trusts, living trusts, and/or private foundations, depends on the specifics of each clients' circumstances.

The elements included in the basic plan involving one or two individuals are:

- Initial Design
- Strategic planning recommendations
- Plan implementation

A strategic plan would include the elements in the basic plan and would also include risk reduction, income planning and tax minimization. Other services may be added for additional fees such as:

- Negotiations involving vendors or suppliers
- Consultations with outside legal or accounting advisors



- Special business requirements

All reports, financial statement projections and analyses are intended exclusively for your use in developing and implementing your financial plan. In view of this limited purpose, the statements should not be considered complete financial statements. Accordingly, you should understand that such statements cannot be used to obtain credit or for any purpose other than developing your personal financial plan. We will not audit (examine), review or compile such statements and, accordingly we will not express an opinion or other form of assurance on them, including the reasonableness of assumptions and other data on which any prospective financial statements are based.

Our analyses will be highly dependent on certain economic assumptions that you must make about the future. Therefore, another important step in the process is establishing your familiarity with historical data regarding key assumptions such as inflation and investment rates of return, as well as an understanding of how significantly these assumptions affect the results of our analyses. We may counsel you as to the consistency of your assumptions with relevant historical data, but we will not express any assurance as to the accuracy or reasonableness of your specific data and assumptions. Past performance is no guarantee of future results.

All financial planning engagements are done on a fixed fee basis and are terminated upon delivery of the final financial plan or other work product. ARS does not provide any advice, oversight or monitoring of financial plans after completion.

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**Client Tailored Services and Client Imposed Restrictions**

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without the prior written consent of the client.

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**Wrap Fee Programs**

ARS does not participate in wrap fee programs.

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**Client Assets under Management**

As of September 30<sup>th</sup>, 2011 ARS has \$16,480,000 client assets under management on a discretionary basis

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**Item 5: Fees and Compensation**

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**Method of Compensation and Fee Schedule**

ARS bases its fees on a percentage of assets under management and fixed fees. ARS may waive fees for family, employees of ARS and its affiliated companies and some non-family members.

**ASSET MANAGEMENT**

ARS offers discretionary direct asset management services to advisory clients. ARS will offer clients ongoing portfolio management services through determining

individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, assets allocation, portfolio monitoring and the overall investment program will be based on the above factors.

ARS's asset management fees are based upon an annual rate of one percent (1%) per year. ARS may negotiate its fee and charge a lesser asset management fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.). We exclude bonds, CD's and any self- managed positions.

Fees for asset management services will be based on a percentage of assets under management valued on the last day of the previous calendar quarter, and take into consideration the flow of funds during the quarter. Quarterly fees are calculated and charged in advance of portfolio management services being performed. Fees are fully disclosed to the customer by way of the written agreement entered into with ARS. The Client acknowledges and agrees that asset management fees payable to ARS will be automatically deducted from the client's account. Upon termination, any unearned fees will be refunded to the client on a pro rata basis.

ARS will not take an asset management client unless they go through the financial planning process.

In cases when the advisory agreement does not span the full billing period, fees are prorated from the date of inception or through the date of termination and refunded to the client. The Advisor or Client may terminate the investment advisory agreement at any time with written notice to the advisor at their main office:

Absolute Return Solutions, Inc.  
16310 NE 80th Street  
Suite 100  
Redmond, WA 98052

## FINANCIAL PLANNING and CONSULTING

### FIXED FEES

The financial planning process is a series of 5-7 meetings, depending upon the complexity of the plan. It is as comprehensive as the client desires. Financial planning fees are assessed based on the complexity of the plan and can range from free advice given to those who just need some "fine tuning" to \$5,000 for an extremely complex plan.

Fees for a plan range from \$0 to \$5,000 based upon the services requested by the client. As an example, a strategic plan involving risk reduction, income planning and tax minimization would cost a minimum of \$1,000. Fees would increase by approximately \$500 for each additional service requested.

