

# **FORM ADV BROCHURE**

**March 5, 2020**



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This Brochure provides information about the qualifications and business practices of Investors Asset Management of Georgia, Inc. If you have any questions about the contents of this Brochure, please contact us at 770.394.5619. 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 Investors Asset Management of Georgia, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# FORM ADV BROCHURE

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## Material Changes

Since our last annual Brochure dated March 12, 2019, there are no material changes to report. IAM will provide clients with a new Brochure as necessary based on changes or new information, at any time, without charge. Our Brochure may be requested by contacting Timothy Rigby, President, at 770.394.5619.

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## Advisory Business

Investors Asset Management of Georgia, Inc. (“Investors Asset Management” or “IAM”) and the Investment Advisory Representatives of the firm manage investment accounts on a discretionary basis for a fee. IAM was founded in November 1990; and Tim Rigby is the principal owner of the Firm.

### Advisory Services

Investors Asset Management provides advisory services, giving continuous advice based on the client’s individual needs. The firm performs an initial review of each client’s investible assets in relation to their objectives, preferences and tolerance for risk. These objectives can range from preservation of capital, growth, growth and income, income and short or long term goals. Each advisor creates a specific investment strategy determined for each client and develops a truly individualized portfolios for each client based on individual needs. An allocation among publicly traded securities is then made based on each advisor’s judgments regarding expected returns and variability of returns on those securities. Thereafter, the portfolio will be monitored daily, and adjustments will be made when warranted by changes in estimated returns of specific securities or asset classes or in the client’s personal situation. If requested, clients receive quarterly reviews which outline each holding, date of purchase, cost, market value, gain or loss, as well as performance data. It is necessary for clients to inform their advisor of any changes in their financial situation or investment goals and objectives, and any preferences or restrictions on certain investments.

### Investors Choice 401(k) Program

Advisors of the firm also provide financial and consulting services for assets managed by Investors Asset Management. Such accounts include “Investors Choice 401(k)” or other 401(k) services. For these corporate 401(k) accounts, the firm consults and advises trustees of corporate retirement plans on overall plan design and implementation. Included in this service is selection and monitoring of the investment selections offered, including model portfolios, for participants to choose from. IAM also gives guidance on plan expenses and fiduciary liability and all disclosures required under Department of Labor rules. The overriding goal is to create a better outcome for participants at retirement. Advisors will not at any time have access to a client’s funds, securities, or account(s) and therefore will not have authority to rebalance, reallocate or place trades in the participant’s account. All trade implementation under these services is the responsibility of the client through the particular recordkeeper and/or custodian in the program.

MidAtlantic Trust Company, a leading custodian for corporate 401(k) programs, has developed a management platform called “ModelxChange” for 401(k) model portfolios. Investors Asset Management enrolled their Investors CHOICE 401(k) portfolios on this platform as a means to provide a single system for the creation, execution, and ongoing management of mutual fund and ETF investment portfolios for the 401(k) marketplace. Incorporation of disclosure data and fact sheets is a key component of the ModelxChange platform. MidAtlantic satisfies DOL regulations by calculating returns, expense ratios, turnover, benchmark data, and other pertinent data and delivers it to plan sponsors and participants via composite and plan specific fact sheets.

### Financial Planning

IAM also offers planning in areas such as estate and retirement planning, financial planning, educational funding, and tax and risk strategies. IAM can provide clients with a written analysis in one or more of these areas detailing strengths and weaknesses of their current financial

situation. These written plans can range from brief summaries to complex financial solutions depending on each client's needs and goals.

### General Information

Each client has the ability to impose reasonable restrictions on the management of his/her account, including the designation of particular securities or types of securities that should not be purchased for the account, or that should be sold if held in the account. If a client's instructions are unreasonable or an Investment Advisor Representative believes that the instructions are inappropriate for the client, Investors Asset Management will notify the client that, unless the instructions are modified, it may cancel the instructions in the client's account. A client will not be able to provide instructions that prohibit or restrict the Investment Adviser of an open-end or closed-end mutual fund or ETF with respect to the purchase or sale of specific securities or types of securities within the fund.

