

OMB APPROVAL	
OMB Number:	3235-0049
Expires:	February 28, 2011
Estimated average burden hours per response .....	4.07

## FORM ADV

# Uniform Application for Investment Adviser Registration

## Part II - Page 1

Name of Investment Adviser: Prosperity Investment Advisors, Inc.				
Address: (Number and Street) 321 Gay Street	(City) Longmont	(State) CO	(Zip Code) 80501	Area Code: Telephone Number: (303) 776-4562

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.  
The information has not been approved or verified by any government authority.**

## Table of Contents

<u>Item Number</u>	<u>Item</u>	<u>Page</u>
1	Advisory Services and Fees .....	2
2	Types of Clients .....	2
3	Types of Investments .....	3
4	Methods of Analysis, Sources of Information and Investment Strategies .....	3
5	Education and Business Standards .....	4
6	Education and Business Background .....	4
7	Other Business Activities .....	4
8	Other Financial Industry Activities or Affiliations .....	4
9	Participation or Interest in Client Transactions .....	5
10	Conditions for Managing Accounts .....	5
11	Review of Accounts .....	5
12	Investment or Brokerage Discretion .....	6
13	Additional Compensation .....	6
14	Balance Sheet .....	6
	Continuation Sheet .....	Schedule F
	Balance Sheet, if required. ....	Schedule G

(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

**FORM ADV****Part II - Page 2**

Applicant:

Prosperity Investment Advisors, Inc.

SEC File Number:

801-

Date:

04/28/2009

## Definitions for Part II

Related person - Any officer, director or partner of applicant or any person directly or indirectly controlling, controlled by, or under common control with the applicant, including any non-clerical, non-ministerial employee.

Investment Supervisory Services - Giving continuous investment advice to a client (or making investments for the client) based on the individual needs of the client. Individual needs include, for example, the nature of other client assets and the client's personal and family obligations.

1. **A. Advisory Services and Fees.** (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. Approx.  
(See instruction below.)

- Applicant:
- |                                     |     |   |     |
|-------------------------------------|-----|---|-----|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services .....  | 80% |
| <input type="checkbox"/>            | (2) | Manages investment advisory accounts not involving investment supervisory services .....  | %   |
| <input checked="" type="checkbox"/> | (3) | Furnishes investment advice through consultations not included in either service described above .....  | 10% |
| <input type="checkbox"/>            | (4) | Issues periodicals about securities by subscription .....   | %   |
| <input type="checkbox"/>            | (5) | Issues special reports about securities not included in any service described above .....   | %   |
| <input type="checkbox"/>            | (6) | Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which clients may use to evaluate securities ..... | %   |
| <input checked="" type="checkbox"/> | (7) | On more than an occasional basis, furnishes advice to clients on matters not involving securities .....   | 10% |
| <input type="checkbox"/>            | (8) | Provides a timing service .....   | %   |
| <input type="checkbox"/>            | (9) | Furnishes advice about securities in any manner not described above .....   | %   |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

- |    |   |   |                             |
|----|---|---|-----------------------------|
| B. | Does the applicant call any of the services it checked above financial planning or some similar term? ..... | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
|----|---|---|-----------------------------|

## C. Applicant offers investment advisory services for: (check all that apply):

- |                                     |     |  |                          |     |                   |
|-------------------------------------|-----|--|--------------------------|-----|-------------------|
| <input checked="" type="checkbox"/> | (1) | A percentage of assets under management      | <input type="checkbox"/> | (4) | Subscription fees |
| <input checked="" type="checkbox"/> | (2) | Hourly charges                               | <input type="checkbox"/> | (5) | Commissions       |
| <input checked="" type="checkbox"/> | (3) | Fixed fees (not including subscription fees) | <input type="checkbox"/> | (6) | Other             |

## D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. **Types of Clients** - Applicant generally provides investment advice to: (check those that apply)