ARS enters into a written agreement that explains the services to be performed and an estimate of the cost to complete the service. Fees are paid upon delivery of the specific work product.

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**Client Payment of Fees**

Asset management fees are billed quarterly, in advance, meaning that we invoice you before the three-month billing period has started. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account. If fees are not deducted from the client account, fees will be paid by check from the client.

Fees for financial plans are due upon delivery of the financial plan.

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**Additional Client Fees Charged**

The above-referenced fees charged by ARS do not include brokerage commissions and other costs related to the execution of transactions on behalf of Clients. Such costs will be paid by advisory Clients in addition to the fees discussed above. Clients are also responsible for asset management fees paid to Custodians and broker-dealers. These fees are disclosed in the disclosure document or agreements in the Custodian's account opening documents. Clients are also responsible for margin interest, wire transfer fees, safe keeping fees provided by the broker-dealer, transfer agent, or custodian and disclosed by the Custodian at the time the Client opens their account(s) or when service is requested.

Investment company funds that are held by advisory Clients will bear their own internal transaction and execution costs, as well as directly compensate their investment managers along with internal administrative services. Some funds pay 12b-1 fees, Distribution Fees, and or Shareholder Service Fees to broker-dealers that offer such funds to their Clients. These charges affect the Net Asset Value of these fund shares and are thus indirectly borne by fund shareholders such as an ARS Client. Some fund companies have imposed a redemption fee. A redemption fee is another type of fee that some funds charge their shareholders when shares are sold or redeemed within a short period of time from the purchase of the fund shares. Although a redemption fee is deducted from redemption proceeds just like a deferred sales load, it is not considered to be a sales load. Unlike a sales load, which is generally used to compensate brokers, a redemption fee is typically used to defray fund costs associated with a shareholder's redemption and is paid directly to the fund, not a broker. The SEC generally limits redemption fees to 2%. In most cases, the funds will use the "first-in, first-out" (FIFO) method to determine the holding period. Under this method, the date of the redemption will be compared with the earliest purchase date of shares held in the account. While it is not the general practice of ARS to sell client's securities in a period that would generate a redemption fee, it should be anticipated that ARS might do so if in its opinion the sale is in the client's best interests. Or fund shares must be redeemed to pay fees from the account.

A complete explanation of these charges is contained in the prospectus and “Statement of Additional Information” for each investment company fund. You can get a prospectus from the investment company (through its website or by telephone or mail). Your financial professional or broker can also provide you with a copy.

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#### **Prepayment of Client Fees**

ARS asset management fees are billed quarterly, in advance, meaning that we invoice you before the three-month billing period has started.

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#### **External Compensation for the Sale of Securities to Clients**

ARS’s management and employees are affiliated with entities that sell insurance products. Such affiliations may create a conflict of interest when ARS, its management persons or employees recommend insurance products that they may receive commissions for selling. This conflict is mitigated by the fact that ARS and its affiliated persons have a fiduciary duty to act in the best interest of the client and that clients are not required to purchase any products through the affiliated persons of ARS. The clients are free to purchase products through any insurance agent of their choosing.

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

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#### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

ARS does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

ARS does not offer Side-by Side Management for client accounts.

### **Item 7: Types of Clients**

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#### **Description**

ARS generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations and other business entities.

Client relationships vary in scope and length of service.

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#### **Account Minimums**

ARS does not require a minimum to open an account.

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

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

ARS mainly uses fundamental analysis. Fundamental analysis involves analyzing the financial health of a business and maintains that markets may misprice a security in

the short run, but that it will correct itself overtime. ARS uses a buy and hold strategy and believes that investing in good business allows the investments to grow with the business. Investing in securities involves risk of loss that clients should be prepared to bear.

The main sources of information mainly includes research materials prepared by others.