Investors Asset Management does not offer a wrap fee program. Investors Asset Management's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Investors Asset Management's fee, and Investors Asset Management shall not receive any portion of these commissions, fees, and costs.

As of December 31, 2019 Investors Asset Management had \$236 million under management on a discretionary basis.

## **Fees and Compensation**

Investors Asset Management's basic advisory fee schedule is as follows:

- 1.25% annually of the first \$1,000,000 of assets
- 1.00% annually over \$1,000,000 but under \$5,000,000
- 0.75% annually over \$5,000,000

The specific manner in which fees are charged is established in the client's written agreement and in special circumstances, at our discretion, fees may be negotiated. Annual fees are payable quarterly, due in advance at the beginning of each calendar quarter. The initial fee will be prorated according to the number of days remaining in the calendar quarter and based on the initial deposit. It is suggested that fees be deducted from accounts, but may be billed directly to each client in special cases.

### Investors Choice 401(k) Program

This consulting and advisory program charges an asset based fee ranging from .25% to 1.00% depending on the extent of our involvement, the size of the plan, and the services desired. In addition, there may be a one time set up fee, or other fees charged to reimburse Investors Asset Management for plan set up expenses. Our annual fees can be billed quarterly in advance or arrears, and may be billed directly to the plan sponsor or through the plan record keeper or custodian. In certain circumstances, such as a new plan, a flat or negotiated fee may be agreed upon. Clients will incur certain other charges imposed by other parties that are integral to the

operation of these plans. The recordkeeper, custodian, third party administrator, mutual funds, and other parties impose fees for their services, in addition to ours, which will be outlined in their respective contracts or prospectus. The firm currently recommends several custodians including the Tool(k)it platform of Matrix Financial, and the ModelxChange platform of MidAtlantic Trust.

Investors Asset Management has begun participating in a program through MidAtlantic Trust Company called the “ManagerxChange” platform. Other firms or advisors may select one of our 5 model portfolios for their client accounts and our firm receives an asset based fee of .35% on account values.

#### Planning and Advisory Fees

Fees are determined on a case by case basis after an initial review of a client’s circumstances and goals. The minimum fee is \$150 per hour for reviews that require a minimum number of hours to complete. Complex or in-depth reviews are \$2,500 paid half in advance and the remainder upon the delivery of the written review. At our discretion, these fees are negotiable. Implementation of recommendations made in the financial plan through the firm’s advisors is at the client’s discretion.

#### General Fee Information

Under no circumstances will fees of \$1200 or more be billed six months or more in advance. Clients who invest in mutual funds may incur management and other fees in addition to our advisory fee.

In addition to the advisory fees paid to IAM, clients can also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively “Financial Institutions”). These additional charges include securities brokerage commissions, transaction fees, custodial fees, fees charged by the Independent Managers, charges imposed directly by a mutual fund or ETF in a client’s account, as disclosed in the fund’s prospectus (e.g., fund management fees and other fund expenses, 12(b)-1 fees), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions.

Some mutual funds pay 12(b)-1 service fees (normally 0.25% per year) to TD Ameritrade, the Custodian that holds client accounts. Mutual funds IAM could purchase or recommend offer a variety of share classes, including some that do not charge 12(b)-1 fees and are, therefore, less expensive. These fee arrangements will be disclosed upon request of a client and are available in the applicable fund’s prospectus.

Typically, IAM does not recommend mutual funds that charge 12(b)-1 fees when other share classes are available. However, there are instances in which the IAM would recommend a mutual fund that carries a 12(b)-1 fee, even when a lower-cost share class is available for the same fund. For example, a lower class share may not be available to IAM due to investment minimums. In other cases, mutual funds charging 12(b)-1 fees are transferred into IAM, in which case the IAM may recommend the client holds the existing share class, instead of selling the fund and buying a lower-cost share. When making a recommendation to convert or hold a share, class, IAM will consider transaction fees, anticipated future investment activity, potential tax consequences and the availability of alternative share classes. Based on these and other considerations, a share class conversion may not be recommended, even if a cheaper share class exists. IAM does not receive any part of the fees charged by Mutual Funds.

