

CHICAGO INVESTMENT ADVISORY COUNCIL, INC.  
FORM ADV PART 2A – FIRM BROCHURE

Item 1: Cover Page

**CHICAGO INVESTMENT ADVISORY COUNCIL, INC.**

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**CRD # 123243**

**March 25, 2022**

This brochure provides information about the qualifications and business practices of Chicago Investment Advisory Council, Inc. If you have any questions about the contents of this brochure, please contact us at (630) 444-1410. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority.

Additional information about Chicago Investment Advisory Council is available on the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Please note that the use of the term "registered investment advisor" and description of our firm and/or our associates as "registered" does not imply a certain level of skill or training. Clients are encouraged to review this brochure and any brochure supplements ("brochure supplements") for more information on the qualifications of our firm and our associates.

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Item 2: Material Changes

This firm brochure reflects no material changes from the prior version dated March 26, 2021.

We will ensure that all current clients receive a Summary of Material Changes to this and subsequent firm brochures within 120 days of the close of our fiscal year. A Summary of Material Changes is also included with our firm brochure on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable CRD number for Chicago Investment Advisory Council, Inc. is set forth on the cover page of this firm brochure. Clients will further be provided with disclosure about material changes effecting our firm or a new brochure as may become necessary or appropriate at any time in the future, without charge.

You may request a copy of our firm brochure by contacting us at the telephone number reflected on the cover page. A copy will be provided to you free of charge.

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Item 4: Advisory Business

**About Our Firm**

Chicago Investment Advisory Council, Inc. (hereinafter, “CIAC,” “we,” “our,” “firm,” and “us”), is an Illinois corporation that became registered as an investment advisor with the SEC in 2021. From 1997 through 2021, our firm was registered as an investment advisor with the State of Illinois Department of Securities. John E. Davis, Sr., is our founder, managing principal, and Chief Compliance Officer. Our primary offices are located in St. Charles, Illinois.

CIAC provides investment advisory services on a discretionary and non-discretionary basis to a wide variety of advisory clients (hereinafter, clients and prospective clients of our firm are referred to as “client,” “you,” and “your”). Investment advisory services may include but are not limited to advising clients on matters not involving securities and recommendations regarding various insurance products and referrals to various services. We attempt to tailor our investment advice to your specific financial circumstances, investment objectives, and needs, as you have described them to us. For this reason, it is important that you promptly advise us throughout our relationship regarding any changes to your financial situation which might affect the investment advice we provide to you.

**Our Advisory Services**

Initial Consultation Services/Portfolio Review Services. We offer initial consultation services designed to assist you in the management of your overall financial affairs. These services typically entail an assessment of your current assets (e.g., brokerage and other investment accounts, checking and savings accounts, individual retirement accounts, and 401(k) balances, valuation of real estate assets/ mortgage information, and current life insurance values and benefits), income, liabilities and expenses, and a discussion of your investment goals, objectives, risk tolerance, and cash flow needs. CIAC will review types of assets and risks associated with each type and provide an evaluation of your current investment positions. We will also discuss wills and trusts and answer any questions you may have about investments or the nature of our other investment advisory services. Following the initial consultation, we will present you with our portfolio recommendations and an action plan containing certain discrete financial steps you can take that we believe will help you to achieve your short and long-term financial goals. You maintain the sole discretion to accept or reject any of our recommendations under this service and are solely responsible for the implementation and monitoring of all investments. These services may also include the delivery of a transaction summary detailing the starting and current values of certain client assets, as well as the production of a personal statement of net worth. Unless otherwise agreed, no further review or update of our initial recommendations is provided following their initial delivery to you. It is your responsibility to provide us with current and complete statements and account information at the initial consultation and for any portfolio reviews requested in the future.

Financial Planning Services. When you engage us for these services, we will consult with you as necessary (given the scope of the engagement) to discuss your unique financial circumstances, investment objectives and needs, tolerance for risk, time horizon for investments, and any particular issues of financial concern. We will review pertinent financial documents and information provided by you, analyze your unique financial circumstances, and present you with our financial planning recommendations. Typically, our recommendations will include a summary of your financial circumstances and a course of actions and/or investment recommendations designed to assist you in achieving your stated financial goals. Our recommendations may be delivered to you in the form of a formal written financial plan, a shorter written report or checklist, and/or via informal discussions with you (in person, telephonically, or via e-mail). You maintain the sole discretion to accept or reject any of our recommendations under this service. Unless we otherwise agree in our written financial planning agreement, you are responsible for implementation and monitoring of all investments and we will only review and update your financial plan upon your request. At your request, our firm and

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our associated persons may assist you with the implementation of certain recommended investments, including the purchase of certain securities and insurance products. You are never obligated to engage CIAC or any of our associated persons for implementation services. Our financial planning services can be engaged in conjunction with any of our other investment advisory services.

As part of these services, we may recommend certain insurance and annuity products. CIAC may also provide advice relative to cash flow/debt management, retirement income needs, education funding, and estate planning. We do not provide legal or tax advice of any kind and advise clients to seek the guidance of independent legal and tax professionals. Where requested, we may recommend the services of third-party professionals including, but not limited to, estate planning/business attorneys, accountants, health insurance brokers, and mortgage brokers as part of our services. You are never obligated to engage the services of any third-party professional(s) we recommend to you. The third-party professionals you choose to engage will contract with you separately and separately bill you for their services. CIAC does not receive a referral fee or any other compensation for referring its clients to any third-party professionals.

Active Asset Management Program (“AAMP”). The AAMP program includes investment strategy selection, portfolio design, and ongoing investment implementation and monitoring services. Client portfolios are typically constructed using some or all of the following instruments: stocks, bonds, options, money market funds, mutual funds, exchange traded funds (“ETFs”), and other securities.

We will consult with you at the inception of our relationship and as necessary thereafter to understand your investment needs and objectives, risk tolerance, cash flow needs, and time horizon for investments. We will rely on this information in assisting you to select an appropriate investment strategy and in designing a portfolio of investments to be implemented within your account. Following the initial implementation of the desired portfolio, we will monitor your account on an ongoing basis and recommend changes to your investments as we believe to be in your best interests in our capacity as your fiduciary advisor.