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**Investment Strategy and Method of Analysis Material Risks**

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes a Risk Tolerance that documents their objectives and their desired investment strategy. ARS uses a buy and hold strategy and believes that investing in good business allows the investments to grow with the business. Trades are generally made once per year, but the portfolios are monitored at least quarterly and trades are made more often if necessary. ARS mainly uses mutual funds (mainly stock funds and some blended funds) they believe will provide the best performance over time while minimizing risk.

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**Security Specific Material Risks**

ARS mainly uses mutual funds for investments. Most funds are comprised of stock funds, but blended funds may also be used at times. There are certain risks and costs associated with investing in mutual funds. Changing market conditions can create fluctuations in the value of a mutual fund investment. The value of a mutual fund investment could fail and be worth less than the principle initially invested. Mutual funds are not insured or guaranteed by an agency of the US government.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- *Market Risk:* The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- *Inflation Risk:* When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

- *Reinvestment Risk:* This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- *Business Risk:* These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- *Financial Risk:* Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9: Disciplinary Information**

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### **Criminal or Civil Actions**

The firm and its management have not been involved in any criminal or civil action.

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### **Administrative Enforcement Proceedings**

The firm and its management have not been involved in administrative enforcement proceedings.

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### **Self-Regulatory Organization Enforcement Proceedings**

The firm and its management have not been involved in legal or disciplinary events in the past 10 years.

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

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### **Broker-Dealer or Representative Registration**

Neither ARS nor any of its employees are registered representatives of a broker-dealer.

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### **Futures or Commodity Registration**

Neither ARS nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

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**Material Relationships Maintained by this Advisory Business and Conflicts of Interest**

The owners and Investment Advisor Representatives may from time-to-time recommend an insurance product to a client of ARS. If the client purchases an insurance product through the ARS Investment Advisor Representative while acting as an agent of the insurance company, the ARS Investment Advisor Representative will normally receive compensation based upon the value of the premium paid by the client. The amount of the sales commissions will be provided to clients upon the clients' request. The financial incentive in the form of sales commissions creates a potential conflict of interest between the client and Absolute Return Solutions, Inc. where the ARS Investment Advisor Representative might have the incentive to recommend one product, or action over another. Because of the sales based compensation, the interests of an insurance agent, may not be aligned with those of the client.

Members James Black and Brian Decker are co-owners of two insurance agencies; Retirement Income Solutions, LLC and Retirement Insurance Solutions, LLC. Affiliated persons of ARS may also be licensed insurance agents with one or both of these companies. As insurance agents, these affiliated persons of ARS provide insurance recommendations and sales services to ARS clients. The company and/or its representatives will receive compensation in the form a sales commissions from the sale of insurance products to clients. Sales commissions are a financial incentive for the company's representatives to recommend the purchase of insurance products. The financial incentive creates a potential conflict of interest between the client and the company's representatives who are also owners of the investment advisor Absolute Return Solutions, Inc.

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**Recommendations or Selections of Other Investment Advisors and Conflicts of Interest**

ARS does not recommend or select other investment advisors.

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

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**Code of Ethics Description**

The employees of ARS have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

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**Investment Recommendations Involving a Material Financial Interest and Conflict of Interest**

ARS and its employees do not recommend to clients securities in which we have a material financial interest.

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**Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest**

From time-to-time the interests of the principals and employees of ARS may coincide with those of a client. Individual stock may be bought, held or sold by a principal or employee of ARS that is also recommended to or held by a client. Such activities create a conflict of interest. If potential insider information is inadvertently provided or learned by a principal or employee, it is the policy of ARS to strictly prohibit its use.

