

# ARS Investment Advisors, Inc.

## Firm Brochure - Form ADV Part 2A

*This brochure provides information about the qualifications and business practices of ARS Investment Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at (385) 249-5652 or by email at: [russ@arsadvisorsgroup.com](mailto:russ@arsadvisorsgroup.com). 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 ARS Investment Advisors, Inc. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). ARS Investment Advisors, Inc.'s CRD number is: 293750.*

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*Registration does not imply a certain level of skill or training.*

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## **Item 2: Material Changes**

There are no material changes in this brochure from the last annual updating amendment of ARS Investment Advisors, Inc. on 03/27/2020. Material changes relate to ARS Investment Advisors, Inc. policies, practices or conflicts of interests only.

### Item 3: Table of Contents

|   |    |
|---|----|
| Item 1: Cover Page  |    |
| Item 2: Material Changes .....  | ii |
| Item 3: Table of Contents .....   | 3  |
| Item 4: Advisory Business .....   | 4  |
| Item 5: Fees and Compensation .....   | 6  |
| Item 6: Performance-Based Fees and Side-By-Side Management .....                                  | 9  |
| Item 7: Types of Clients .....  | 9  |
| Item 8: Methods of Analysis, Investment Strategies, & Risk of Loss .....                          | 9  |
| Item 9: Disciplinary Information .....  | 14 |
| Item 10: Other Financial Industry Activities and Affiliations .....                               | 14 |
| Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .. | 16 |
| Item 12: Brokerage Practices .....  | 17 |
| Item 13: Review of Accounts .....   | 18 |
| Item 14: Client Referrals and Other Compensation .....  | 19 |
| Item 15: Custody .....  | 20 |
| Item 16: Investment Discretion .....  | 20 |
| Item 17: Voting Client Securities (Proxy Voting) .....  | 21 |
| Item 18: Financial Information .....  | 21 |

## Item 4: Advisory Business

### A. Description of the Advisory Firm

ARS Investment Advisors, Inc. (hereinafter "AIA") is a Corporation organized in the State of Utah. The firm was formed in May 2017, and the principal owner is Alan Russel Hodgson.

### B. Types of Advisory Services

#### *Portfolio Management Services*

AIA offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. AIA creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan to aid in the selection of a portfolio that matches each client's specific situation. Portfolio management services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

AIA evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. AIA will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

AIA seeks to provide that investment decisions are made in accordance with the fiduciary duties owed to its accounts and without consideration of AIA's economic, investment or other financial interests. To meet its fiduciary obligations, AIA attempts to avoid, among other things, investment or trading practices that systematically advantage or disadvantage certain client portfolios, and accordingly, AIA's policy is to seek fair and equitable allocation of investment opportunities/transactions among its clients to avoid favoring one client over another over time. It is AIA's policy to allocate investment opportunities and transactions it identifies as being appropriate and prudent among its clients on a fair and equitable basis over time.

AIA may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Before selecting other advisers for clients, AIA will always ensure those other advisers are properly licensed or registered as an investment adviser. AIA conducts due diligence on any third-party investment adviser, which may involve one or more of the following: phone calls, meetings and review of the third-party adviser's performance

and investment strategy. AIA then makes investments with a third-party investment adviser by referring the client to the third-party adviser. AIA will review the ongoing performance of the third-party adviser as a portion of the client's portfolio.

### ***Pension Consulting Services***

AIA offers consulting services to pension or other employee benefit plans (including but not limited to 401(k) plans). Pension consulting may include, but is not limited to:

- identifying investment objectives and restrictions
- providing guidance on various assets classes and investment options
- recommending money managers to manage plan assets in ways designed to achieve objectives
- monitoring performance of money managers and investment options and making recommendations for changes
- recommending other service providers, such as custodians, administrators and broker-dealers
- creating a written pension consulting plan

These services are based on the goals, objectives, demographics, time horizon, and/or risk tolerance of the plan and its participants.