We typically pursue the investment strategy chosen by the client through the use of certain model portfolios designed by our firm (collectively “Model Portfolios”). The Model Portfolios and investment strategies we utilize have generally been designed to meet a particular investment objective for investors with varying degrees of risk tolerance, ranging from a more aggressively allocated portfolio to a more conservative approach. Factors that we take into consideration when determining whether any particular Model Portfolio or investment strategy is appropriate for your account include, without limitation, the Model Portfolio or investment strategy’s investment goal, underlying holdings, and your financial needs, investment goals, risk tolerance, and investment objectives.

As a condition of participation in the AAMP program, you will typically be required to engage the custodial and brokerage services of TD Ameritrade, Inc. (“TDA”) and/or Interactive Brokers, Inc (“IB”). You will enter into a written investment advisory agreement with our firm setting forth the terms and conditions under which CIAC will manage the accounts you designate and a separate custodial agreement with TDA and/or IB. The agreement between CIAC and the client will continue until terminated by either party. When you engage us for these services, you will typically be required to grant us ongoing and continuous discretionary authority to execute our investment recommendations directly within your account held at the custodian without obtaining your specific consent prior to each transaction. On a limited basis, we may offer these services on a non-discretionary basis (*i.e.*, client-direct), where we are required to obtain your approval prior to implementing each transaction within your account held at the custodian.

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You always have the ability to impose reasonable restrictions on our management of their account(s), including the ability to instruct us not to purchase certain specific securities, industry sectors, and/or asset classes. We will attempt to honor your investment restrictions in all circumstances and will notify you if we are ever unable to do so for any reason.

Educational Workshops. CIAC may provide educational workshops regarding investments and personal finance. CIAC educational workshops are typically based upon “Financial Strategies for Successful Retirement,” but may cover other topics, including issues related to financial planning, retirement strategies, risk management, investments, and estate planning. Our workshops are educational in nature and do not include personalized investment advice or the promotion of any specific financial products.

Retirement Plan Consulting Services. We offer retirement plan consulting services to employee benefit plans and their fiduciaries based upon the needs of the plan and the services requested by the plan sponsor or named fiduciary. In general, these services may include an existing plan review, formulation of the investment policy statement, asset allocation advice, vendor selection advice, non-discretionary portfolio management services, investment performance monitoring/benchmarking services, on-going consulting, communication and participant education services/seminars. We may also assist the plan sponsor in providing participant enrollment meetings.

Certain plans/clients that we may provide services to are regulated under the Employee Retirement Income Security Act of 1974 (“ERISA”). In these circumstances, we will provide retirement plan consulting services to the plan sponsor and/or fiduciaries as described above for the fees set forth in Item 5 of this brochure. The consulting services we provide are advisory in nature. In providing services to any plan and its underlying participants, our status is that of an investment advisor registered under the Investment Advisers Act of 1940 (“Advisers Act”). We are not subject to any disqualifications under Section 411 of ERISA. In performing fiduciary services, we are acting as a fiduciary of the plan as defined in Section 3(21) under ERISA, only. In all cases, our status as a fiduciary under ERISA is clearly disclosed in a written advisory agreement. If there is any discrepancy between the disclosures in this paragraph and the agreement, the agreement shall govern.

We do not offer or participate in any wrap fee programs.

The types of investments we typically recommended are reflected above in the description of our AAMP Program. We may also advise clients on insurance products, any assets held in their portfolio at the time of our engagement, and other investments not listed above at their specific request. Please see Item 8 of this brochure for information regarding the investment strategies we recommend and their associated risks.

As of December 31, 2021, CIAC managed client assets of \$155,336,000 on a discretionary basis and \$0 on a non-discretionary basis.

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

##### **Asset-Based Fees**

We may charge you an annual asset-based fee which is calculated as a percentage of the market value of the assets you place under our management. These fees typically vary between 1.00% to 2.00% per year for discretionary accounts and 0.50% - 1.50% per year on non-discretionary accounts. Unless otherwise agreed, the selected annual

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fee rate typically applies across the entire value of the client's account managed by our firm. Asset-based fees typically apply to engagements for AAMP Program and retirement consulting services. The specific annual fee rate to be applied to your engagement will be described in the written investment advisory agreement entered into between you and CIAS. Investment advisory fees charged by us are negotiable at our sole discretion. All clients do not pay the same fee and may pay fees at rates that are materially different than those reflected above. We may, at our sole discretion, negotiate with a prospective client and charge a lower fee. Lower fees for a comparable services may be available from other sources.

The annual fee for our services is billed quarterly in arrears, based on the market value of your account at the end of the previous quarter. We will rely upon the market valuation of your assets (which shall include cash balances held within your account) as independently determined by your custodian for purposes of calculating our fees. Fees are prorated for partial billing periods at the beginning or at the termination of our relationship based on the number of days services are provided. Fees may be further adjusted on a prorated basis for mid-period deposits and withdrawals from your account. Clients should note that some or all of the investments in their account may be intended as long-term investments, and withdrawals of cash and premature liquidations of securities positions may impair the achievement of their investment objectives.

Asset-based fees are typically deducted directly from your account held at the qualified custodian. We will only directly deduct our fees from your account where you provide us and your qualified account custodian with written authorization to do so. In limited circumstances, we may agree to traditional paper billing arrangement. In these circumstances, we will send you a paper or electronic invoice for our fees and all fees are due and payable to us within ten (10) days of the date shown on our invoice. We may accept payment from you in the form of a check, money order, or wire transfer.

Your account custodian (typically TDA or IB) will deliver an account statement to you at least quarterly, showing all disbursements from your account, including the amount of any advisory fees paid directly to us from your account, if any. We urge you to review your account statements promptly and carefully upon receipt to verify the accuracy of the fee calculation, as your account custodian will not verify whether our fee has been properly calculated. Please see Item 12, "Brokerage Practices," below for more information about our brokerage practices and your account custodian(s).

You may terminate the AAMP investment advisor agreement and trade authorization with CIAC at any time by providing written notice to CIAC.

### **Hourly Fees**

We may charge you hourly fees for our services that typically range between \$150 - \$250 per hour. Hourly fees typically apply to engagements for initial consultation services/portfolio review services and financial planning services. The specific hourly fee rate to be applied to your engagement is determined by us based on the services selected, the complexity of your financial circumstances and investment advisory needs, and the experience level and expertise of the personnel who will perform the work and provide you with investment advice. The tasks and services to be performed, a description of our fees, an estimate of the time required to complete the engagement, and other key terms conditions of our relationship are described in writing and a written advisory agreement is executed prior to the commencement of any services. Hourly fees are typically charged in arrears by delivery of a written invoice to the client. In some instances, you may be required to pay a portion of the estimated fees at the inception of our relationship. All fees are due and payable within ten (10) days of the date of our invoice. We may accept payment in the form of a check, money order, or wire transfer.

