

KMS Investment Services, LLC
d/b/a
Bright Owl Investment Advisors

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FORM ADV PART 2A
BROCHURE

This brochure provides information about the qualifications and business practices of Bright Owl Investment Advisors. If you have any questions about the contents of this brochure, contact us at 616-224-2204. 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 Bright Owl Investment Advisors is available on the SEC's website at www.adviserinfo.sec.gov.

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

Item 2 Summary of Material Changes

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

Since our last annual updating amendment, dated March 27, 2014 we have made the following material changes to our Form ADV:

1. We no longer offer portfolio management, a wrap fee program, financial planning services or any type of securities related investment advice to clients.
2. Our advisory activities consist solely as a solicitor to Regal Investment Advisors LLC ("Regal").
3. Please refer to Regal's disclosure brochure, ADV Part 2A, and/or Appendix 1 - the Wrap Fee brochure for further information pertaining to Regal's services.
4. We make the following disclosure to clients: We receive compensation from Regal for referring clients to them. This arrangement will not cause you to pay more in advisory fees than you would otherwise pay had there been no solicitor's compensation. All referral fees paid to our firm represent a portion of the fees actually charged to you by Regal for investment advisory services. There is no differential between the amount or level of investment advisory fees that Regal will charge for managing the client account(s) in excess of that which they would customarily charge for managing any other new client's account with similar assets and which was not referred to Regal by our firm.

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Item 4 Advisory Business

Description of Firm

Bright Owl Investment Advisors is a registered investment adviser based in Kentwood, MI. We are organized as a limited liability company, under the legal name of KMS Investment Services, LLC and under the laws of the State of Michigan. We have been providing investment advisory services since 2013. SJT Advisors, LLC and Regal Holdings of America are our principal owners.

As used in this brochure, the words "we", "our" and "us" refer to Bright Owl Investment Advisors and the words "you", "your" and "client" refer to you as a person or organization referred to Regal Investment Advisors LLC for investment advisory services. Regal Investment Advisors LLC is an affiliated registered investment adviser. Also, you may see the term Associated Person throughout this Brochure. As used in this Brochure, our Associated Persons are our firm's officers, employees, and individuals affiliated with our firm.

We have alliances with Regal Investment Advisors LLC (hereinafter "Regal") and Regulus Advisors, LLC ("Regulus") through common control and ownership. We have referral arrangements with these affiliates. Through a revenue sharing agreement, we recruit and refer representatives to Regal and Regulus for advisory and brokerage services. We will share in the advisory fees generated through representatives referred to Regal and Regulus.

We do not provide investment advisory services. Rather, our firm has entered into a written solicitors agreement with Regal Investment Advisors LLC (hereinafter "Regal") where we will recommend to persons and organizations (hereinafter collectively referred to as "client") the investment advisory services of Regal. In return for the referral services we provide under the solicitors agreement, Regal has agreed to compensate us through a referral arrangement. The referral compensation is based upon a percentage of the investment advisory fee you will pay to Regal if you subsequently become a client of Regal. Our compensation is equal to a percentage of the advisory fee collected, and we will continue to receive a portion of the advisory fee you pay to Regal for as long as Regal continues to manage your portfolio(s) and/or other assets.

Under this arrangement, you will not pay more in advisory fees than you would otherwise pay had there been no referral arrangement. All referral fees paid to our firm represent a portion of the fees actually charged by Regal for investment advisory services on behalf of your account. There is no differential between the amount or level of investment advisory fees that Regal will charge for managing your account(s) in excess of those which Regal would customarily charge for managing any other new client's account with similar assets and which were not referred to Regal by our firm.

We are affiliated with Regal through common control and ownership. However, we will not render any investment advice on behalf of Regal. The services we provide to Regal consist solely of referrals of prospective clients and related activities pursuant to a revenue sharing arrangement and the solicitors agreement described above. We are not authorized to act in any way on behalf of Regal except in connection with our revenue sharing and solicitation activities.

Clients retain absolute discretion over the decision to enter into an agreement with Regal for investment advisory services. Clients are under no obligation to act on our referral, and are free to accept or reject the services provided by Regal. If clients choose to retain the services of Regal, they will be required to sign an advisory agreement directly with Regal. Clients may terminate an advisory relationship with Regal according to the terms of the agreement with them. Clients should review Regal's disclosure brochure for specific information on how to terminate an advisory relationship with them and how to receive a refund of prepaid fees, if applicable. Clients should contact Regal directly with questions regarding an advisory agreement with them.

Assets Under Management

We do not manage any client assets on either a discretionary basis or on a non-discretionary basis.

Item 5 Fees and Compensation

Refer to the *Advisory Business* section above for information on fees and compensation we receive in our capacity as a solicitor for Regal Investment Advisors LLC ("Regal").

