

**Schedule F of  
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Prosperity Investment Advisors, Inc.

SEC File Number:

801-

Date:

01/30/2009

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV: <b>Prosperity Investment Advisors, Inc.</b>		IRS Empl. Ident. No.:
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**Item 1D****Advisory Services and Fees**

Prosperity Investment Advisors, Inc. ("Adviser") offers investment advisory and financial planning services to its clients. A description of these services is listed below.

**Financial Planning**

Clients who choose financial planning will be asked to participate in several meetings during which goals and life planning scenarios will be discussed. Clients will be asked to furnish certain records and documents to Adviser to provide input for the planning process. These documents may include tax returns, current financial specifics including W2s or 1099s, information on current retirement plans and insurance provided by Client's employer, mortgage information, insurance policies, statements reflecting current investments in Client's retirement and non-retirement accounts, copies of Client's wills or trusts, and other documents that may be deemed pertinent at the Adviser's request.

Upon receipt of these documents, Adviser will review Client's current financial situation and make recommendations based on Client's current situation, Client's expectations and investment objectives and Client's investment time horizon. At the same time Client's risk tolerance (or ability to live comfortably with risk in association with Client's investments) will be taken into account. A written plan will then be presented to Client along with an outline of suggestions to improve Client's current financial situation as well as suggested steps to help you reach Client's investment goals.

Financial planning may cover any or all of the following areas:

- Retirement planning
- Education planning
- Asset allocation
- Life Insurance needs
- Cash flow and debt Analysis
- Estate Planning/Wealth Transfer in conjunction with an attorney and or C.P.A.
- Other areas of importance to the Client

The financial plan chosen by the Client may be "comprehensive" or "modular" in structure. A comprehensive plan would focus on all areas listed that are pertinent to the Client. A modular plan would focus on only one or two areas of particular interest such as retirement or education planning. Other areas of concern to the Client may be reviewed by Adviser or outsourced to other experts for their review (only with prior approval of the Client). The financial plan may include specific financial and investment strategies as well as specific product recommendations.

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**Item 1D  
(continued)***Fees for Hourly Financial Advice without Asset Management*

For individuals who want assistance with a one time analysis or research project, financial advice can be obtained on an hourly basis. The hourly rate charged will be: \$165/ hour. Clients paying an hourly fee for financial planning who subsequently enter into an asset management relationship with Adviser will pay no additional hourly fees.

*Fees for Comprehensive Financial Plans without Asset Management*

Fees for comprehensive financial plans without asset management range from a fixed fee of \$3,000 to \$10,000. These fees shall be payable 50% upfront and 50% upon completion. Clients paying for a comprehensive financial plan who subsequently enter into an asset management relationship with Adviser will receive future financial planning inclusive of their annual fee.

*General Information on Financial Planning*

Fees for the financial plan are included in the asset management fee; no additional hourly charge will be billed. At no time is the Client under any obligation to implement (with Adviser or with any other firm) any or all of the suggestions as outlined in the financial plan. Implementation is solely at the Client's discretion. It is the responsibility of the Client to notify the Adviser of any changes to their financial situation or objectives that may impact the focus of the financial plan or their current investments with the Adviser.

*Termination and Refund of Fees*

Clients may terminate Adviser's services at any time. Refunds of unearned pre-paid fees will be made to clients.

**Money Management***General Information on Managed Accounts*

Under the Money Management Program offered by Adviser, the firm may have discretion over the type of securities bought and sold as well as dollar amounts without first obtaining client's permission for each transaction. Included within the management fee is an annual financial plan. A written plan will be presented to Client along with an outline of suggestions to improve Client's current financial situation as well as suggested steps to help Client reach long-term financial goals including possible tax efficiency opportunities. No additional hourly rate will be assessed for clients with assets under management. This service may vary based on client needs and will be negotiable at the sole discretion of the Adviser.

TD AMERITRADE will mail statements to the Clients at least quarterly (and more frequently should there be transactions in the account) listing all transactions and fees charged directly to the Client's account for the time period. These fees should be reviewed by the Client, as it is not the Custodian's duty to do so. Adviser may review performance accounts with the clients during a telephone or face-to-face meeting if the client has questions. Accounts will be reviewed at least annually if they are available.

