

**Firm Brochure**  
(Part 2A of Form ADV)  
**-COVER PAGE-**

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This brochure provides information about the qualifications and business practices of ANDREW J. FAMA ASSET MANAGEMENT, LLC. If you have any questions about the content of this brochure, please contact us at (585) 292-6007 or e-mail us at [afama@andrewfama.com](mailto:afama@andrewfama.com).

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about ANDREW J. FAMA ASSET MANAGEMENT, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Any reference in this brochure to the terms “registered investment adviser”, “registered investment advisor”, or “registered” in no way implies a certain level of skill or training.**

Date of this brochure: **March 31, 2011**

# Material Changes

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## **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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## **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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## **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us at (585) 292-6007 or by e-mail at [afama@andrewfama.com](mailto:afama@andrewfama.com).

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# Advisory Business

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## A. Firm Description & Principal Owner

Andrew J. Fama Asset Management, LLC was originally founded in 2000 under the name of “Andrew J. Fama Financial Advisors”. On June 18, 2001, the New York Attorney General’s Investment Advisory Unit accepted our registration as an Investment Advisor. In 2003, we became “Andrew J. Fama Asset Management”. In 2007, we became a limited liability company (LLC) under the name “Andrew J. Fama Asset Management, LLC”.

We are a registered investment advisor and provide advisory services. We also provide comprehensive wealth management services. We provide these services to individuals, trusts, estates, pension plans, charitable organizations and other entities.

The owner, principal, and sole member of the LLC is Andrew J. Fama. There are no other “related persons” or “management persons”. We are not associated with any intermediate subsidiaries.

## B. Types of Advisory Services Offered

We provide investment management and advisory services. We do not provide financial planning services. Most clients receive services on a continuous and ongoing basis, generally over a period of years.

We also offer one-time investment advice to clients. These clients are not continuous and ongoing clients. The remainder of this section applies only to clients receiving continuous and ongoing investment management and advisory services.

We prepare and review with each client a written Investment Policy Statement (IPS). This IPS is part of the Investment Management Agreement which the client signs.

The IPS specifies the percentage of equities (stocks) and fixed income (bonds or cash) that the client desires to have in their account. The percentages are targets which contemplate a range of values and not an exact number. The client’s risk tolerance determines the percentages.

The client’s risk tolerance is assessed in a series of client discussions. These discussions can be face-to-face or by telephone. We gather and analyze information regarding the client’s financial resources, current and future income flows, and goals and objectives.

We then present the proposed IPS to the client. The client signs the IPS before we create the investment plan. The investment plan includes specific recommendations for investments in the client account based on the IPS. The client is given these recommendations in writing.

We then implement the recommendations. We do this by purchasing no-load mutual funds and exchange-traded funds through a third-party custodian which holds the client's assets. The client receives monthly reports and immediate trade confirmations directly from the custodian. The main client custodian is Fidelity Investments, Inc.

We assist the client in opening a new account at the custodian. We help prepare the individual account paperwork on the client's behalf. We facilitate transferring client funds from a prior custodian to the new custodian as instructed by the client.

We provide the client continuous, regular and ongoing advice and direction within the framework of the client's stated investment objective.

The client gives us a limited power of attorney in the Investment Management Agreement. This power of attorney grants us investment discretion to implement the investment plan or make changes to the investment account held at the third-party custodian.

Investment discretion means that we can add, delete or change the holdings in the account without first receiving permission from the client each time. "*Investment Discretion*" is discussed on pages 20 and 21. Investment discretion is also referred to as discretionary authority.

We do not take custody or possession of a client's assets. "*Custody*" is discussed on page 20. The client has full ownership and control over their assets at all times.

We are not permitted to withdraw funds from a client account for any reason. The only exception to this is if the client authorizes us to deduct advisory fees. Our "*Billing Process*" is discussed on page 4.

The client pays other fees in addition to the investment advisory fee we are paid. These fees include operating expense fees for mutual funds, transaction fees for purchases and sales and other expenses the client pays for the assets held in their custodial account. "*Other Fees and Expenses*" are discussed on page 5.