Compensation for the Sale of Securities or Other Investment Products

Associated Persons of our firm may be investment adviser representatives with Regal and/or registered representatives with Regulus Advisors, LLC ("Regulus"), a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. In their capacity as investment adviser representatives and/or registered representatives, these persons will receive fee-based or commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as investment adviser representatives and/or registered representatives is separate and in addition to compensation we receive from Regal for client referrals. If you otherwise have a relationship with an Associated Person of our firm that is also separately licensed as a registered representative and/or registered as an investment adviser representative this may create an actual or perceived conflict of interest because these individuals can effect securities transactions for the purpose of generating commissions or fee income rather than solely based on your needs. You are under no obligation, contractually or otherwise, to purchase securities products through any person affiliated with our firm.

Associated Persons of our firm may be licensed as independent insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate and in addition to compensation we receive from Regal for client referrals. Although insurance products sold by Associated Persons of our firm are intended to compliment the investment advisory services offered to you, the receipt of two types of compensation presents a conflict of interest. However, you are under no obligation, contractually or otherwise, to purchase insurance products through any person affiliated with our firm.

Item 6 Performance-Based Fees and Side-By-Side Management

We do not accept performance-based fees or participate in side-by-side management. Side-by-side management refers to the practice of managing accounts that are charged performance-based fees while at the same time managing accounts that are not charged performance-based fees. Performance-based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. Our fees are calculated as described in the *Advisory Business* section above, and are not charged on the basis of a share of capital gains upon, or capital appreciation of, the funds in your advisory account.

Item 7 Types of Clients

We do not provide investment advisory services. Rather, our firm has entered into an agreement with Regal where we will refer persons and organizations to the investment advisory services of Regal.

Regal may place certain minimum requirements on their services. Refer to Regal's disclosure brochure for information on minimum portfolio size as well as other possible requirements to open and maintain an advisory account with Regal.

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

We do not provide investment advisory services. Rather, our firm has entered into a referral arrangement with Regal where we will recommend to persons and organizations the investment advisory services of Regal. Nonetheless, you should be aware that investing in securities involves risk of loss that you should be prepared to bear. We cannot offer any guarantees or promises that your financial goals and objectives will be met by the advisory services provided by Regal. Past performance is in no way an indication of future performance.

Item 9 Disciplinary Information

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

Item 10 Other Financial Industry Activities and Affiliations

Arrangements with Affiliated Entities

We are affiliated with Regulus Advisors, LLC, ("Regulus") through common control and ownership. Regulus is a securities broker-dealer and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. Associated Persons of our firm may also be registered representatives with Regulus. In their capacity as registered representatives, these persons will receive commission-based compensation in connection with the purchase and sale of securities, including 12b-1 fees for the sale of investment company products. Compensation earned by these persons in their capacities as registered representatives is separate from referral compensation we receive from Regal. This practice presents either a perceived or actual conflict of interest because client accounts for which we receive client referral compensation may also be accounts in which Associated Persons of our firm may be compensated separately as registered representatives of Regulus. While we believe that compensation charged by Regulus is competitive, such compensation may be higher than commissions or fees charged by other firms providing the same or similar services. You are under no obligation to use Regulus' services and may obtain comparable services and/or lower fees through other firms.

We are affiliated with Regal Investment Advisors LLC ("Regal"), an SEC registered investment advisor through common control and ownership. We will recommend that you use the services of Regal if appropriate and suitable for your needs. Associated Persons of our firm may be registered as investment adviser representatives of Regal. Compensation earned by these persons in their capacities as investment adviser representatives is separate from referral compensation we receive from Regal. This practice presents either a perceived or actual conflict of interest because we act as a solicitor on behalf of Regal and will receive compensation for the solicitation activities. Refer to the *Client Referrals and Compensation* section below for more information on the compensation we receive for acting as a solicitor on behalf of Regal.

We are affiliated with Regal Financial Group, LLC, an insurance agency, through common control and ownership. Generally, Associated Persons of our firm are not licensed as insurance agents with Regal Financial Group, LLC. However, in the event that an Associated Person of our firm is an insurance agent of Regal Financial Group, LLC, these persons will earn commission-based compensation for

selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from the compensation we receive for referring prospective advisory clients to Regal.

We are affiliated with InsurMark through common control and ownership. InsurMark is licensed as an insurance agency. Therefore, Associated Persons of our firm are licensed as insurance agents. These persons will earn commission-based compensation for selling insurance products, including insurance products they sell to you. Insurance commissions earned by these persons are separate from the compensation we receive for referring prospective advisory clients to Regal. Refer to the *Fees and Compensation* section above for more information on the compensation received by insurance agents who are affiliated with our firm.

These referral arrangements we have with our affiliated entities present a conflict of interest because we may have a financial incentive to recommend our affiliates' services. While we believe that compensation charged by our affiliates are competitive, such compensation may be higher than fees charged by other firms providing the same or similar services. You are under no obligation to use our affiliates' services and may obtain comparable services and/or lower fees through other firms.

Recommendation of Other Advisers

We will recommend that you use Regal Investment Advisors LLC based on your needs. We will receive compensation from Regal for recommending that you use their services. This compensation arrangement presents a conflict of interest because we have a financial incentive to recommend the services of Regal. You are not obligated, contractually or otherwise, to use the services of any third party adviser that we recommend.

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

Description of Our Code of Ethics

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for our Associated Persons. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All of our Associated Persons are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at the telephone number on the cover page of this brochure.