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**Item 1D  
(continued)***Money Management Program Fees*

Assets Under Management	Annual Advisory Fee
\$0 - \$99,999	1.50 %
\$100,000 - \$2,000,000	1.00 %
Over \$2,000,000	Negotiable

Adviser will monitor clients' accounts on a quarterly basis and more frequently should economic or client circumstances trigger the need for an additional review. These may include a significant change in the client's asset allocation requirements; a change in investment objectives; or the deposit or withdrawal of a substantial sum in the account. Life events such as marriage, divorce, job change, retirement or having a child may also trigger a review. An annual meeting is expected to be held with all Clients. Stephanie L. Burris will review all accounts and there is no limit to the number of clients she may choose to work with as long as time and resources permit continued growth.

Fees will be invoiced monthly or quarterly in arrears based on account balance. Fees may be deducted from asset accounts by the third party custodian.

The minimum annual fee for managed accounts will generally be \$250 but this may vary and will be negotiable at the sole discretion of the Adviser.

**General Information on Fees**

All fees and account minimums may be negotiable at the sole discretion of the Adviser. Fees are charged monthly or quarterly in arrears and will be deducted from the client's account(s) in most cases. An invoice for fees to be deducted will be sent to the Custodian, with a copy to the client at the same time. This authorization may be revoked at any time by the client.

Some client assets may be held at other custodians outside of TD AMERITRADE, i.e., non-publicly traded REITS, state college savings plans, work place retirement accounts or stock accounts, assets in custody with an insurance company, etc. These assets may still be included in the total fee charged to the client and deducted from the TD AMERITRADE or other designated account. The accounts included in the total fee will be listed on the Client Agreement and/or quarterly fee notification. The Client or the Adviser may cancel the Agreement at any time with written notice to the other. In the event that the Client wishes to cancel the Agreement prior to any services being performed, any advance payments shall be fully refunded. If the Client cancels the Agreement after Adviser has begun the services requested, the Client shall be charged for the services completed and the remainder of any advance payments, if any, shall be refunded to the Client within 30 days of the written request. Should the Client terminate the Agreement within five business days after signing, no charges or penalties will be assessed. Client will be responsible for any fees or charges incurred by client from third parties as a result of maintaining the account or for any securities transactions executed.

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**Item 1D  
(continued)**

In all matters, Adviser's planning services are analytical and advisory only and do not include legal or other professional services unless specifically stated. Adviser will work with Client's legal, accounting, insurance or other professional advisors to ensure the coordination of all pieces involved in the financial planning process.

The fee charged for any of the programs listed is calculated as described within Form ADV, Part II and is not charged on the basis of a share of capital gains or upon capital appreciation of the funds or any portion of the funds of an advisory client (SEC Rule 205(a)(1)).

In addition, Client may pay fees for custodial services, account maintenance, transaction fees and other fees associated with maintaining an account. Adviser does not share in any portion of such fees. Additional assets deposited to or withdrawn from the account after the calendar quarter begins will be charged a pro-rata fee based upon the number of days remaining in the quarter. No fee adjustments will be made for account appreciation or depreciation.

**Item 5****Education and Business Standards.**

All associates of the Adviser that provide investment advice to clients will have 3 years of experience in the investment management or financial services field (or equivalent work experience). In addition, they will have obtained a university degree. Associates will also be appropriately securities or insurance licensed (if required).