It is the policy of ARS to permit the firm, its employees and Investment Advisor Representatives to buy, sell and hold the same securities that the Investment Advisor Representative also recommend to clients. It is acknowledged and understood that ARS performs investment services for various clients with varying investment goals and risk profiles. As such, the investment advice may differ between clients and investments made by ARS Investment Advisor Representatives. ARS has no obligation to recommend for purchase or sale a security that ARS, its principals, affiliates, employees or Investment Advisor Representatives may purchase, sell, or hold. When a decision is made to liquidate a security from all applicable accounts, priority would always be given to the client's orders before those of a related or associated person to the advisor. ARS has procedures dealing with insider trading, employee related accounts, "front running" and other issues that may present a potential conflict when such purchase, sales or recommendations are made. In general, these policies and procedures are intended to eliminate, to the extent possible, the adverse effect on clients of any such potential conflicts of interest.

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**Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest**

The Chief Compliance Officer of ARS is Brian Decker. He reviews all employee trades each quarter. Jim Black supervises and reviews the personal trades of Brian Decker. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment. Since most employee trades are in products such as mutual funds, government securities, bonds or are small in size, they do not impact the securities markets.

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**Item 12: Brokerage Practices**

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**Factors Used to Select Broker-Dealers for Client Transactions**

ARS may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the client's choosing. ARS will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. ARS uses TD Ameritrade as the preferred custodian. ARS relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by ARS.

ARS participates in the TD Ameritrade Institutional program. TD Ameritrade Institutional is a division of TD Ameritrade, Inc. ("TD Ameritrade") member FINRA/SIPC/NFA. TD Ameritrade is an independent SEC-registered broker-dealer



and is not affiliated with ARS. TD Ameritrade offers to independent investment Advisors services which include custody of securities, trade execution, clearance and settlement of transactions. Advisor receives some benefits from TD Ameritrade through its participation in the program.

Advisor also receives from TD Ameritrade certain additional economic benefits ("Additional Services") that may or may not be offered to any other independent investment Advisors participating in the program. Specifically, the Additional Services include Schwab Technologies Portfolio Center.

TD Ameritrade provides the Additional Services to Advisor in its sole discretion and at its own expense, and Advisor does not pay any fees to TD Ameritrade for the Additional Services. Advisor and TD Ameritrade have entered into a separate agreement ("Additional Services Addendum") to govern the terms of the provision of the Additional Services.

Advisor's receipt of Additional Services raises potential conflicts of interest. In providing Additional Services to Advisor, TD Ameritrade most likely considers the amount and profitability to TD Ameritrade of the assets in, and trades placed for, Advisor's Client accounts maintained with TD Ameritrade. TD Ameritrade has the right to terminate the Additional Services Addendum with Advisor, in its sole discretion, provided certain conditions are met. Consequently, in order to continue to obtain the Additional Services from TD Ameritrade, Advisor may have an incentive to recommend to its Clients that the assets under management by Advisor be held in custody with TD Ameritrade and to place transactions for Client accounts with TD Ameritrade. Advisor's receipt of Additional Services does not diminish its duty to act in the best interests of its Clients, including to seek best execution of trades for Client accounts.

- *Directed Brokerage*

In circumstances where a client directs ARS to use a certain broker-dealer, ARS still has a fiduciary duty to its clients. The following may apply with Directed Brokerage: ARS's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among clients, and potential conflicts of interests arising from brokerage firm referrals.

- *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. The firm does not receive any portion of the trading fees.

- *Soft Dollar Arrangements*  
ARS utilizes the services of custodial broker dealers. Economic benefits are received by ARS which would not be received if ARS did not give investment advice to clients. These benefits include: A dedicated trading desk, a dedicated service group and an account services manager dedicated to ARS's accounts, ability to conduct "block" client trades, electronic download of trades, balances and positions, duplicate and batched client statements, and the ability to have advisory fees directly deducted from client accounts.

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**Aggregating Securities Transactions for Client Accounts**

ARS is authorized in its discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and transactions in the same securities for other Clients of ARS. All clients participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rated basis.

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**Item 13: Review of Accounts**

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**Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Managed account reviews are performed quarterly by Brian Decker and financial plans are reviewed by James Black. Managed Account reviews are performed more frequently when market conditions dictate. Financial Plans are considered complete when recommendations are delivered to the client.