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You can terminate an agreement for initial consulting services/portfolio review services and/or financial planning services at any time by providing written notice to CIAC. All earned but unpaid hourly fees shall immediately become due and payable to CIAC upon termination of our services. Likewise, any pre-paid but unearned fees will be refunded to you on a prorated basis.

**Fixed Fees**

We may charge you fixed fees for our services that typically range between \$100 - \$2,500. Fixed fees may apply to engagements for initial consultation services/portfolio review services, financial planning services, and/or for educational workshops. The specific fixed fee rate to be applied to your engagement is determined by us based on the services selected, the complexity of your financial circumstances and investment advisory needs, the experience level and expertise of the personnel who will perform the work and provide you with investment advice, and our estimate of the number of hours expected to be required to complete our services. The tasks and services to be performed, a description of our fees, an estimate of the time required to complete the engagement, and other key terms conditions of our relationship are described in a written advisory agreement that is executed prior to the commencement of any services. Fixed fees are typically charged in arrears by delivery of a written invoice to the client. In some instances, you may be required to pay a portion of the estimated fees at the inception of our relationship. All fees are due and payable within ten (10) days of the date of our invoice. We may accept payment in the form of a check, money order, or wire transfer.

You can terminate an agreement for initial consulting services/portfolio review services, financial planning services, and/or educational workshops at any time by providing written notice to CIAC. All earned but unpaid fixed fees shall immediately become due and payable to CIAC upon termination of our services. Likewise, any pre-paid but unearned fees will be refunded to you on a prorated basis upon termination. The proration of any fees upon termination shall be determined based upon our good faith estimate of the total percentage of work completed at the time of termination, which determination shall be final and binding upon the client.

**Other Fees**

The advisory fees paid to CIAC cover the costs of CIAC's investment advice only. You will separately pay the following additional costs:

- fees charged by third-party professionals, such as third-party money managers and sub-advisors, accountants, and attorneys;
- customary brokerage fees and transaction charges (e.g., trade commissions and fees, mark-ups, spreads, etc.), custodial fees, reporting and administration fees, wire transfer/EFT fees, taxes, and other costs and expenses incurred in connection with transactions and holdings of your brokerage account in accordance with your agreement with the custodian of your assets; and
- to the extent you hold any mutual funds, ETFs, and/or other pooled investment vehicles, all internal management fees, costs, and expenses of participation therein, as detailed in the fund prospectus.

We do not share in any portion of the foregoing additional fees, costs, and expenses. To fully understand the total costs you will incur when engaging our services, you should carefully review the prospectus, disclosure documents, and account agreements of each mutual fund, ETF, third-party professional or money manager, and custodian you utilize in conjunction with our services.



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Clients should also note that CIAC is affiliated with several estate planning attorneys and may assist in an administrative capacity in estate planning preparation. Our advice in this area does not include legal or tax advice. CIAC and/or its associated persons may receive additional compensation from third party professionals for the procurement, development, and funding of client's estate plan. You will also separately pay attorneys fees and other costs in connection with estate planning matters.

**Compensation for the Sale of Securities**

Most, if not all, of our investment advisor representatives ("IARs") are concurrently registered as "registered representatives" of J.W. Cole Financial, Inc. ("J.W. Cole"), a registered broker-dealer and member of FINRA/SIPC and a registered investment advisory firm (CRD No. 124583) (each a "Dually Registered Person"). J.W. Cole is not otherwise affiliated with CIAC. Clients can enter into a separate commission-based arrangement with such individuals (but not with CIAC directly) and J.W. Cole for securities brokerage services (a "Brokerage Arrangement"). Investments made through the Brokerage Relationship may be separate from the advisory services we provide to you, and therefore, CIAC does not have a fiduciary duty over such Brokerage Relationship recommendations.

Under a Brokerage Arrangement, these Dually Registered Persons, acting in their independent capacity as registered representatives of J.W. Cole, may receive commissions, ongoing distribution fees (*i.e.*, trails), and other compensation based on sales of securities to clients. This creates a conflict of interest insofar as such Dually Registered Persons may have a financial incentive to sell securities to clients for which they may collect commissions. Alternatively, they may have an incentive to forego providing you with advisory services when appropriate, and instead recommend the purchase of commissionable investments, if they deem that the payout for recommending the purchase of these investments would be higher than the payout that would be received by providing investment advice on these products for an advisory fee. Clients are advised that fees paid to CIAC for investment advisory services are separate and distinct from the commissions and/or other forms of compensation that may be earned by any of our Dually Registered Persons for selling securities products to clients through J.W. Cole.

The receipt of securities related commissions by an individual associated with the firm presents a conflict of interest. As fiduciaries we must act primarily for the benefit of our investment advisory clients. As such, we will only transact securities related business with clients when fully disclosed, suitable, and appropriate. Clients are informed that they are under no obligation to use any individual associated with our firm for the purchase of securities products or services. Clients may use any broker-dealer they choose for purchase of these products and services. We encourage you to ask us about the conflicts of interest presented by the dual registration of our IARs.

Additionally, clients are advised that their personal information on file with CIAC may be shared with J.W. Cole in order to comply with certain regulatory requirements as a result of the dual registration of our IARs. Information will only be shared to the extent it is necessary to perform supervisory duties. We will not disclose customer information to any third parties for use in telemarketing, direct mail marketing, or other marketing through electronic mail to you. The law permits us to share your identifying information and information about your transactions with nonaffiliated third parties for the purposes described above. We do not share your information with nonaffiliated third parties for any other reasons. Therefore, we do not provide an opt-out provision for information shared with nonaffiliated third parties.

**Compensation for Sale of Insurance Products**

Certain of our IARs are individually licensed to sell insurance in one or more states acting as direct agent representatives of a specific insurance company or companies. Insurance related business is transacted with advisory

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clients and licensed individuals may receive commissions from insurance products sold to clients. Clients are advised that the fees paid to CIAC for investment advisory services are separate and distinct from the commissions earned by any IAR for selling insurance products to clients. If requested by a client, we will disclose the amount of commissions expected to be paid.