**Item 6****Education and Business Background****Stephanie Burris***Born in 1972*

## Experience

- Prosperity Investment Advisors, Inc., President and Chief Compliance Officer, 2008 to Present
- Agilent Technologies, Inc., Outbound Program Manager, 2008-Present
- Edward Jones and Company, Registered Representative and Investment Advisory Representative, 2005-2008
- Agilent Technologies, Inc., Marketing Manager, Expert Level, 1999-2005
- Hewlett Packard Company, Financial and Business Analyst, 1996-1999

## Education and Professional Licensing

- Thunderbird School of Global Management, Master of Business Administration, 1995
- University of Arizona, BS in Finance and Marketing, 1993
- Series 7, 63, 66 licenses
- Colorado state insurance license: life and health

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<b>Item 6 (continued)</b>	<ul style="list-style-type: none"><li>College for Financial Planning, Accredited Asset Management Specialist (AAMS)</li></ul>
<b>Item 9E</b>	<p><b><u>Participation or Interest in Client Transactions</u></b></p> <p>Occasionally, the Adviser or its Investment Adviser Representatives may buy or sell for themselves/itself securities that the Adviser or its Investment Adviser Representatives recommend to clients. Although personal security transactions may be made by the Adviser or its Investment Adviser Representatives for its/their own account(s) without specific disclosure to the client, such transactions will not be affected when they are adverse to the client's interests.</p> <p>Because of the types of services offered and the securities typically recommended (mutual funds, Exchange Traded Funds or ETF's, or fixed income securities) it is unlikely that any security holding by the firm or any associated person would have an impact on the market and would not likely have any influence on any recommendation.</p> <p><b><i>CODE OF ETHICS AND PERSONAL TRADING:</i></b></p> <p>The Adviser has adopted a Code of Ethics based upon the principle that officers and employees of the Adviser owe a fiduciary duty to clients for which the Adviser acts as investment adviser or subadviser. Accordingly, officers and employees of the Adviser are responsible for conducting personal trading activities in a manner that does not interfere with a client's portfolio transactions or take improper advantage of a relationship with any client.</p> <p>The fundamental position of the Adviser is that, in effecting personal securities transactions, personnel of the Adviser must place at all times the interests of clients ahead of their own pecuniary interests. All personal securities transactions by these persons must be conducted in accordance with the Code of Ethics and in a manner to avoid any actual or potential conflict of interest or any abuse of any person's position of trust and responsibility. Further, these persons should not take inappropriate advantage of their positions with or on behalf of a client.</p> <p>Employees of the firm are generally precluded from buying or selling securities for their personal portfolio(s) if their decision is substantially derived, from information obtained through his or her employment unless the information relating to the investment decision is also available to the investing public on reasonable inquiry. The Adviser directs its employees that they must abide by and act in accordance with all applicable Federal and State regulations. Individuals who fail to comply with the firm's policies and procedures may be subject to sanctions and disciplinary action, including termination of employment.</p> <p>The Adviser's policy allows employees to maintain and trade in personal securities accounts provided any personal investing by an employee in any accounts in which the employee has a beneficial interest, including any accounts for any immediate</p>

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**Item 9E  
(continued)**

family or household members, is consistent with the Adviser's fiduciary duty to its clients and consistent with regulatory requirements. The Adviser's policy encourages investment freedom and fosters a continuing personal interest in investments for the Adviser's employees who are responsible for the supervision and management of client portfolios.

The key elements of the Adviser's Code of Ethics can be summarized as follows:

- The Adviser expressly prohibits any employee from placing his or her interests ahead of its advisory clients.
- The Adviser's employees are not permitted to benefit at the expense of a client with respect to a transaction in a security on the same day any client purchases or sells the same security, except for certain inadvertent simultaneous transactions exempted by the President or Chief Compliance Officer.
- All employees' reports of personal securities transactions are reviewed for compliance with the Adviser's Code of Ethics.
- The Adviser's employees are required to hold securities for a minimum of 15 days (except for money market funds) unless an extenuating circumstance justifies the granting of an exemption by the President and Chief Compliance Officer.
- The Adviser's employees are prohibited from serving on the Board of Directors of any public company including mutual fund Boards of Directors/Trustees. In addition, prior written permission is required before an employee can accept any outside employment.
- The Adviser's employees may not give or accept gifts and entertainment that are inappropriate or could be seen as overly generous or which could influence employee decision-making.

The Adviser's employees may invest in unregistered investment funds that the Adviser has recommended to clients, but only with the prior written permission of the Chief Compliance Officer.

A complete copy of Adviser's Code of Ethics is available upon request.