- |                                     |    |                                  |                                     |    |   |
|-------------------------------------|----|----------------------------------|-------------------------------------|----|---|
| <input checked="" type="checkbox"/> | A. | Individuals                      | <input checked="" type="checkbox"/> | E. | Trusts, estates, or charitable organizations                    |
| <input type="checkbox"/>            | B. | Banks or thrift institutions     | <input checked="" type="checkbox"/> | F. | Corporations or business entities other than those listed above |
| <input type="checkbox"/>            | C. | Investment companies             | <input type="checkbox"/>            | G. | Other (describe on Schedule F)                                  |
| <input checked="" type="checkbox"/> | D. | Pension and profit sharing plans |                                     |    |   |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**FORM ADV****Part II - Page 3**

Applicant:

Prosperity Investment Advisors, Inc.

SEC File Number:

801-

Date:

04/28/2009

**3. Types of Investments.** Applicant offers advice on the following: (check those that apply)

- |  |  |
|--|--|
| <input checked="" type="checkbox"/> A. Equity Securities                   | <input checked="" type="checkbox"/> H. United States government securities     |
| <input checked="" type="checkbox"/> (1) exchange-listed securities         |  |
| <input checked="" type="checkbox"/> (2) securities traded over-the-counter | <input type="checkbox"/> I. Options contracts on:                              |
| <input checked="" type="checkbox"/> (3) foreign issues                     | <input checked="" type="checkbox"/> (1) securities                             |
|  | <input type="checkbox"/> (2) commodities                                       |
| <input checked="" type="checkbox"/> B. Warrants                            |  |
| <input checked="" type="checkbox"/> C. Corporate debt securities           | <input type="checkbox"/> J. Futures contracts on:                              |
| (other than commercial paper)  | <input type="checkbox"/> (1) tangibles   |
|  | <input type="checkbox"/> (2) intangibles                                       |
| <input checked="" type="checkbox"/> D. Commercial paper                    |  |
| <input checked="" type="checkbox"/> E. Certificates of deposit             | <input checked="" type="checkbox"/> K. Interests in partnerships investing in: |
| <input checked="" type="checkbox"/> F. Municipal securities                | <input checked="" type="checkbox"/> (1) real estate                            |
|  | <input checked="" type="checkbox"/> (2) oil and gas interests                  |
| <input checked="" type="checkbox"/> G. Investment company securities       | <input type="checkbox"/> (3) other (explain on Schedule F)                     |
| <input checked="" type="checkbox"/> (1) variable life insurance            | <input type="checkbox"/> L. Other (explain on Schedule F)                      |
| <input checked="" type="checkbox"/> (2) variable annuities                 |  |
| <input checked="" type="checkbox"/> (3) mutual fund shares                 |  |

**4. Methods of Analysis, Sources of Information, and Investment Strategies.****A.** Applicant's security analysis methods include: (check those that apply)

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Charting    | (4) <input checked="" type="checkbox"/> Cyclical           |
| (2) <input checked="" type="checkbox"/> Fundamental | (5) <input type="checkbox"/> Other (explain on Schedule F) |
| (3) <input checked="" type="checkbox"/> Technical   |  |

**B.** The main sources of information applicant uses include: (check those that apply)

- |   |   |
|---|---|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services  |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases  |
| (4) <input checked="" type="checkbox"/> Corporate rating services             | (8) <input type="checkbox"/> Other (explain on Schedule F)  |

**C.** The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- |  |   |
|--|---|
| (1) <input checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input checked="" type="checkbox"/> Option writing, including covered options,<br>uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input type="checkbox"/> Short sales   |   |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**FORM ADV****Part II - Page 4**

Applicant:

Prosperity Investment Advisors, Inc.

SEC File Number:

801-

Date:

04/28/2009

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? . . . . .

Yes No  
☒ ☐

(If yes, describe these standards on Schedule F.)