### ***Financial Planning***

Financial plans and financial planning may include but are not limited to: investment planning; life insurance; tax concerns; retirement planning; college planning; debt/credit planning; and legal and estate planning. Legal and estate planning include assistance in gathering client information, filling out forms, and funding trusts. Any and all legal services will be performed by an outside law firm, including but not limited to the creation of trusts and other estate planning documents. Obligations for legal services are separate and distinct from the financial planning services and are the sole responsibility of the law firm with which the client enters into a separate engagement

### ***Services Limited to Specific Types of Investments***

AIA generally limits its investment advice to mutual funds, fixed income securities, real estate funds (including REITs), insurance products including annuities, equities, ETFs (including ETFs in the gold and precious metal sectors), treasury inflation protected/inflation linked bonds, commodities, non-U.S. securities and private placements. AIA may use other securities as well to help diversify a portfolio when applicable.

## **C. Client Tailored Services and Client Imposed Restrictions**

AIA will tailor a program for each individual client. This will include an interview session to get to know the client's specific needs and requirements as well as a plan that will be

executed by AIA on behalf of the client. AIA may use model allocations together with a specific set of recommendations for each client based on their personal restrictions, needs, and targets. Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent AIA from properly servicing the client account, or if the restrictions would require AIA to deviate from its standard suite of services, AIA reserves the right to end the relationship.

#### **D. Wrap Fee Programs**

A wrap fee program is an investment program wherein the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. AIA does not participate in any wrap fee programs.

#### **E. Assets Under Management**

AIA has the following assets under management:

| Discretionary Amounts: | Non-discretionary Amounts: | Date Calculated: |
|------------------------|----------------------------|------------------|
| \$198,000,000.00       | \$0                        | December 2019    |

### **Item 5: Fees and Compensation**

#### **A. Fee Schedule**

##### *Portfolio Management Fees*

The AIA total management fee will not exceed 2%.

The advisory fee is calculated using the value of the assets in the account on the last business day of the prior billing period.

As part of its management, AIA may engage in the selection of third-party money managers for a client account. AIA will receive its standard fee on top of the fee paid to the third party adviser. This relationship will be memorialized in each contract between AIA and each third-party adviser. The fees will not exceed any limit imposed by any regulatory agency.

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of AIA's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the Investment Advisory Contract immediately upon written notice.

### ***Pension Consulting Services Fees***

| <b>Total Assets Under Management</b> | <b>Annual Fee</b> |
|--------------------------------------|-------------------|
| \$100,000 - And Up                   | 0.25%             |

The advisory fee is calculated using the value of the assets on the last business day of the prior billing period

These fees are generally negotiable and the final fee schedule will be memorialized in the client's advisory agreement. Clients may terminate the agreement without penalty for a full refund of AIA's fees within five business days of signing the Investment Advisory Contract. Thereafter, clients may terminate the pension consulting agreement immediately upon written notice. AIA bills based on the balance on the first day of the billing period

### ***Financial Planning Fees***

**Fixed Fees:** The negotiated fixed rate for creating client financial plans is between \$100 and \$10,000.

**Hourly Fees:** The negotiated hourly fee for these services is between \$100 and \$1,000.

Clients may terminate the agreement without penalty, for full refund of AIA's fees, within five business days of signing the Financial Planning Agreement. Thereafter, clients may terminate the Financial Planning Agreement generally upon written notice.

## **B. Payment of Fees**

### ***Payment of Portfolio Management Fees***

Asset-based portfolio management fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

### ***Payment of Pension Consulting Fees***

Asset-based pension consulting fees are withdrawn directly from the client's accounts with client's written authorization on a quarterly basis. Fees are paid in advance.

### ***Payment of Financial Planning Fees***

Fixed financial planning fees are paid via check and are paid in full in advance, but never more than six months in advance.

Hourly financial planning fees are paid via check and are paid in full in advance, but never more than six months in advance.

### **C. Client Responsibility For Third Party Fees**

Clients are responsible for the payment of all third party fees (*i.e.*, custodian fees, commissions, brokerage fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by AIA. Please see Item 12 of this brochure regarding broker-dealer/custodian.

### **D. Prepayment of Fees**

AIA collects fees in advance. Refunds for fees paid in advance but not yet earned will be refunded on a prorated basis and returned within fourteen days to the client via check, or return deposit back into the client's account.

For all asset-based fees paid in advance, the fee refunded will be equal to the balance of the fees collected in advance minus the daily rate\* times the number of days elapsed in the billing period up to and including the day of termination. (\*The daily rate is calculated by dividing the annual asset-based fee rate by 365.)