Accounts may require a minimum advisory fee or quarterly maintenance fee that will be detailed in the applicable advisory agreement. The Management Fee also does not cover fees and charges in connection with: debit balances; margin interest; odd-lot differentials; IRA fees; transfer taxes; exchange fees; wire transfers; extensions; non-sufficient funds; mailgrams; legal transfers; bank wires; postage; costs associated with exchanging foreign currencies; and SEC fees or other fees or taxes required by law. Management fees, setup fees, and other costs associated with purchasing and owning securities may be more or less than fees offered by other financial professionals.

A client may terminate his advisory agreement with us at any time by written notice to our home office. In such case, any prepaid advisory fee will be pro-rated on a daily basis from the date written notice is received, and any unearned portion will be refunded. In addition, a client may terminate our investment advisory contract without penalty within five business days from the date of the contract.

Upon written receipt of notice to terminate its client agreement and unless specific transfer instructions are received, Investors Asset Management and its agent will, in an orderly and efficient manner, proceed with liquidation of the client's account. There will not be a charge by us for such redemption; however, the client will be charged ticket fees by the Custodian. In addition, certain mutual funds impose redemption fees as stated in each company's fund prospectus in certain circumstances. Clients must keep in mind that the decision to liquidate security issues or mutual funds may result in tax consequences that should be discussed with the client's tax advisor. Factors that may affect the orderly and efficient manner would be size and types of issues, liquidity of the markets, and market makers' abilities. Should the necessary securities' markets be unavailable and trading suspended, efforts to trade will be done as soon as possible following their reopening. Due to the administrative processing time needed to terminate client's investment advisory service and communicate the instructions to client's Investment Advisor, termination orders received from clients are not market orders; it may take several business days under normal market conditions to process the client's request. During this time, the client's account is subject to market risk. Investors Asset Management and its agent are not responsible for market fluctuations of the client's account from time of written notice until complete liquidation. All efforts will be made to process the termination in an efficient and timely manner.

## **Performance Based Fees and Side-By-Side Management**

Investors Asset Management of Georgia, Inc. does not charge performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

## **Types of Clients**

Investors Asset Management of Georgia, Inc. provides portfolio management and advisory services to individuals, high net worth individuals, corporations, pension and profit-sharing plans, charitable institutions, foundations, endowments, trusts, and others.

\$100,000 cash and/or marketable securities are suggested for starting an investment advisory account. In our sole discretion, lesser amounts may be accepted in certain circumstances, including relatives of existing clients as a courtesy, or accounts that will be funded regularly which will grow the account to \$100,000 or more in the near future. Under certain

circumstances, the minimum may be waived, including related accounts that may be combined to meet the minimum if the services involved may otherwise be provided.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

Our investment strategy for discretionary accounts is focused on diversifying accounts in publicly traded securities. We diversify between stocks, bonds and mutual funds with allocations differing in these asset classes based on each client's goals and risk tolerance. Our analysis revolves around determining where the economy is in the economic cycle. Based on this analysis, portfolios are positioned to take advantage of growth prospects over the long term. We employ a buy and hold strategy but may get more defensive periodically by increasing cash allocations to protect capital.

It is important to note that investing in securities involves a risk that clients should be prepared to bear. For any risks associated with Investment Company products, please refer to the prospectuses for additional details about these risks. Our investment approach constantly keeps the risk of loss in mind. These risks include, but are not limited to:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

On March 14, 2016, Mr. Rigby reached a settlement with FINRA, the organization that regulates broker-dealers. FINRA contended that while serving as a branch manager at a broker-dealer, Mr. Rigby failed reasonably to supervise a representative in connection with trading of mutual



fund shares. Without admitting or denying the allegations, Mr. Rigby consented to an order by FINRA that suspends him from supervisory capacities for 15 business days and requires he pay a fine of \$5,000 if he ever chooses to work for a broker-dealer in the future. These sanctions have no effect on him in his current capacities as owner and representative of an SEC registered investment adviser. Additional information is available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Other Financial Industry Activities and Affiliations**

Investment advisers are required to disclose relationships or arrangements with: a broker-dealer, municipal securities dealer, or government securities dealer or broker; investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund); other investment adviser or financial planner; futures commission merchant, commodity pool operator, or commodity trading advisor; banking or thrift institution; accountant or accounting firm; lawyer or law firm; insurance company or agency; pension consultant; real estate broker or dealer; or sponsor or syndicator of limited partnerships. IAM has no information applicable to this Item.