The receipt of insurance related commissions by any individual associated with CIAC presents a conflict of interest. As fiduciaries we must act primarily for the benefit of our investment advisory clients. As such, we will only transact insurance related business with clients when fully disclosed, suitable, and appropriate. Clients are informed that they are under no obligation to use any individual associated with our firm for the purchase of insurance products or services. Clients may use any insurance firm or agent they choose for purchase of these products and services. We encourage you to ask us about the conflicts of interest presented by the insurance licensure of our IARs.

Individual Retirement Account Rollover Disclosure. As part of our advisory services to you, we may recommend that you withdraw or “roll over” assets from an employer’s retirement plan to an individual retirement account (“IRA”) that we may advise on and which may therefore result in additional advisory fees payable to us. This type of recommendation represents a conflict of interest for our firm. If we make this type of recommendation you are under no obligation to follow such advice. Alternatively, you may have the options of (1) maintaining your retirement plan as is, (2) rolling over your account to the employer’s new retirement plan, (3) taking a taxable distribution, or (4) rolling over your account to a new IRA. It is important to understand the advantages and disadvantages of each approach, which will depend on individual financial circumstances. Prior to proceeding with any such action, we encourage you to contact us and your independent legal and/or tax professionals for more information.

Rollover Recommendations

As part of our investment advisory services to you, we may recommend that you roll assets from your employer’s retirement plan, such as a 401(k), 457, or ERISA 403(b) account (collectively, a “Plan Account”), to an individual retirement account, such as a SIMPLE IRA, SEP IRA, Traditional IRA, or Roth IRA (collectively, an “IRA Account”) that we will manage on your behalf. We may also recommend rollovers from IRA Accounts to Plan Accounts, from Plan Accounts to Plan Accounts, and from IRA Accounts to IRA Accounts. When we provide any of the foregoing rollover recommendations we are acting as fiduciaries within the meaning of Title I of the Employee Retirement Income Security Act (“ERISA”) and/or the Internal Revenue Code (“IRC”), as applicable, which are laws governing retirement accounts.

If you elect to roll the assets to an IRA that is subject to our management, we will charge you an asset-based fee as set forth in the advisory agreement you executed with our firm. This creates a conflict of interest because it creates a financial incentive for our firm to recommend the rollover to you (i.e., receipt of additional fee-based compensation). You are under no obligation, contractually or otherwise, to complete the rollover. Moreover, if you do complete the rollover, you are under no obligation to have the assets in an IRA managed by our firm. Due to the foregoing conflict of interest, when we make rollover recommendations, we operate under a special rule that requires us to act in your best interests and not put our interests ahead of yours.

Under this special rule’s provisions, we must:

- meet a professional standard of care when making investment recommendations (give prudent advice);
- never put our financial interests ahead of yours when making recommendations (give loyal advice);
- avoid misleading statements about conflicts of interest, fees, and investments;

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- follow policies and procedures designed to ensure that we give advice that is in your best interests;
- charge no more than a reasonable fee for our services; and
- give you basic information about conflicts of interest.

Many employers permit former employees to keep their retirement assets in their company plan. Also, current employees can sometimes move assets out of their company plan before they retire or change jobs. In determining whether to complete the rollover to an IRA, and to the extent the following options are available, you should consider the costs and benefits of a rollover.

Note that an employee will typically have four options in this situation:

1. leaving the funds in your employer's (former employer's) plan;
2. moving the funds to a new employer's retirement plan;
3. cashing out and taking a taxable distribution from the plan; or
4. rolling the funds into an IRA rollover account.

Each of these options has positives and negatives. Because of that, along with the importance of understanding the differences between these types of accounts, we will provide you with a written explanation of the advantages and disadvantages of both account types and the basis for our belief that the rollover transaction we recommend is in your best interests.

As an alternative to providing you with a rollover recommendation, we may instead take an entirely educational approach in accordance with the U.S. Department of Labor's Interpretive Bulletin 96-1. Under this approach, our role will be limited only to providing you with general educational materials regarding the pros and cons of rollover transactions. We will make no recommendation to you regarding the prospective rollover of your assets and you are advised to speak with your trusted tax and legal advisors with respect to rollover decisions. As part of this educational approach, we may provide you with materials discussing some or all of the following topics: the general pros and cons of rollover transactions; the benefits of retirement plan participation; the impact of pre-retirement withdrawals on retirement income; the investment options available inside your Plan Account; and high level discussion of general investment concepts (e.g., risk versus return, the benefits of diversification and asset allocation, historical returns of certain asset classes, etc.). We may also provide you with questionnaires and/or interactive investment materials that may provide a means for you to independently determine your future retirement income needs and to assess the impact of different asset allocations on your retirement income. You will make the final rollover decision.

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

CIAC does not charge performance-based fees or engage in the side-by-side management of any accounts.

#### Item 7: Types of Clients

CIAC offers advisory services to individuals, high net worth individuals, corporations or other businesses entities, trusts, charitable organizations, estates, pension and profit-sharing plans. CIAC does not require a minimum account size for any investment advisory service.

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

**Methods of Analysis**

We typically utilize the following methods of analysis:

Fundamental Analysis. In using fundamental analysis, we attempt to determine the intrinsic value of target securities through a review of, among other things, company specific financial disclosures, the strength and track record of management personnel, industry sector financial health, and at a macro level, the overall direction of the economy at large. We use this information as a basis to determine if such securities are underpriced or overpriced relative to current market prices and then to make a buy or sell recommendation to you. Relying on this type of analysis leaves open the risk that the price of a security may move along with the overall direction of the market, irrespective of the economic and financial factors which may have indicated that an opposite movement would have been expected. The main sources of information we rely upon when researching and analyzing securities using fundamental analysis include research materials prepared by others, annual reports, corporate rating services, prospectuses, and company press releases.

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement. Technical analysis does not consider the underlying financial condition of a company or security. This presents a risk in that a poorly managed or financially unsound company may underperform regardless of overall market movement.

Cyclical Analysis. Cyclical analysis is the statistical analysis of specific events occurring at a sufficient number of relatively predictable intervals that they can be forecasted into the future. Cyclical analysis asserts that cyclical forces drive price movements in the financial markets. Risks include, cycle inversion or disappearance. There is no expectation that this type of analysis will pinpoint turning points, instead it is typically used in conjunction with other methods of analysis.