Fixed fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination.

For hourly fees that are collected in advance, the fee refunded will be the balance of the fees collected in advance minus the hourly rate times the number of hours of work that has been completed up to and including the day of termination.

### **E. Outside Compensation For the Sale of Securities to Clients**

Certain representatives of AIA, in their outside business activities (see Item 10 below), are licensed to accept compensation for the sale of investment products to AIA clients.

- This presents a conflict of interest and gives the supervised person an incentive to recommend products based on the compensation received rather than on the client's needs. When recommending the sale of securities or investment products for which the supervised persons receives compensation, AIA will document the conflict of interest in the client file and inform the client of the conflict of interest.
- Clients always have the right to decide whether to purchase AIA -recommended products and, if purchasing, have the right to purchase those products through other brokers or agents that are not affiliated with AIA.
- Commissions are not AIA's primary source of compensation for advisory services.



- Advisory fees that are charged to clients are not reduced to offset the commissions or markups on securities or investment products recommended to clients. nor its supervised persons accept any compensation for the sale of investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

AIA does not accept performance-based fees or other fees based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7: Types of Clients

AIA generally provides advisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Charitable Organizations
- ❖ Corporations or Business Entities

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

### A. Methods of Analysis and Investment Strategies

#### *Methods of Analysis*

AIA's methods of analysis include Charting analysis, Cyclical analysis, Fundamental analysis, Modern portfolio theory, Quantitative analysis and Technical analysis.

**Charting analysis** involves the use of patterns in performance charts. AIA uses this technique to search for patterns used to help predict favorable conditions for buying and/or selling a security.

**Cyclical analysis** involves the analysis of business cycles to find favorable conditions for buying and/or selling a security.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

**Modern portfolio theory** is a theory of investment that attempts to maximize portfolio expected return for a given amount of portfolio risk, or equivalently minimize risk for a given level of expected return, each by carefully choosing the proportions of various asset.

**Quantitative analysis** deals with measurable factors as distinguished from qualitative considerations such as the character of management or the state of employee morale, such as the value of assets, the cost of capital, historical projections of sales, and so on.

**Technical analysis** involves the analysis of past market data; primarily price and volume.

### *Investment Strategies*

AIA uses long term trading, short term trading, margin transactions and options trading (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **B. Material Risks Involved**

### *Methods of Analysis*

**Charting analysis** strategy involves using and comparing various charts to predict long and short term performance or market trends. The risk involved in using this method is that only past performance data is considered without using other methods to crosscheck data. Using charting analysis without other methods of analysis would be making the assumption that past performance will be indicative of future performance. This may not be the case.

**Cyclical analysis** assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold: 1) the markets do not always repeat cyclical patterns; and 2) if too many investors begin to implement this strategy, then it changes the very cycles these investors are trying to exploit.

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

**Modern portfolio theory** assumes that investors are risk averse, meaning that given two portfolios that offer the same expected return, investors will prefer the less risky one. Thus, an investor will take on increased risk only if compensated by higher expected returns. Conversely, an investor who wants higher expected returns must accept more risk. The exact trade-off will be the same for all investors, but different investors will evaluate the trade-off differently based on individual risk aversion characteristics. The implication is that a rational investor will not invest in a portfolio if a second portfolio exists with a more favorable risk-expected return profile – i.e., if for that level of risk an alternative portfolio exists which has better expected returns.

**Quantitative analysis** Investment strategies using quantitative models may perform differently than expected as a result of, among other things, the factors used in the models, the weight placed on each factor, changes from the factors' historical trends, and technical issues in the construction and implementation of the models.

**Technical analysis** attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not take into account new patterns that emerge over time.

### ***Investment Strategies***

AIA's use of margin transactions and options trading generally holds greater risk, and clients should be aware that there is a material risk of loss using any of those strategies.

**Long term trading** is designed to capture market rates of both return and risk. Due to its nature, the long-term investment strategy can expose clients to various types of risk that will typically surface at various intervals during the time the client owns the investments. These risks include but are not limited to inflation (purchasing power) risk, interest rate risk, economic risk, market risk, and political/regulatory risk.