## **Code of Ethics**

Investors Asset Management's Code of Ethics is based on the principle that all Advisors of the Company and certain other persons have a fiduciary duty to place the interests of clients ahead of their own and the company's. All must avoid activities, interests and relationships that might interfere with making decisions in the best interest of the advisory clients. A copy of our complete Code of Ethics is available to any client or prospective client upon request.

Advisors may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a conflict of interest in that IAM or its Representatives are in a position to benefit from the sale or purchase of those securities. IAM's Code of Ethics provides a policy to monitor the personal trading activities and securities holdings of each of the Firm's Representatives or other Access Persons. The Code of Ethics's personal trading policies include procedures for limitations on personal securities transactions of associated persons, reporting and review of such trading. These policies are designed to discourage and prohibit personal trading that would disadvantage clients. These policies include requirements for Representatives to place client trades before placing trades in their personal accounts; placing the trades by simultaneous release as described under "Brokerage Practices"; or aggregated trades as described below.

Trades may be done on an aggregated basis when consistent with IAM's obligation of best execution. In such circumstances, the Advisor (or related account) and client accounts will share commission costs equally and receive securities at a total average price. IAM will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the order ticket.

## **Brokerage Practices**

Client transactions are generally executed by the Custodian holding the client account. IAM



recommends the brokerage and custodial services of TD Ameritrade based on a number of factors including financial strength, reputation, execution, pricing, responsiveness, fees, research, and other services available. For client accounts maintained in its custody, TD Ameritrade does not charge separately for custody services. They are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed. The custodian makes products and services available to Investors Asset Management that benefit Investors Asset Management but may not directly benefit its clients' accounts. Many of these products and services are used to service all or a substantial number of Investors Asset Management's accounts. Some of these products and services provided include software and other technology that:

- provide research related products and tools; provides access to client account data (such as trade confirmations and account statements)
- facilitates trade execution and allocates aggregated trade orders for multiple client accounts
- provides research, pricing and other market data
- facilitates payment of Investors Asset Management's fees from its clients' accounts; and
- assists with back-office functions, recordkeeping and client reporting.

Investors Asset Management benefits from this arrangement because the firm does not have to pay for these services. This gives us an incentive to recommend TD Ameritrade based on receiving these services rather than on our clients' interest in receiving most favorable execution. Commissions charged by TD Ameritrade may be higher than commissions charged by other broker-dealers.

Trade aggregation refers to the practice of combining orders for execution. When consistent with the firm's duty to obtain best execution, the advisors will aggregate multiple client transactions into a single order in order to obtain the best price for our clients.

As an alternative to trade aggregation, IAM may release trades for execution simultaneously. This practice allows the firm to enter several trades among different client accounts and release the trades for execution simultaneously. Simultaneous release of trades seeks to ensure accounts are treated fairly and equitably over time; however, a particular client may receive a higher or lower execution price than a similar client due to market conditions and order routing.

Clients wishing only to implement the advice of the Advisors may select another broker to execute transactions if they wish and are so informed. If the client chooses to custody your account with another custodian, then we may be unable to achieve most favorable execution of your transactions. Directing brokerage may cost you more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

## **Review of Accounts**

Accounts are assigned to Investment Advisors who are responsible for performing periodic reviews and consulting with the respective client. Account performance is reviewed not less than annually. Factors that are considered during such reviews include, but are not limited to the following: investment objectives, targeted allocation, current allocation, suitability, performance, monthly distributions, concentrated positions, diversification, and outside holdings. Examples of situations that may impact Client's account would be the following: performance that is not in line with the client's "downside risk tolerance," change in investment objective, the client makes a significant addition of capital or withdrawal of capital from the

account, rebalancing of the portfolio if current allocation and targeted allocation are not consistent, concentrated position that could lead to volatility, etc. Clients should inform their Advisor in writing of any material changes to their financial circumstances that might affect the manner in which client's assets should be invested. Clients may contact the firm during normal business hours to consult with the firm concerning the management of the client's account(s).