Mutual Fund and ETF Selection and Analysis. We evaluate and select mutual funds and/or ETFs for your account based on several factors which may include, without limitation, (1) the experience and track record of the underlying portfolio manager(s), (2) the performance of the mutual fund or ETF over time and through various market conditions; (3) expected market conditions that might impact the underlying holdings of the mutual fund or ETF or applicable market sector; and (4) whether and to what extent the underlying holdings of the mutual fund or ETF overlap with other assets held in your account. We also monitor the mutual fund or ETF in an attempt to determine if the fund is continuing to follow its stated investment strategy.

A risk of mutual funds and ETF analysis is that, as in all securities investments, past performance does not guarantee future results. A fund manager's past track record of success cannot be relied upon as a predictor of success in the future. In addition, the underlying holdings of the fund are determined by independent fund managers and may change over time without advance warning, creating the potential for overlap with other investments held in your account. This increase in the correlation of your holdings will increase the risk of loss where the value of any overlapping holdings should decrease. There is also a risk that a manager may deviate from the stated investment mandate or strategy of the mutual fund or ETF, which could make the holding(s) less suitable for the client's portfolio.

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**Investment Strategies**

Generally, our investment advice is based on a diversified strategy involving a long-term disciplined approach that manages risk through appropriate asset allocation. We recognize that each client's needs and goals are different, subsequently portfolio strategies may vary. Below is a summary of the investment strategies we typically employ when managing client accounts.

Asset Allocation. Rather than focusing on selecting the particular securities or other assets to invest for your account, we attempt to identify an appropriate ratio of various types of investments (for example, stocks, fixed income, and cash) suitable to investment goals, time horizon, and risk tolerance. A risk of asset allocation is that you may not participate in sharp increases in a particular security, industry or market sector. Another risk is that the ratio of securities, fixed income, and cash will change over time due to stock and market movements and, if not corrected, will no longer be appropriate to meet with your investment goals.

Long-term Purchases. We primarily take a long term, passive, "buy and hold" approach to investing client assets. In this type of investment strategy, we suggest the purchase of securities with the idea of holding them in a portfolio for a year or longer. Typically, we employ this strategy when (1) we believe the securities to be currently undervalued, and/or (2) we want the portfolio to have exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the recommendation to sell.

Short-term purchases. When utilizing this strategy, we may suggest the purchase of securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we recommend for purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Options. We may suggest the use of options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

A call gives the holder the right to buy an asset at a certain price within a specific period of time. We may suggest the purchase of a call option(s) if we have determined that the stock will increase substantially before the option expires.

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A put gives the holder the right to sell an asset at a certain price within a specific period of time. We will suggest the purchase of a put option(s) if we have determined that the price of the stock will fall before the option expires.

We may use options to speculate on the possibility of a sharp price swing. We may also suggest the use of options to “hedge” a purchase of the underlying security; in other words, we may suggest an option purchase to limit the potential upside and downside of a security we previously recommended for purchase.

We may use “covered calls,” in which we suggest the sale of an option on a security already within a particular portfolio. In this strategy, the portfolio will receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We may use a “spreading strategy,” in which we recommend purchase two or more option contracts (for example, a call option for the client to buy and a call option for the client to sell) for the same underlying security. This effectively puts the portfolio on both sides of the market, but with the ability to vary price, time and other factors.

We use our best judgment and good faith efforts in rendering investment advice to our clients. We cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment recommendation we make will be profitable. **Investing in securities involves risk of loss that clients should be prepared to bear.** You assume all market risk involved in the investment of your account assets. Investments are subject to various market, currency, economic, political, and business risks.

Except as may otherwise be provided by law, we are not liable to you for:

- any loss that you may suffer by reason of any investment recommendation we made with that degree of care, skill, and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; or
- any independent act or failure to act by a custodian of your account(s).

### **Risk of Loss**

While all investing involves risks and losses can and will occur, we will typically recommend a broad and diversified allocation of securities and other investments intended to reduce the specific risks associated with a concentrated or undiversified portfolio. Nonetheless, you should consider the following high-level summary of investment risks. This list is not intended to be an exhaustive description of all risks you may encounter in engaging our firm for advisory services. We encourage you to inquire with us frequently about the risks related to any investments in your account.

Securities investments are not guaranteed, and you may lose money on your investments. As with any investment manager that invests in common stocks and other equity securities, our investment recommendations are subject to market risk—the possibility that securities prices will decline over short or extended periods of time. As a result, the value of your account(s) will fluctuate with the market, and you could lose money over short or long periods of time. You should recognize whenever you determine to invest in the securities markets your entire investment is at risk. Clients should not invest money if they are unable to bear the risk of total loss of their investments.

**Economic Risk.** The prevailing economic environment is important to the health of all businesses. Some companies, however, are more sensitive to changes in the domestic or global economy than others. These types of companies are often referred to as cyclical businesses. Countries in which a large portion of businesses are in cyclical industries are thus also very economically sensitive and carry a higher amount of economic risk. If an investment is issued by a party

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located in a country that experiences wide swings from an economic standpoint or in situations where certain elements of an investment instrument are hinged on dealings in such countries, the investment instrument will generally be subject to a higher level of economic risk.

Financial Risk. Financial risk is represented by internal disruptions within an investment or the issuer of an investment that can lead to unfavorable performance of the investment. Examples of financial risk can be found in cases like Enron or many of the “dot com” companies that were caught up in a period of extraordinary market valuations that were not based on solid financial footings of the companies.

Market Risk. The value of your portfolio may decrease if the value of an individual company or multiple companies in the portfolio decreases or if our belief about a company’s intrinsic worth is incorrect. Further, regardless of how well individual companies perform, the value of your portfolio could also decrease if there are deteriorating economic or market conditions. It is important to understand that the value of your investment may fall, sometimes sharply, in response to changes in the market, and you could lose money. Investment risks include price risk as may be observed by a drop in a security’s price due to company specific events (e.g., earnings disappointment or downgrade in the rating of a bond) or general market risk (e.g., such as a “bear” market when stock values fall in general). For fixed-income securities, a period of rising interest rates could erode the value of a bond since bond values generally fall as bond yields go up. Past performance is not indicative of future investment results.

Interest Rate Risk. Certain investments involve the payment of a fixed or variable rate of interest to the investment holder. Once an investor has acquired an investment or the rights to an investment that pays a particular rate (fixed or variable) of interest, changes in overall interest rates in the market will affect the value of the interest-paying investment(s) they hold. In general, changes in prevailing interest rates in the market will have an inverse relationship to the value of existing, interest paying investments. In other words, as interest rates move up, the value of an instrument paying a particular rate (fixed or variable) of interest will go down. The reverse is generally true as well.