**6. Education and Business Background.**

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

- |                 |  |
|-----------------|--|
| • name          | • formal education after high school               |
| • year of birth | • business background for the preceding five years |

**7. Other Business Activities.** (check those that apply)

- ☐ A. Applicant is actively engaged in a business other than giving investment advice.
- ☐ B. Applicant sells products or services other than investment advice to clients.
- ☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

**8. Other Financial Industry Activities or Affiliations.** (check those that apply)

- ☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.
- ☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.
- C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:
- |  |  |
|--|--|
| <input type="checkbox"/> (1) broker-dealer   | <input type="checkbox"/> (7) accounting firm                                       |
| <input type="checkbox"/> (2) investment company  | <input type="checkbox"/> (8) law firm  |
| <input type="checkbox"/> (3) other investment adviser  | <input type="checkbox"/> (9) insurance company or agency                           |
| <input type="checkbox"/> (4) financial planning firm   | <input type="checkbox"/> (10) pension consultant                                   |
| <input type="checkbox"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? . . . . .

Yes No  
☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant:

Prosperity Investment Advisors, Inc.

SEC File Number:

801-

Date:

04/28/2009

**9. Participation or Interest in Client Transactions.**

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

- 10. Conditions for Managing Accounts.** Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account? . . . . .

Yes

☒

No

☐

(If yes, describe on Schedule F.)

- 11. Review of Accounts.** If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

- A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggering factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

Stephanie Burris, President and Chief Compliance Officer monitors clients' accounts on a quarterly basis and more frequently should economic or client circumstances trigger the need for an additional review.

- B. Describe below the nature and frequency of regular reports to clients on their accounts.

Clients will receive transaction confirmations and quarterly statements from their account custodians. Collectively, these reports will list client's account holdings, transactions and fees paid to Adviser.

**FORM ADV****Part II - Page 6**

Applicant:	SEC File Number:	Date:
Prosperity Investment Advisors, Inc.	801-	04/28/2009

**12. Investment or Brokerage Discretion.**

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- |  |   |  |
|--|---|--|
| (1) securities to be bought or sold? .....               | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |
| (2) amount of the securities to be bought or sold? ..... | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |
| (3) broker or dealer to be used? .....                   | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |
| (4) commission rates paid? .....                         | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |

B. Does applicant or a related person suggest brokers to clients? .....

Yes ☒ No ☐

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commissions higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

**13. Additional Compensation.**

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- |   |   |  |
|---|---|--|
| A. Is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? ..... | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/>            |
| B. Directly or indirectly compensates any person for client referrals? .....  | Yes <input type="checkbox"/>            | No <input checked="" type="checkbox"/> |

(For each yes, describe the arrangements on Schedule F.)

**14. Balance Sheet.** Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities; or
  - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- Has applicant provided a Schedule G balance sheet? .....
- |                              |  |
|------------------------------|--|
| Yes <input type="checkbox"/> | No <input checked="" type="checkbox"/> |
|------------------------------|--|

**Schedule F of  
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Prosperity Investment Advisors, Inc.

SEC File Number:

801-

Date:

04/28/2009

(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:

Prosperity Investment Advisors, Inc.

IRS Empl. Ident. No.:

Item of Form  
(identify)

Answer

**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.

**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.

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 by telephone or in a face-to-face meeting if the client makes himself available.

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.

*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

Fees will be invoiced quarterly in arrears based on account balance. Clients shall be allowed to choose two methods of payment:

Option 1: Fees may be deducted from asset accounts by the third party custodian.

Option 2: Client can pay adviser directly for the fee such as in cases where the custodian does not permit direct fee payment such as College Savings plans.

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Prosperity Investment Advisors, Inc.

SEC File Number:

801-

Date:

04/28/2009

(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.:
Item of Form (identify)	Answer	

**Item 1D  
(Continued)**

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 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.

For clients who prefer to have fees deducted from asset accounts by the third party custodian: 1) Adviser will send a copy of the invoice to the custodian and client 2) the Custodian will send a quarterly statement to the client showing all disbursements for the custodian account, including the amount of the advisory fees, and 3) clients will provide written authorization permitting Adviser to be paid directly for their accounts held by the Custodian.

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.

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)) or similar state statutes or rules.

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

Complete amended pages in full, circle amended items and file with execution page (page 1).