Clients receive written confirmation on each individual purchase or sale from the custodian. Monthly statements from the custodian detail all holdings in the portfolio and all purchases, sales, dividends, interest and related items. Upon request, clients may also receive quarterly reports from Investors Asset Management that detail all positions including date of purchase, cost basis, gain or loss as well as rate of return.

## **Client Referrals and Compensation**

Investors Asset Management receives no compensation for client referrals and has no solicitor relationships for obtaining clients.

## **Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Investors Asset Management urges clients to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Investment Discretion**

For wealth management fee based accounts, Investors Asset Management receives discretionary authority through the management agreement from the advisory client at the outset of a relationship. In all cases such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

For our Investors Choice 401(k) Program, the firm can act as a 3(21) co-fiduciary but suggests we assume discretionary authority as a 3(38) advisor as it relates to trustees and/or officers of corporate retirement plans, as well our suggested mutual fund investment lineup and 5 model portfolios. Plan participants have 24/7 access to their accounts to keep their personal information current, make investment selections or changes, and view historical records or educational pieces. The Investment Advisor Representatives of IAM are available to give investment advice and guidance, while the representatives of the recordkeeping company selected help each company with day to day operational functions of the plan and website.

When selecting securities and determining amounts, Investors Asset Management observes the investment policies, limitations, and restrictions of the clients for which it advises. Any investment guidelines or restrictions must be provided to us in writing.

## **Voting Client Securities**

Investors Asset Management does not vote proxies on clients' behalf. Clients receive proxies or

other solicitations directly from their custodian or transfer agent. Each client votes their own individual proxies but may contact their advisor with any questions about a particular solicitation.

### **Financial Information**

Investors Asset Management has no financial commitment that impairs its ability to meet contractual or fiduciary commitments to clients and has not been the subject of a bankruptcy proceeding.

## Privacy Policy

At Investors Asset Management of Georgia, Inc. (“IAM”), protecting client privacy is very important to us. The firm values client trust and wants the client to understand what information the firm collects and how it is protected and used. The firm treats personal information - nonpublic information that identifies clients - with respect, and in accordance with the Privacy Policy.

### Information We May Collect

The firm may obtain information, much of which comes directly from the client to provide the client with products and services clients have requested and as the firm deems appropriate, to determine your eligibility for products or services. The firm may collect identification and contact information, as well as transaction and investment experience information from applications, transactions with others and us, and from outside companies. Examples of the sources and types of information we may collect include:

- Information about the products and services you purchase through us, including copies of applications, registration forms, or other forms, containing your name, address, telephone number, social security number, e-mail address, investment objectives, income, assets, employment information and accounts with others;
- Information regarding your brokerage and/or investment advisory transaction history with us, our service providers, such as clearing firms, or other companies; and
- Information that other companies who assist us in marketing our own products and services or products we offer jointly with other financial institutions may have, such as your name, address, and telephone number.
- Information under the USA Patriot Act enacted by the United States Treasury Department and Congress to combat terrorism.

### Information We May Disclose And To Whom We May Disclose Information

IAM does not disclose client’s personal information to companies or organizations not affiliated with the firm that would use the information to contact clients about their own products and services.

IAM may disclose all the personal information collected, as described above, to companies, such as insurance companies and brokers, banks, broker/dealers and investment advisers that provide services to client’s on the firm’s behalf, in the following types of situations. They are:

- Providing administrative, customer assistance, clearing, operational, or other services;
- Preparing, printing and delivering portfolio management performance reports, confirmation statements and other documents;
- Executing securities transactions;
- Maintaining or developing software for us; and
- A financial institution (such as banks, investment advisors or securities firms) with which we have joint marketing arrangements to jointly endorse or offer financial products or services.

Other than these types of exceptions, IAM does not disclose any nonpublic information regarding current or former clients unless authorized by the client or as permitted by law.

### **Disclosures Permitted By Law**

IAM may also disclose all the information collected as permitted or required by law. For example, IAM may disclose information to law enforcement agencies or insurance and securities regulatory agencies.

### **Instructions on How to Notify Us**

For questions regarding this policy, please contact your Representative directly or call IAM at 770-394-5619.