**Margin transactions** use leverage that is borrowed from a brokerage firm as collateral. When losses occur, the value of the margin account may fall below the brokerage firm's threshold thereby triggering a margin call. This may force the account holder to either allocate more funds to the account or sell assets on a shorter time frame than desired.

**Options transactions** involve a contract to purchase a security at a given price, not necessarily at market value, depending on the market. This strategy includes the risk that an option may expire out of the money resulting in minimal or no value, as well as the possibility of leveraged loss of trading capital due to the leveraged nature of stock options.

**Selection of Other Advisers:** Although AIA will seek to select only money managers who will invest clients' assets with the highest level of integrity, AIA's selection process cannot ensure that money managers will perform as desired and AIA will have no control over the day-to-day operations of any of its selected money managers. AIA would not necessarily be aware of certain activities at the underlying money manager level, including without limitation a money manager's engaging in unreported risks, investment "style drift" or even regulatory breaches or fraud.

**Short term trading** risks include liquidity, economic stability, and inflation, in addition to the long term trading risks listed above. Frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

AIA's use of margin transactions and options trading generally holds greater risk of capital loss. Clients should be aware that there is a material risk of loss using any investment strategy. The investment types listed below (leaving aside Treasury Inflation Protected/Inflation Linked Bonds) are not guaranteed or insured by the FDIC or any other government agency.

**Mutual Funds:** Investing in mutual funds carries the risk of capital loss and thus you may lose money investing in mutual funds. All mutual funds have costs that lower investment returns. The funds can be of bond "fixed income" nature (lower risk) or stock "equity" nature.

**Equity** investment generally refers to buying shares of stocks in return for receiving a future payment of dividends and/or capital gains if the value of the stock increases. The value of equity securities may fluctuate in response to specific situations for each company, industry conditions and the general economic environments.

**Fixed income** investments generally pay a return on a fixed schedule, though the amount of the payments can vary. This type of investment can include corporate and government debt securities, leveraged loans, high yield, and investment grade debt and structured products, such as mortgage and other asset-backed securities, although individual bonds may be the best known type of fixed income security. In general, the fixed income market is volatile and fixed income securities carry interest rate risk. (As interest rates rise, bond prices usually fall, and vice versa. This effect is usually more pronounced for longer-term securities.) Fixed income securities also carry inflation risk, liquidity risk, call risk, and credit and default risks for both issuers and counterparties. The risk of default on treasury inflation protected/inflation linked bonds is dependent upon the U.S. Treasury defaulting (extremely unlikely); however, they carry a potential risk of losing share price value, albeit rather minimal. Risks of investing in foreign fixed income securities also include the general risk of non-U.S. investing described below.

**Exchange Traded Funds (ETFs):** An ETF is an investment fund traded on stock exchanges, similar to stocks. Investing in ETFs carries the risk of capital loss (sometimes up to a 100% loss in the case of a stock holding bankruptcy). Areas of concern include the lack of transparency in products and increasing complexity, conflicts of interest and the possibility of inadequate regulatory compliance. Precious Metal ETFs (e.g., Gold, Silver, or Palladium Bullion backed "electronic shares" not physical metal) specifically may be negatively impacted by several unique factors, among them (1) large sales by the official sector which own a significant portion of aggregate world holdings in gold and other precious metals, (2) a significant increase in hedging activities by producers of gold or other precious metals, (3) a significant change in the attitude of speculators and investors.

**Real estate** funds (including REITs) face several kinds of risk that are inherent in the real estate sector, which historically has experienced significant fluctuations and cycles in performance. Revenues and cash flows may be adversely affected by: changes in local real estate market conditions due to changes in national or local economic conditions or changes in local property market characteristics; competition from other properties offering the same or similar services; changes in interest rates and in the state of the debt and equity credit markets; the ongoing need for capital improvements; changes in real estate tax rates and other operating expenses; adverse changes in governmental rules and fiscal policies; adverse changes in zoning laws; the impact of present or future environmental legislation and compliance with environmental laws.

**Annuities** are a retirement product for those who may have the ability to pay a premium now and want to guarantee they receive certain monthly payments or a return on investment later in the future. Annuities are contracts issued by a life insurance company designed to meet requirement or other long-term goals. An annuity is not a life insurance policy. Variable annuities are designed to be long-term investments, to meet retirement and other long-range goals. Variable annuities are not suitable for meeting short-term goals because substantial taxes and insurance company charges may apply if you withdraw your money early. Variable annuities also involve investment risks, just as mutual funds do.