Risks Related to Analysis Methods. Our analysis of securities relies in part on the assumption that the issuers whose securities we recommend for purchase and sale, the rating agencies that review these securities, and other publicly available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Securities Transactions at the Direction of Clients. All assets are held at the custodian in your name and you will always maintain the concurrent ability to direct transactions within your account. We are not responsible for the consequences of your self-directed investment decisions or the costs and fees they generate within your account.

Interim Changes in Client Risk Tolerance and Financial Outlook. The particular investments recommended by our firm are based solely upon the investment objectives and financial circumstances disclosed to us by you. While we strive to meet with clients at regular intervals (at least annually, unless otherwise agreed, either in person, telephonically, or by other electronic means) to discuss any changes in the client’s financial circumstances, the lack of constant and continuous communication presents a risk insofar as your liquidity, net worth, risk tolerance, and/or investment goals could change abruptly, with no advance notice to our firm, resulting in a mis-aligned investment portfolio and the potential for losses or other negative financial consequences.

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It is your continuing and exclusive responsibility to give us complete information and to notify us of any changes in your financial circumstances, income level, investment goals or employment status. We encourage you to contact us regularly and promptly to discuss any such changes.

**Item 9: Disciplinary Information**

CIAC is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. CIAC and its associated persons have no information to disclose under this Item.

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

**Registration as a Broker-Dealer or Registered Representative of a Broker-Dealer**

CIAC is not registered as a broker-dealer; however, as disclosed at Item 5, certain IARs of our firm dually registered and act as registered representatives of J.W. Cole. Please see Item 5 for disclosure of the conflicts of interest presented by this arrangement and how we address them.

**Futures or Commodities Registrations**

CIAC is not registered as and does not have any intention of becoming registered as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Ronny K. Mark, an IAR of our firm, is the President and an associated person of Price Futures Group, an introducing broker registered as such with the National Futures Association. CIAC is not affiliated with Price Futures Group. It is possible that Mr. Mark may solicit CIAC's advisory clients for commodity futures orders from which he may receive additional compensation. Mr. Mark will only recommend commodity futures interests to clients when he believes the same to be suitable and appropriate for the client. Investments in commodity futures made through Mr. Mark and/or Price Futures Group are separate from the advisory services we provide to you, and therefore, CIAC does not have a fiduciary duty over such recommendations. Clients are informed that they are under no obligation to use any individual associated with our firm for the purchase of commodity futures contracts. Clients may use any introducing broker or futures commission merchant they choose for purchase of commodity futures contracts.

**Other Material Relationships**

We may recommend the services of other professionals including, but not limited to, estate planning/business attorneys, accountants, health insurance brokers, and mortgage brokers as part of our services. You are never obligated to engage the services of any third-party professional(s) we recommend to you. The third-party professionals you choose to engage will contract with you separately and separately bill you for their services. CIAC does not receive a referral fee or any other compensation for referring its clients to any third-party professionals.

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

**Our Code of Ethics**

CIAC has adopted a Code of Ethics ("Code") in accordance with the Advisers Act that establishes rules of conduct for all employees of CIAC and is available to current and prospective clients upon request. Please contact us at the telephone number on the cover page of this brochure to request a copy. The Code includes rules regarding, among other things, keeping client information secure, restricting the delivery or acceptance of gifts by CIAC personnel, preventing the use of material non-public information, and governing personal securities trading activities in the



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accounts of employees. It is based upon the principle that CIAC and its employees owe a fiduciary duty to CIAC's clients to conduct their affairs, including their personal securities transactions, in such a manner as to avoid:

- serving their own personal interests before those of clients;
- taking inappropriate advantage of their position in the firm; and
- actual or potential conflicts of interest or any abuse of their position of trust and responsibility.

Compliance with our Code involves more than acting with honesty and good faith alone. It means that CIAC and its associated persons have an affirmative duty of utmost good faith to act solely in the best interest of the firm's clients.

Employees will provide professional service with:

- Integrity – employees are placed into a position of trust by clients;
- Competence – employees are required to maintain an adequate level of knowledge and skill;
- Commitment – employees must commit to continuing education;
- Confidentiality – client information will remain confidential;
- Professionalism – Employees are required to always demonstrate exemplary professional conduct; and
- Diligence – CIAC will render services in a reasonably prompt and thorough manner.

#### **Material or Proprietary Interests in Securities Recommended to Clients**

Our firm and individuals associated with our firm do not have any proprietary or material interests in or any role in the management of any companies or investments that we recommend to our clients.

#### **Personal Trading Policies and Interest in Client Transactions**

CIAC and/or individuals associated with our firm may buy and sell some of the same securities as we buy or sell for client accounts. This practice creates an actual conflict of interest with our clients insofar as our firm or individuals associated with our firm may have a financial incentive to trade in securities for their own accounts in advance of or opposite to transactions in the same securities for client accounts. To address this conflict, our policy is that, assuming the purchase or sale is otherwise appropriate for the subject client accounts, we will purchase or sell securities for our clients' accounts, as the case may be, before purchasing or selling any of the same securities for any proprietary accounts. The only exception to this policy is where we or our associated persons participate in a block trade with client accounts. In some cases, we may buy or sell securities for our own account(s) for reasons not related to the strategies adopted by our clients.

In summary, our practice of buying and selling for proprietary accounts the same securities that we buy or sell for client accounts is restricted by the following controls:

- we are required to uphold our fiduciary duty to our clients;
- we are prohibited from misusing information about our clients' securities holdings or transactions to gain any undue advantage for ourselves or others;
- we are prohibited from buying or selling any security that we are currently recommending for client accounts, unless we place our orders after client orders have been executed or we participate in a block trade along with clients; and
- we are required to periodically report our securities holdings and transactions to the firm's Chief Compliance Officer, who must review those reports for improper trades.

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We act in a fiduciary capacity. If a conflict of interest arises between us and you, we shall make every effort to resolve the conflict in your favor. Conflicts of interest may also arise in the allocation of investment opportunities among the accounts that we advise. We will seek to allocate investment opportunities according to what we believe is appropriate for each account. We strive to do what is equitable and in the best interest of all the accounts we advise.

We will disclose to advisory clients any material conflict of interest relating to us and/or our associated persons which could reasonably be expected to impair the rendering of unbiased and objective advice.