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**Review of Client Accounts on Non-Periodic Basis**

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

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**Content of Client Provided Reports and Frequency**

Clients receive account statements no less than quarterly for managed accounts. Account reports are issued by ARS's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs.

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

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**Economic benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest**

As disclosed under Item 12, ARS participates in TD Ameritrade's institutional customer program and ARS may recommend TD Ameritrade to Clients for custody and brokerage services. There is no direct link between ARS' participation in the program and the investment advice it gives to its Clients, although ARS receives economic benefits through its participation in the program that are typically not available to TD Ameritrade retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate Client statements and confirmations; research related products and tools; consulting

services; access to a trading desk serving ARS participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from Client accounts; access to an electronic communications network for Client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to ARS by third party vendors.

TD Ameritrade may also have paid for business consulting and professional services received by ARS' related persons. Some of the products and services made available by TD Ameritrade through the program may benefit ARS but may not benefit its Client accounts. These products or services may assist ARS in managing and administering Client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help ARS manage and further develop its business enterprise. The benefits received by ARS or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, ARS endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by ARS or its related persons in and of itself creates a potential conflict of interest and may indirectly influence the ARS' choice of TD Ameritrade for custody and brokerage services.

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**Advisory Firm Payments for Client Referrals**

ARS does not compensate for client referrals.

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**Item 15: Custody**

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**Account Statements**

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

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**Item 16: Investment Discretion**

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**Discretionary Authority for Trading**

ARS accepts discretionary authority to manage securities accounts on behalf of clients. With discretionary authority, ARS's authority is limited to determining, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold.

The client approves the custodian to be used and the commission rates paid to the custodian. ARS does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

## **Item 17: Voting Client Securities**

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### **Proxy Votes**

ARS does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, ARS will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

## **Item 18: Financial Information**

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### **Balance Sheet**

A balance sheet is not required to be provided because ARS does not serve as a custodian for client funds or securities and ARS does not require prepayment of fees of more than \$500 per client and six months or more in advance.

### **Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients**

ARS has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

### **Bankruptcy Petitions during the Past Ten Years**

Neither ARS nor its management has had any bankruptcy petitions in the last ten years.

## **Item 19: Requirements for State Registered Advisors**

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**Education and business background, including any outside business activities for all management and supervised persons can be found in the Supplement to this Brochure (Part 2B of Form ADV Part 2).**

**Material Relationship Maintained by this Advisory Business or Management persons with Issuers of Securities**

None to report

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## **Supervised Person Brochure**

Part 2B of Form ADV

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**Brian James Decker**

**Absolute Return Solutions, Inc.**

**16310 NE 80<sup>th</sup> Street, Suite 100**

**Redmond, WA 98052**

**PHONE: 425-558-3700**

**FAX: 425-696-2492**

**WEBSITE: [www.absolutereturnsolutions.com](http://www.absolutereturnsolutions.com)**

**EMAIL: [brian@absolutereturnsolutions.com](mailto:brian@absolutereturnsolutions.com)**

This brochure supplement provides information about Brian Decker and supplements Absolute Return Solutions, Inc.'s brochure. You should have received a copy of that brochure. Please contact Brian Decker if you did not receive Absolute Return Solutions, Inc.'s brochure or if you have any questions about the contents of this supplement.