**Item 10****CONDITIONS FOR MANAGING ACCOUNTS**

Adviser generally requires a minimum account size of \$10,000 for managed accounts.

**Item 12A****INVESTMENT OR BROKERAGE DISCRETION**

Adviser generally utilizes discretion. Adviser may have the authority to determine, without obtaining specific Client consent, the securities to be bought or sold and the amount of the securities to be bought or sold.

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**Item 12B****SUGGESTION OF BROKERS TO CLIENTS**

Adviser may execute or recommend that Clients execute their securities transactions through firms such as TD AMERITRADE Institutional. Adviser participates in the institutional customer program offered by TD AMERITRADE Institutional. TD AMERITRADE Institutional is a division of TD AMERITRADE Inc., member FINRA/SIPC ("TD AMERITRADE"), an unaffiliated SEC-registered broker-dealer and FINRA member. TD AMERITRADE offers to independent investment advisors services, which include custody of securities, trade execution, clearance, and settlement of transactions. Adviser receives some benefits from TD AMERITRADE through its participation in the program. TD AMERITRADE may charge commissions (ticket charges) for executing Adviser's transactions. With respect to investment advisory accounts, Adviser does not receive any part of these separate charges and transaction costs are not absorbed by Adviser, as described earlier.

Adviser may recommend/require that Clients establish investment advisory accounts with TD AMERITRADE to maintain custody of Clients' assets and to effect trades for their accounts. TD AMERITRADE may provide Adviser with access to their institutional trading and custody services, which are typically not available retail investors. TD AMERITRADE's services include brokerage custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Adviser's Clients' accounts maintained in their custody, TD AMERITRADE does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees or securities trades that are executed through the firm. 529 plans and annuities are held with outside parties.

TD AMERITRADE may also make available to Adviser other products and services that could benefit Adviser. These types of services will help Adviser in managing and administering Client accounts. These include software and other technology that provide access to Client account data (i.e. trade confirmations and account statements); facilitate trade executions; provide research, pricing information, and other market data; facilitate in the payment of Adviser's fees from its Clients' accounts; and assist with back-office functions, record-keeping, and Client reporting. Many of these services may be used to service all or a substantial number of Adviser's accounts.

Adviser does not maintain custody of Client assets. In all managed account cases, the custodian sends quarterly statements to Adviser's Clients showing all disbursements for the custodian account including the amount of the advisory fees. Clients provide written authorization permitting Adviser to be paid directly for their accounts held by the custodian or trustee.

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**Item 13A****ADDITIONAL COMPENSATION**

As disclosed under Item 12B above, Adviser participates in TD AMERITRADE's Institutional customer program and Adviser may require Clients to maintain accounts with TD AMERITRADE/recommend TD AMERITRADE to Clients for custody and brokerage services. There is no direct link between Adviser's participation in the program and the investment advice it gives to its Clients, although Adviser 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: duplicate Client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving advisor 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 Adviser by third party vendors. TD AMERITRADE may also have paid for business consulting and professional services received by Adviser or its personnel and may also pay or reimburse expenses, including travel, lodging, meals, and entertainment expenses to attend conferences or meetings relating to the program or to TD AMERITRADE's advisor custody and brokerage services generally. Some of the products and services made available by TD AMERITRADE through the program may benefit Adviser but may not benefit its Client accounts. These products or services may assist Adviser in managing and administering Client accounts, including accounts not maintained at TD AMERITRADE. Other services made available by TD AMERITRADE are intended to help Adviser manage and further develop its business enterprise. The benefits received by Adviser or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to TD AMERITRADE. Clients should be aware, however, that the receipt of economic benefits by Adviser or its related persons in and of itself creates a potential conflict of interest and may indirectly influence Adviser's choice or recommendation of TD AMERITRADE for custody and brokerage services.

Adviser may receive research and execution related services from TD AMERITRADE mentioned in Item 12(B) of Schedule F to assist Adviser in managing its accounts. These services and products would include financial publications, pricing information and other products or services. Such research and execution related services are offered to all investment advisers who utilize these firms. However, the commissions charged by these parties may be higher than those charged by a broker who does not provide the aforementioned research and execution related services.