**Item 12: Brokerage Practices**

**Recommendation of Broker-Dealers; Best Execution; Directed Brokerage; Soft Dollar Practices**

Your funds and securities will be maintained by an unaffiliated, qualified custodian. Your assets are not held by our firm or any of our associated persons. When you engage us for AAMP Program services, we generally require that you open a brokerage account with TDA and/or IB (collectively, our “Recommended Brokers”), both of which firms are unaffiliated SEC registered broker-dealers and members of FINRA and SIPC. We may recommend other broker-dealers to clients in the future. We are not affiliated with the Recommended Brokers and the Recommended Brokers do not monitor or control the activities of our firm or our personnel. The Recommended Brokers will execute all transactions for your account and determine the commission rates to be charged in connection with such transactions.

In recommending broker-dealers, we have an obligation to seek the “best execution” of transactions in your account. This duty requires that we seek to execute securities transactions for clients such that the total costs or proceeds in each transaction are the most favorable under the circumstances. The determinative factor in the analysis of best execution is not the lowest possible commission cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of the recommended broker-dealer’s services. The factors we consider when evaluating a broker-dealer for best execution include, without limitation, the broker-dealer’s:

- execution capability;
- commission rate;
- financial responsibility;
- responsiveness and customer service;
- custodial capabilities;
- research services/ancillary brokerage services provided; and
- any other factors that we consider relevant.

Therefore, while we seek competitive commission rates, we may not obtain the lowest possible commission rates for specific account transactions. In choosing TDA and IB as its predominant custodians, CIAC feels TDA and IB provide comprehensive brokerage and custody services that meet with our duty of best execution to clients.

Clients should be aware of the fact that not all advisors require clients to use a particular firm for execution of transactions or custodial services. Because clients having accounts managed by our firm are typically required to open accounts with and use the custodial and brokerage transaction services of the Recommended Brokers, CIAC may not be able to achieve the lowest cost execution of specific client transactions. Thus, the exclusive use of only the Recommended Brokers may cost clients more money compared to other arrangements.

The Recommended Brokers may provide us with certain brokerage and research products and services that qualify as “brokerage or research services” under Section 28(e) of the Securities Exchange Act of 1934 (“Exchange Act”). This

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is commonly referred to as a “soft dollar” arrangement. These research products and/or services will assist us in our investment decision making process. Such research generally will be used to service all of our client accounts, but brokerage charges paid by the client may be used to pay for research that is not used in managing that specific client’s account. Your account may pay to the Recommended Brokers a charge greater than another qualified broker-dealer might charge to effect the same transaction where we determine in good faith that the charge is reasonable in relation to the value of the brokerage and research services received.

There may be other non-soft dollar benefits we receive specific to our recommendation of the Recommended Brokers to clients, such as software and other technology that (i) provides us with access to client account data (such as trade confirmations and account statements); (ii) facilitates execution of client trades; (iii) provides us with research, pricing and other market data; (iv) facilitates payment of fees from client accounts; and (v) assists us with back-office functions, recordkeeping, and client reporting.

Other services may include, but are not limited to, performance reporting, contact management systems, third-party research, publications, access to educational conferences, roundtables and webinars, practice management resources, and access to consultants and other third-party service providers who provide a wide array of business-related services and technology with whom we may contract directly. Other brokers or custodians may provide us with similar benefits in the future.

The Recommended Brokers may provide us with some or all of these products and services without charge or at a discounted rate. In other situations, they may reimburse use for the costs we would otherwise bear for these products and services. All client accounts may not be the direct or exclusive beneficiary of such products/services. Based upon our receipt of these products and services, we may have an incentive to continue to require clients to utilize the Recommended Brokers based upon our desire to continue to receive these services, rather than receiving best execution for client transactions. We mitigate this conflict of interest by periodically monitoring and reviewing the services provided to our clients by the Recommended Brokers for best execution.

Except as described above in this Item 12 and in Item 14 below, we do not receive any compensation or incentive for referring you to the Recommended Brokers for brokerage trades and custodial services. We do not receive client referrals for recommending any brokers to clients.

**Trade Aggregation (“Block Trading”)**

We may aggregate client orders, so long as it is done for purposes of achieving best execution and no client is systematically advantaged or disadvantaged. Before aggregating client orders, we document the participating accounts and the allocation instructions. We submit allocation instructions to the broker-dealer before the market closes on the day of the order. We allocate aggregated orders to client accounts at the average price obtained. We allocate partially filled orders pro-rata based on the size of the order placed by each account. If we judge that we cannot or should not allocate a partially filled order pro-rata (e.g., if the quantity of securities obtained is too small or would not have a material impact if distributed among each account), then we apply the following procedures:

- we allocate the order to client accounts only (*i.e.*, no employees that participated in the order may receive any allocation); and
- we document our allocation decision.

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**Item 13 Review of Accounts**

**Regular Account Reviews**

CIAC monitors AAMP Program accounts on an ongoing basis. We also provide more formal reviews of such accounts at least annually, typically performed by the IAR who supervises the client's account. Initial consultation services accounts, financial planning accounts, and portfolio monitoring services accounts are not typically reviewed once our initial recommendations have been delivered to the client. We will only review these accounts upon specific client request or as we may otherwise agree with the client in writing.

**More Frequent Reviews**

More frequent reviews of AAMP Program accounts may be triggered by a change in the client's investment objectives, income level, risk/return profile, tax considerations, material contributions and/or withdrawals of capital to investment accounts, large sales or purchase transactions, security specific events, changes in the economy more generally, or upon the client's reasonable request for an account review.

**Reporting to Clients**

Clients have access to monthly performance reports via the CIAC website. CIAC offers transaction summaries upon client request. Clients will receive transaction confirmations as well as a monthly account statements from their account custodian reflecting all transactions and holdings in their account, including the amount of any advisory fees paid to our firm from the account (if applicable). CIAC encourages all clients to carefully review all account statements and notices received from our firm and the custodian promptly and carefully upon receipt.

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

As referenced in Item 12 above, the Recommended Brokers may provide us with research or other services or products that we may use to service all accounts, including client accounts that do not execute trades through the Recommended Brokers.

As referenced in Item 5 above, certain IARs of CIAC are Dually Registered Persons of J.W. Cole and may transact securities business with our advisory clients and collect customary fees and commissions in connection with such transactions. Please see Item 5 for a description of the conflicts of interest created by this arrangement and how our firm mitigates them.

As referenced in Item 5 above, certain IARs of CIAC are insurance licensed and may transact insurance business with our advisory clients and collect customary fees and commissions in connection with such transactions. Please see Item 5 for a description of the conflicts of interest created by this arrangement and how our firm mitigates them.