**Private placements** carry a substantial risk as they are subject to less regulation than are publicly offered securities, the market to resell these assets under applicable securities laws may be illiquid, due to restrictions, and the liquidation may be taken at a substantial discount to the underlying value or result in the entire loss of the value of such assets.

**Commodities** are tangible assets used to manufacture and produce goods or services. Commodity prices are affected by different risk factors, such as disease, storage capacity, supply, demand, delivery constraints and weather. Because of those risk factors, even a well-diversified investment in commodities can be uncertain.

**Options** are contracts to purchase a security at a given price, risking that an option may expire out of the money resulting in minimal or no value. An uncovered option is a type of options contract that is not backed by an offsetting position that would help mitigate risk. The risk for a “naked” or uncovered put is not unlimited, whereas the potential loss for an uncovered call option is limitless. Spread option positions entail buying and selling multiple options on the same underlying security, but with different strike prices or expiration dates, which helps limit the risk of other option trading strategies. Option transactions also involve risks including but not limited to economic risk, market risk, sector risk, idiosyncratic risk, political/regulatory risk, inflation (purchasing power) risk and interest rate risk.

**Non-U.S.** securities present certain risks such as currency fluctuation, political and economic change, social unrest, changes in government regulation, differences in accounting and the lesser degree of accurate public information available.

Past performance is not indicative of future results. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

Brandon Curt Stimpson currently has three pending arbitration filed by FINRA from 2017 that are pending. The firm is conducting an internal review.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Certain representatives of AIA are registered representatives of a broker-dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither AIA nor its representatives are registered as or have pending applications to become either a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor or an associated person of the foregoing entities.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Certain representatives of AIA are licensed insurance agents. From time to time, they will offer clients advice or products from this activity. Clients should be aware that these services pay a commission and involve a possible conflict of interest, as commissionable products can conflict with the fiduciary duties of a registered investment adviser. ARS Investment Advisors, Inc. always acts in the best interest of the client; including in the sale of commissionable products to advisory clients. Clients are in no way required to utilize the services any representative of ARS Investment Advisors, Inc. in such individual's

outside capacity. Additional details regarding a specific representative's outside business activities and conflicts of interest are available in the individual's Form ADV Part 2B brochure supplement.

Russ Hodgson, Joe Pond, Mike Gibbs, Jeff Johnson, Matt Hoskins, Larry Matson, Brandon Stimpson, Jerry Toombs, and Russ Bradshaw are also associated with United Planners Financial Services of America (United Planners) as registered representatives. United Planners is a registered broker-dealer and a member of the Financial Industry Regulatory Authority (FINRA). As a United Planners registered representative, They may offer clients the option to purchase securities and investment products distributed by that firm including, but not limited to, mutual funds, variable annuities, variable life insurance, stocks and bonds, and limited partnerships. If a client purchases or sells securities products from a specific representative in this capacity, then they will receive commissions and related compensation, such as mutual fund service fees (12b-1 fees). This poses a conflict of interest, as their receipt of compensation from such recommendations can give them an incentive to recommend investment products based on the compensation received, rather than on the needs of the client.

Carl David Woolston is part-owner of Joye Street, LLC which sells online consumer products. Carl David Woolston started this business six months ago where they sell t-shirts, pillow covers, and home decor. His responsibilities include support with marketing, business decisions, and development. 1 hour a month during trading hours are spent on this activity and 4 hours a month are spent outside of trading hours on this activity. 1% of his yearly income derives from this activity.

Carl David Woolston is the eco-owner of Health and Wellness, LLC a company that sells professional supplements exclusively to health professionals such as chiropractors. His responsibilities include handling the accounting. 0 hour a month during trading hours are spent on this activity and 1 hours a month are spent outside of trading hours on this activity. 2% of his yearly income derives from this activity.

Carl David Woolston is the owner of Momentum Maximizer, LLC which is an Insurance, investments, and marketing consulting company. His responsibilities include working with ARS in innovation/business development and as a financial advisor. He may also take on a side consulting project or two. 40 hours a month during trading hours are spent on this activity and 0 hours a month are spent outside of trading hours on this activity. 95% of his yearly income derives from this activity.