Participation or Interest in Client Transactions

Neither our firm nor any of our Associated Persons has any material financial interest in client transactions beyond the referral arrangement we have with Regal as disclosed in the *Advisory Business* section of this Brochure.

Personal Trading Practices

We act solely as a referral source for Regal and will never make any investment recommendations to you to buy or sell securities in your account. Nonetheless, Associated Persons of our firm may buy or sell, for their personal account(s), securities in which you may have an ownership interest.

Item 12 Brokerage Practices

We will not select or recommend broker-dealers for your securities transactions in relation to the management of your account. You should review Regal Investment Advisor LLC's disclosure brochure for specific information on their brokerage practices.

Item 13 Review of Accounts

We will not review your investment accounts or provide you with written reports. Refer to Regal's disclosure brochure for specific information on their account review policies.

Item 14 Client Referrals and Other Compensation

We receive compensation from Regal for referring clients to them. This arrangement will not cause you to pay more in advisory fees than you would otherwise pay had there been no solicitor's compensation. All referral fees paid to our firm represent a portion of the fees actually charged to you by Regal for investment advisory services. There is no differential between the amount or level of investment advisory fees that Regal will charge for managing the client account(s) in excess of that which they would customarily charge for managing any other new client's account with similar assets and which was not referred to Regal by our firm.

We are directly compensated by Regal as a Solicitor for client referrals. In order to receive a cash referral fee from Regal, our firm must comply with the requirements of the jurisdictions in which we operate. If you were referred by our firm to Regal, you should have received a copy of this Disclosure Brochure, a copy of our Solicitors' Disclosure Statement along with Regal's disclosure brochure at the time of the referral.

If you become a client of Regal, our firm will receive a percentage of the advisory fee you pay to Regal for as long as you are a client of Regal. Referral fees paid to our firm are contingent upon your entering into an advisory agreement with Regal. Therefore, as a Solicitor we have a financial incentive to recommend you to Regal for advisory services. This creates a conflict of interest; however, you are not obligated to retain Regal for advisory services. Comparable services and/or lower fees may be available through other firms.

We have entered into a revenue sharing arrangement with Regal Investment Advisors, LLC ("Regal"). Regal collects and disburses a portion of certain advisory fees payable to Regal in connection with a referral arrangement. Through this arrangement, we receive compensation from Regal for referring representatives to them. These representatives will solicit clients for Regal's advisory services. This arrangement will not cause clients to pay more in advisory fees than would otherwise pay had there been no referral compensation. All referral fees paid to our firm represent a portion of the fees actually charged to clients by Regal for investment advisory services. There is no differential between the amount or level of investment advisory fees that Regal will charge for managing the client account(s) in excess of that which they would customarily charge for managing any other new client's account with similar assets and which was not referred to Regal through this arrangement.

Referral fees paid to our firm are contingent upon clients entering into an advisory agreement with Regal. Therefore, we have a financial incentive to recommend Regal's advisory services. This creates a conflict of interest; however, clients are not obligated to retain Regal for advisory services. Comparable services and/or lower fees may be available through other firms.

Additionally, as disclosed under the *Fees and Compensation* section above, certain Associated Persons of our firm may be investment adviser representatives with Regal and/or licensed insurance agents. Additionally, certain persons may also be registered representatives with Regulus Advisors, LLC, a securities broker-dealer, and a member of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. For information on the conflicts of interest this presents, and how we address these conflicts, refer to the *Fees and Compensation* section. Also, since we are affiliated with Regal through common control and ownership, you should also refer to Regal's disclosure brochure for additional information on this topic.

Item 15 Custody

We do not directly debit advisory fees from your account and we do not exercise custody over your funds or securities. Your funds and securities will be held with a bank, broker-dealer, or other qualified custodian. You will receive account statements from the qualified custodian(s) holding your funds and securities. If you have a question regarding your account statement or if you did not receive a statement from your custodian, contact your custodian or Regal directly.

Item 16 Investment Discretion

We do not provide investment advisory services, and; therefore, we will never exercise discretionary authority over any of your funds or securities.

As disclosed under the *Advisory Business* section above, the services we provide are strictly limited to acting as a solicitor for Regal. You have an unrestricted right to decline to enter into an agreement for advisory services with Regal.

Item 17 Voting Client Securities

Without exception, we will not vote proxies on behalf of your advisory accounts.

Item 18 Financial Information

Our firm does not have any financial condition or impairment that would prevent us from meeting our contractual commitments to you. We do not take physical custody of client funds or securities, or serve as trustee or signatory for client accounts, and, we do not require the prepayment of more than \$1,200 in fees six or more months in advance nor have we filed a bankruptcy petition at any time in the past ten years. Therefore, we are not required to include a financial statement with this brochure.

Item 19 Requirements for State-Registered Advisers

We are a federally registered investment adviser; therefore, we are not required to respond to this item.

Item 20 Additional Information

Your Privacy

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any non-affiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide solicitation services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to further a relationship with Regal, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Contact our main office at the telephone number on the cover page of this brochure if you have any questions regarding this policy.