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

November 22, 2011

## **Brochure Supplement (Part 2B of Form ADV)**

### **Supervised Person Brochure**

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#### **Principal Executive Officers and Management Persons**

##### **Brian James Decker**

Date of birth: 1961

##### **Educational Background:**

- University of Washington; Bachelor of arts degree in finance with a minor in marketing; 1985

##### **Business Experience:**

- Absolute Return Solutions, Inc.; Co-Owner/Chief Compliance Officer/Investment Advisor Representative; 10/2008 – Present
- Retirement Insurance Solutions, LLC; Co-Owner/Insurance Agent; 11/2011 – Present
- Retirement Income Solutions, LLC; Co-Owner; 11/2011-Present
- Free From Diabetes Institute; Partner; 06/2011 – Present
- Seattle LED; Co-Owner; 03/20/2010 - Present
- Absolute Return Tax Solutions, LLC.; Co-Owner; 9/2009 – 11/2011
- Absolute Charitable Solutions, LLC.; Co-Owner; 2/2010 – 11/2011
- Absolute Return Insurance Solutions, LLC.; Co-Owner; 9/2009 – 11/2011
- Absolute Planning Solutions, LLC; Co-Owner; 9/2009 - 11/2011
- USA Financial Securities Corporation; Registered Representative; 01/009 – 09/2009
- Decker, Mazza & Blacker; Co-Owner; 06/2003 – 06/2008
- Pacific West Securities, Inc.; Registered Representative; 06/1997 – 12/2008

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#### **Disciplinary Information**

None to report

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#### **Other Business Activities**

Brian Decker has a financial industry affiliated business as an insurance agent licensed under Retirement Insurance Solutions, LLC. Less than 10% of his time is spent in the insurance business, he offers clients advice or products from those activities. Clients are not required to purchase any products.

Mr. Decker is also co-owner of Retirement Income Solutions, LLC, an insurance agency through which other affiliated persons of ARS may be licensed as insurance

agents. Mr. Decker is not licensed as an insurance agent of this company and less than 2% of his time is spent in this business.

These practices represent conflicts of interest because it gives him an incentive to recommend products based on the commission and/or fee amount received. This conflict is mitigated by the fact that Mr. Decker has a fiduciary responsibility to place the best interest of the client first and the clients are not required to purchase any products or services. Clients have the option to purchase these products and services through another insurance agent of their choosing.

Mr. Decker is also co-owner of Seattle LED, LLC, a lighting company and Free From Diabetes Institute, a company that invests in medical research for diabetes. Neither of these businesses is investment related and clients of ARS are not solicited.

These practices represent conflicts of interest because it gives him an incentive to recommend products based on the commission and/or fee amount received. This conflict is mitigated by the fact that Mr. Decker has a fiduciary responsibility to place the best interest of the client first and the clients are not required to purchase any products or services. Clients have the option to purchase these products and services through another insurance agent of their choosing.

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**Performance Based Fee Description**

Mr. Decker receives additional compensation in his capacity as an insurance agent, but he does not receive any performance based fees.

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**Supervision**

Mr. Decker is part owner of Absolute Return Solutions, Inc.; therefore he is responsible for all supervision and formulation and monitoring of investment advice offered to clients. He will adhere to the policies and procedures as described in the firm's Compliance Manual.

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**Requirements for State-Registered Advisors**

*Arbitration Claims:* Mr. Decker, CRD# 1503719 has arbitration events on his CRD record. The events can be viewed through the SEC's IAPD system at [adviserinfo.sec.gov](http://adviserinfo.sec.gov) and FINRA's Broker Check system at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

*Self-Regulatory Organization or Administrative Proceeding:* None

*Bankruptcy Petition:* None

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## **Supervised Person Brochure**

Part 2B of Form ADV

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**James Leroy Black CFP®**

**Absolute Return Solutions, Inc.**

**16310 NE 80<sup>th</sup> Street, Suite 100**

**Redmond, WA 98052**

**PHONE: 425-558-3700**

**FAX: 425-696-2492**

**WEBSITE: [www.absolutereturnsolutions.com](http://www.absolutereturnsolutions.com)**

**EMAIL: [jim@absolutereturnsolutions.com](mailto:jim@absolutereturnsolutions.com)**

This brochure supplement provides information about James Black and supplements Absolute Return Solutions, Inc.'s brochure. You should have received a copy of that brochure. Please contact James Black if you did not receive Absolute Return Solutions, Inc.'s brochure or if you have any questions about the contents of this supplement.