Carl David Woolston is a board member and president at Legacy Preparatory Academy, a public charter school. As a board, they will hire the executive director and business manager and they run the day to day operations of the school. We meet at least monthly to create policy, hold the administration accountable, approve budgets, and to stay in alignment with our charter approved through the state. 2 hours a month during trading hours are spent on this activity and 6 hours a month are spent outside of trading hours on this activity. He receives no yearly compensation for this activity.

Carl David Woolston is workshop presenter at Society for Financial Awareness, a non-profit education firm offering a series of financial seminars and workshops to company HR benefit offices for the financial education and training of employees. He is presenting educational workshops to employees of sponsoring firms. 6 hours a month during trading hours are spent on this activity and 6 hours a month are spent outside of trading hours on this activity. 20% of his yearly income derives from this activity.

Carl David Woolston is a Member/Speaker at Society For Financial Awareness.

Joseph Earl Pond is a member/consultant at The Society for Financial Awareness.

#### **D. Selection of Other Advisers or Managers and How This Adviser is Compensated for Those Selections**

AIA may direct clients to third-party investment advisers to manage all or a portion of the client's assets. Clients will pay AIA its standard fee in addition to the standard fee for the advisers to which it directs those clients. This relationship will be memorialized in each contract between AIA and each third-party advisor. The fees will not exceed any limit imposed by any regulatory agency. AIA will always act in the best interests of the client, including when determining which third-party investment adviser to recommend to clients. AIA will ensure that all recommended advisers are licensed or notice filed in the states in which AIA is recommending them to clients.

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

#### **A. Code of Ethics**

AIA has a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. AIA's Code of Ethics is available free upon request to any client or prospective client.

#### **B. Recommendations Involving Material Financial Interests**

AIA does not recommend that clients buy or sell any security in which a related person to AIA or AIA has a material financial interest.



### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of AIA may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of AIA to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. AIA will always document any transactions that could be construed as conflicts of interest and will never engage in trading that operates to the client's disadvantage when similar securities are being bought or sold.

### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of AIA may buy or sell securities for themselves at or around the same time as clients. This may provide an opportunity for representatives of AIA to buy or sell securities before or after recommending securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest; however, AIA will never engage in trading that operates to the client's disadvantage if representatives of AIA buy or sell securities at or around the same time as clients.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

Custodians/broker-dealers will be recommended based on AIA's duty to seek "best execution," which is the obligation to seek execution of securities transactions for a client on the most favorable terms for the client under the circumstances. Clients will not necessarily pay the lowest commission or commission equivalent, and AIA may also consider the market expertise and research access provided by the broker-dealer/custodian, including but not limited to access to written research, oral communication with analysts, admittance to research conferences and other resources provided by the brokers that may aid in AIA's research efforts. AIA will never charge a premium or commission on transactions, beyond the actual cost imposed by the broker-dealer/custodian.

AIA will require clients to use TD Ameritrade Institutional, a division of TD Ameritrade, Inc. Member FINRA/SIPC.

#### ***1. Research and Other Soft-Dollar Benefits***

While AIA has no formal soft dollars program in which soft dollars are used to pay for third party services, AIA may receive research, products, or other services from custodians and broker-dealers in connection with client securities transactions ("soft

dollar benefits"). AIA may enter into soft-dollar arrangements consistent with (and not outside of) the safe harbor contained in Section 28(e) of the Securities Exchange Act of 1934, as amended. There can be no assurance that any particular client will benefit from soft dollar research, whether or not the client's transactions paid for it, and AIA does not seek to allocate benefits to client accounts proportionate to any soft dollar credits generated by the accounts. AIA benefits by not having to produce or pay for the research, products or services, and AIA will have an incentive to recommend a broker-dealer based on receiving research or services. Clients should be aware that AIA's acceptance of soft dollar benefits may result in higher commissions charged to the client. AIA does receive marketing dollars from its investment partners.