**Schedule F of  
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

**Prosperity Investment Advisors, Inc.**

SEC File Number:

801-

Date:

**04/28/2009**

(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.:
Item of Form (identify)	Answer	

<b>Item 1D (Continued)</b>	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.
<b>Item 5</b>	<b><u>Education and Business Standards.</u></b>  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).
<b>Item 6</b>	<b><u>Education and Business Background</u></b>  <b>Stephanie Burris</b> <i>Born in 1972</i>  Experience <ul style="list-style-type: none"><li>• Prosperity Investment Advisors, Inc., President and Chief Compliance Officer, 2008 to Present</li><li>• Agilent Technologies, Inc., Outbound Program Manager, 2008-Present</li><li>• Edward Jones and Company, Registered Representative and Investment Advisory Representative, 2005-2008</li><li>• Agilent Technologies, Inc., Marketing Manager, Expert Level, 1999-2005</li><li>• Hewlett Packard Company, Financial and Business Analyst, 1996-1999</li></ul> Education and Professional Licensing <ul style="list-style-type: none"><li>• Thunderbird School of Global Management, Master of Business Administration, 1995</li><li>• University of Arizona, BS in Finance and Marketing, 1993</li><li>• Series 7, 63, 66 exams</li><li>• Colorado state insurance license: life and health</li><li>• College for Financial Planning, Accredited Asset Management Specialist (AAMS)</li></ul>
<b>Item 7</b>	<b><u>Other Business Activities</u></b>  Stephanie Burris is currently licensed for life and health insurance. Ms. Burris is not actively selling insurance and is not currently appointed with any insurance companies.  Ms. Burris is currently employed as marketing professional with Agilent Technologies, Inc. Agilent Technologies, Inc is a non investment-related business and is primarily engaged in test and measurement services. Due to her employment at Agilent, she will not advise clients on Agilent Technologies stock.

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Prosperity Investment Advisors, Inc.

SEC File Number:

801-

Date:

04/28/2009

(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.:
Item of Form (identify)	Answer	

**Item 9E****Participation or Interest in Client Transactions**

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 effected when they are adverse to the client's interests.

Because of the types of services offered and the securities typically recommended (mutual funds, Exchange Traded Funds or ETF's,), and because the Adviser and all associated persons adhere to the Code of Ethics (below), any security holding by the firm or any associated person would not have an impact on the market and would not have any influence on any recommendation.

***CODE OF ETHICS AND PERSONAL TRADING:***

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.

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.

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.

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 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

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Prosperity Investment Advisors, Inc.

SEC File Number:

801-

Date:

04/28/2009

(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.:
Item of Form (identify)	Answer	

**Item 9E  
(Continued)**

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 they own 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 \$15,000 per household 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.

**Schedule F of  
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Prosperity Investment Advisors, Inc.

SEC File Number:

801-

Date:

04/28/2009

(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.:
Item of Form (identify)	Answer	

**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. This is done by the client's broker, insurance company, fund company etc. However, in instances when Client fees are deducted from asset accounts by the third party custodian there are constraints on advisers' access to funds by the custodian. Fees must be no more than 2% of the value of the account. If fees are more than this limit, client must provide a signed document permitting a greater payment. In these instances, 1) Adviser will send a copy of the invoice to the custodian and the client 2) the

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Prosperity Investment Advisors, Inc.

SEC File Number:

801-

Date:

04/28/2009

(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.:
Item of Form (identify)	Answer	

**Item 12B  
(Continued)**

Custodian will send a quarterly statement to the client showing all disbursements for the custodian account, including the amount of the advisory fees, and 3) clients will provide written authorization permitting Adviser to be paid directly for their accounts held by the Custodian.

**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

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of  
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

**Prosperity Investment Advisors, Inc.**

SEC File Number:

801-

Date:

**04/28/2009**

(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:

**Prosperity Investment Advisors, Inc.**

IRS Empl. Ident. No.:

Item of Form  
(identify)

Answer

**Item 13A  
(Continued)**

charged by a broker who does not provide the aforementioned research and execution related services.