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

November 22, 2011



## **Brochure Supplement (Part 2B of Form ADV)**

### **Supervised Person Brochure**

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#### **Principal Executive Officers and Management Persons**

##### **James Leroy Black CFP®**

Date of birth: 1964

##### **Educational Background:**

- Willamette University; MBA; 2000
- Brigham Young University; BS, International Finance; 1991
- Certified Financial Planner; 2000

##### **Business Experience:**

- Absolute Return Solutions, Inc.; Co-Owner/Investment Advisor Representative; 10/2008 – Present
- Retirement Income Solutions, LLC; Co-Owner/Insurance Agent; 11/2011 – Present
- Retirement Insurance Solutions, LLC; Co-Owner; 11/2011-Present
- Seattle LED; Co-Owner; 03/2010-Present
- Free From Diabetes Institute; Partner; 06/2011 – Present
- Absolute Return Tax Solutions, LLC.; Co-Owner; 01/2007 – 11/2011
- Absolute Charitable Solutions, LLC.; Co-Owner; 01/2007 – 11/2011
- Absolute Return Insurance Solutions, LLC.; Co-Owner; 01/2007 – 11/2011
- Absolute Planning Solutions, LLC; Co-Owner/Insurance Agent; 09/2009 - 11/2011
- USA Financial Securities Corporation; Registered Representative; 01/2009 – 09/2009
- Pacific West Securities, Inc.; Registered Representative; 02/2004 – 12/2008
- Decker, Mazza & Black; Co-Owner; 06/2003 – 06/2008
- Pacific West Financial Consultants, Inc.; Investment Advisor Representative; 06/2003 – 12/2008
- Wentworth Hauser and Violich; Business Development; 01/2003 – 06/2003
- Laird Norton; Business Development; 01/2000 – 06/2003

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#### **Professional Certifications**

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net)).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.
- When you achieve your CFP designation, you must renew your certification every year, pay \$360 certification fee and complete 30 hours of continuing education.

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**Disciplinary Information**

None to report

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**Other Business Activities**

James Black has a financial industry affiliated business as an insurance agent under Retirement Income Solutions, LLC. Approximately 80% of his time is spent in this business, he offers clients advice or products from those activities. Clients are not required to purchase any products.

Mr. Black is also co-owner of Retirement Insurance Solutions, LLC, an insurance agency through which other affiliated persons of ARS may be licensed as insurance agents. Mr. Black is not licensed as an insurance agent of this company and less than 2% of his time is spent in this business.

These practices represent conflicts of interest because it gives him an incentive to recommend products based on the commission and/or fee amount received. This conflict is mitigated by the fact that Mr. Black has a fiduciary responsibility to place the best interest of the client first and the clients are not required to purchase any products or services. Clients have the option to purchase these products and services through another insurance agent of their choosing.

Mr. Black is also co-owner of Seattle LED, LLC, a lighting company and Free From Diabetes Institute, a company that invests in medical research for diabetes. Neither of these businesses is investment related and clients of ARS are not solicited.

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**Performance Based Fee Description**

Mr. Black receives additional compensation in his capacity as an insurance agent, but he does not receive any performance based fees.

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**Supervision**

Mr. Black is part owner of Absolute Return Solutions, Inc.; therefore he is responsible for all supervision and formulation and monitoring of investment advice offered to

clients. He will adhere to the policies and procedures as described in the firm's Compliance Manual.

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**Requirements for State-Registered Advisors**

*Arbitration Claims:* Mr. Black, CRD# 2156347 has arbitration events on his CRD record. The events can be viewed through the SEC's IAPD system at [adviserinfo.sec.gov](http://adviserinfo.sec.gov) and FINRA's Broker Check system at [www.finra.org/brokercheck](http://www.finra.org/brokercheck).

*Self-Regulatory Organization or Administrative Proceeding:* None

*Bankruptcy Petition:* None