## **2. *Brokerage for Client Referrals***

AIA receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

## **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

AIA will require clients to use a specific broker-dealer to execute transactions. Not all advisers require clients to use a particular broker-dealer.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

If AIA buys or sells the same securities on behalf of more than one client, then it may (but would be under no obligation to) aggregate or bunch such securities in a single transaction for multiple clients in order to seek more favorable prices, lower brokerage commissions, or more efficient execution. In such case, AIA would place an aggregate order with the broker on behalf of all such clients in order to ensure fairness for all clients; provided, however, that trades would be reviewed periodically to ensure that accounts are not systematically disadvantaged by this policy. AIA would determine the appropriate number of shares and select the appropriate brokers consistent with its duty to seek best execution, except for those accounts with specific brokerage direction (if any).

## **Item 13: Review of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

All client accounts for AIA's advisory services provided on an ongoing basis are reviewed at least quarterly with regard to clients' respective investment policies and risk tolerance levels by Alan R Hodgson, Principal /Owner, or another investment adviser representative assigned to the account. All accounts at AIA are assigned to this reviewer.

All financial planning accounts are reviewed upon financial plan creation and plan delivery by Alan R Hodgson, Principal /Owner, or another investment adviser representative assigned to the account. Financial planning clients are provided a one-time financial plan concerning their financial situation. After the presentation of the plan, there are no further reports. Clients may request additional plans or reports for a fee.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

With respect to financial plans, AIA's services will generally conclude upon delivery of the financial plan.

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client of AIA's advisory services provided on an ongoing basis will receive a monthly report detailing the client's account, including assets held, asset value, and calculation of fees. This written report will come from the custodian. AIA will also provide at least quarterly a separate written statement to the client.

Each financial planning client will receive the financial plan upon completion.

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

#### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

AIA participates in the institutional advisor program (the "Program") offered by TD Ameritrade. TD Ameritrade offers to independent investment advisor services which include custody of securities, trade execution, clearance and settlement of transactions. AIA receives some benefits from TD Ameritrade through its participation in the Program.

As disclosed above, AIA participates in TD Ameritrade's institutional advisor program and AIA may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between AIA's participation in the Program and the investment advice it gives to its clients, although AIA 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 AIA 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 AIA's 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 AIA by third party vendors. TD Ameritrade may also pay for business consulting and professional services received by AIA's related persons. Some of the products and services made available by TD Ameritrade through the Program may benefit AIA but may not benefit its client accounts. These products or services may assist AIA in managing and administering client accounts, including accounts not maintained at TD Ameritrade. Other services made available by TD Ameritrade are intended to help AIA manage and further develop its business enterprise. The benefits received by AIA 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, AIA endeavors at all times to put the interests of its clients first. AIA does receive marketing dollars from its investment partners. Clients should be aware, however, that the receipt of economic benefits by AIA or its related persons in and of itself creates a conflict of interest and may indirectly influence the AIA's choice of TD Ameritrade for custody and brokerage services.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

AIA may, via written arrangement, retain third parties to act as solicitors for AIA's investment management services. All compensation with respect to the foregoing will be fully disclosed to each client to the extent required by applicable law. AIA will ensure each solicitor is properly registered in all appropriate jurisdictions. All such referral activities will be conducted in accordance with Rule 206(4)-3 under the Advisers Act, where applicable.

### **Item 15: Custody**

When advisory fees are deducted directly from client accounts at client's custodian, AIA will be deemed to have limited custody of client's assets and must have written authorization from the client to do so. Clients will receive all account statements and billing invoices that are required in each jurisdiction, and they should carefully review those statements for accuracy.

### **Item 16: Investment Discretion**

AIA provides discretionary and non-discretionary investment advisory services to clients. The advisory contract established with each client sets forth the discretionary authority for trading. Where investment discretion has been granted, AIA generally manages the client's account and makes investment decisions without consultation with the client as to when the securities are to be bought or sold for the account, the total amount of the securities to be bought/sold, what securities to buy or sell, or the price per share. In some instances, AIA's discretionary authority

in making these determinations may be limited by conditions imposed by a client (in investment guidelines or objectives, or client instructions otherwise provided to AIA).

## **Item 17: Voting Client Securities (Proxy Voting)**

AIA will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

## **Item 18: Financial Information**

### **A. Balance Sheet**

AIA neither requires nor solicits prepayment of more than \$1,200 in fees per client, six months or more in advance, and therefore is not required to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither AIA nor its management has any financial condition that is likely to reasonably impair AIA's ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

AIA has not been the subject of a bankruptcy petition.