Except as otherwise described in this brochure, we have no other arrangements, written or oral, in which we compensate others or are compensated for client referrals.

**Item 15: Custody**

CIAC does not have custody of clients' funds or securities. The custodian of client accounts will be held by an independent qualified custodian (typically TDA or IB) who you will separately engage for custodial and trade execution services. For AAMP Program accounts, your custodian will be authorized to execute trades within your account upon our instruction, acting within the scope of the discretionary authority you grant us in our written advisory agreement and/or the custodian's account opening documents. With your written authorization (contained in our AAMP Program

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advisory agreement and/or the custodian's account opening documents), we will debit our advisory fees directly from your account held at the custodian. Clients should note that the custodian is not responsible for checking the calculation of the fee assessed. It is the client's responsibility to check the amount charged as shown on the statement sent to the client by the qualified custodian.

Certain clients may be offered the option to execute Standing Letters of Authorization ("SLOAs") permitting our firm to disburse or transfer client funds to third parties designated by the client. Where a client has elected to execute a SLOA, CIAC follows the guidance set forth in the SEC's no-action letter to the Investment Adviser Association dated February 21, 2017. A copy of that no-action letter can be viewed at the following link:

<https://www.sec.gov/divisions/investment/noaction/2017/investment-adviser-association-022117-206-4.htm>.

We shall have no liability to you for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of any custodian or any acts of the agents or employees of any custodian, whether or not the full amount of such loss is covered by the SIPC or any other insurance which may be carried by such custodian. Clients understand that SIPC provides only limited protection for the loss of property held by a custodian.

**Item 16: Investment Discretion**

For most AAMP Program accounts, we receive discretionary authority from the client at the outset of the relationship to select the identity and amount of securities to be bought or sold for your account and the timing of all transactions in such securities, without your prior approval of each specific transaction we may direct. In all cases, we exercise this authority in a manner consistent with our fiduciary duty to you and our understanding of your unique investment profile, objectives, needs, and restrictions. Any investment guidelines and restrictions you wish for us to follow must be provided to us in writing. Our discretionary authority is formalized in a written advisory agreement with the client. In limited circumstances, we may agree to manage an AAMP Program account on a non-discretionary basis, wherein we are required to obtain your consent before instructing any transactions within your account held at the custodian.

**Item 17: Voting Client Securities**

CIAC does not vote proxies for their clients nor do we provide clients with advice with respect to how to vote proxies. You will receive proxies and other solicitations directly from the custodian or transfer agent of your account/holdings. If any proxy materials are received by us on behalf of the client, they will be sent directly to you or your designated representative who is responsible to vote the proxy.

**Item 18: Financial Information**

CIAC does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance.

Advisors who have discretionary authority over client accounts, custody of client assets, or who require or solicit prepayment of more than \$1,200 in fee per client, six months or more in advance, are required to disclose any financial condition that is reasonably likely to impair their ability to meet contractual commitments to clients. CIAC maintains discretionary authority over client funds and securities. We have no financial commitments that would impair our ability to meet contractual and fiduciary commitments to our clients.

Neither CIAC nor any of its principals, have been the subject of a bankruptcy petition within the past ten (10) years.

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PRIVACY NOTICE

CIAC values you as a client and takes your personal privacy seriously. We are committed to maintaining the confidentiality, integrity, and security of your personal information. When you provide personal information, we believe that you should be aware of our policies to protect the confidentiality of that information. We will inform you of our policies for collecting, using, securing, and sharing nonpublic personal information the first time we do business and every year that you are our clients. The Privacy Policy may be mailed, emailed, or directly given to the client and will be signed annually by said client(s).

**Information We May Collect**

CIAC collects and uses information we believe is necessary to open your account, process your transactions, advise you about products and services, and provide you with customer service. We may collect and maintain information needed for these purposes that we receive from you on applications or other forms.

**How We Use Information About Our Clients**

We think that our ability to share financial information within our company enables us to more effectively serve our clients in several ways. By having knowledge about our client's finances and goals, we are better informed to make suitable investment recommendations.

**Protecting the Security and Confidentiality of Information**

It is our policy to assure that the information we have about our clients is accurate. It is our policy that information we have about our clients is highly confidential and should only be available to persons who have a need for the information to properly service a client's account, act upon a client's request or to fulfill that person's job responsibility within our company. We restrict access to nonpublic personal information about you to those employees with a legitimate business need for the information. We maintain physical, electronic, and procedural safeguards that comply with federal standards to guard your nonpublic personal information.

**Information Sharing**

There are two types of information sharing (1) information sharing with our vendors (2) information shared with our broker dealer J.W. Cole Financial. We do not sell client information. We do not provide client information or account numbers to persons or organizations outside of our vendors or J.W. Cole.

**Information We May Share**

We are permitted by law to share nonpublic information about you with third parties for the following purposes:

- to complete a transaction, service your account, or to resolve disputes;
- to produce a consolidated or non-consolidated account statement; and
- to cooperate with regulators or law enforcement authorities.

In order to perform our responsibilities as listed above, we may be required to disclose to third parties the following kinds of nonpublic personal information about you: information we receive from you on applications and other forms, such as your name, address, social security number, assets, net worth, income, and tax status.

**Categories of Third Parties To Whom We May Provide Information**

Information we share about you may be disclosed to our affiliates or companies we partner with to provide support services, such as broker/dealers, clearing firms, custodians, portfolio managers, and insurance companies. We may

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be required to disclose your nonpublic personal information to regulators or law enforcement authorities (subpoena or court order). Companies we partner with to provide support services are required by us to protect, to keep confidential and to restrict the use of your nonpublic personal information. We do not disclose client account numbers to any third parties for use in telemarketing, direct mail marketing, or other marketing through electronic mail to the consumer.

**Former Clients**

We will continue to provide the same privacy of your information even if you cease being our client, through the legally required period until such records may be destroyed as permitted.

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ACKNOWLEDGEMENT OF RECEIPT

**ACKNOWLEDGEMENT OF RECEIPT**

I/We acknowledge that I/We have received CIAC's Form ADV Part 2A and Privacy.

Client Name \_\_\_\_\_ Client Signature \_\_\_\_\_ Date \_\_\_\_\_

Client Name \_\_\_\_\_ Client Signature \_\_\_\_\_ Date \_\_\_\_\_