### **C. Tailoring to Individual Clients**

We tailor each portfolio to the individual client and their unique needs and circumstances. The client's financial goals and objectives are carefully considered while creating the IPS (Investment Policy Statement). The IPS considers the following:

- Age of Client
- Risk tolerance
- Years to retirement
- The Client's need for current income or withdrawals.

The client receives specific investment recommendations individually tailored to their needs based upon these factors.

After the IPS is signed, the client's assets are transferred into the third-party custodial account. At this time, we implement the recommendations made in the IPS. We place the assets into a diversified portfolio. We do this using investments offered through the independent third-party custodian.

Investments may include the following:

- No-load or load-waived mutual funds
- Exchange-traded funds
- FDIC-insured certificates of deposit
- Money market funds
- Government, municipal and corporate fixed income securities
- Selected individual equity securities, but only if specifically requested by the client.

Clients are required to state *in writing* whether they wish to impose specific restrictions on investing in certain securities or types of securities.

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

We do not participate in wrap fee programs.

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

On December 31, 2010, we managed \$27 million in assets for 28 clients. A husband and wife are considered to be a single client for purposes of this disclosure. All assets are managed on a discretionary basis. No assets are managed on a non-discretionary basis.

## **Fees and Compensation**

#### **A. Description of Fees (how we are compensated)**

We are strictly fee-only. We do not sell annuities, insurance, options, futures, limited partnerships or any commissioned product. We are not affiliated with any broker-dealer or any entity which sells commissioned products. No commissions in any form are accepted. No finder's fees are accepted or paid.

We charge our advisory fee starting on the date that the client's assets are gathered and catalogued at a mutually agreed-upon third-party custodian and a current market value for those assets has been set. We have investment discretion to change a client's portfolio holdings on this date.

We charge an annual minimum fee of \$3,500 to provide a client with ongoing discretionary investment and wealth management services. A husband and wife (or individuals living in the same household) are a single client for the purpose of calculating fees, including the minimum fee. The annual minimum fee is not negotiable.

See the schedule below for the fees we charge.

*Schedule of Fees*

<i>Total Account Value</i>	<i>Quarterly Fee</i>	<i>Annualized Fee</i>
<i>On the first \$500,000</i>	<i>.25%</i>	<i>1.00%</i>
<i>On the next \$500,000</i>	<i>.1875 %</i>	<i>.75%</i>
<i>Between \$1 million and \$3 million</i>	<i>.125 %</i>	<i>.50%</i>
<i>Above \$3 million</i>	<i>negotiable</i>	<i>negotiable</i>

*There is a minimum annual fee of \$3,500 on all accounts set up under this program.*

Fees are negotiable for clients having more than \$3 million under management with us.

We may provide hourly or fixed fee account review services to individuals seeking investment advice on a limited or one-time-only basis. The choice of whether we will provide this service is within our sole discretion. The hourly rate for account review services is negotiable but may not exceed \$250 per hour. If we provide services for a fixed fee, we agree on the fee with the client prior to rendering services.

**B. Billing Process**

We bill the advisory fee on a quarterly basis *in arrears*. This means the fee is not paid until *after* the period of time upon which the fee is based has passed. For example, a fee billed on January 1 covers the period of time from October 1 through December 31 of the prior year. A fee billed on October 1 covers the period of time from July 1 through September 30 of the same year.

Fees are billed on the following four dates each year: January 1, April 1, July 1 and October 1.

Clients authorize us to debit their investment account for the quarterly advisory fee in the signed Investment Management Agreement with us. In the custodial account agreement, the client authorizes the third-party custodian to make the fee deduction upon our instruction each quarter.

In the Investment Management Agreement, clients may elect to receive a written invoice and to pay the fees directly to us rather than having us deduct the fees from the custodial account. If the client chooses this option, we require the fee to be paid in full within 5 days of invoicing the client.

Our fee is calculated using the market value of the account at the end of the preceding quarter. For purposes of fee billing, accounts belonging to individuals in the same household are combined into a single valuation. We treat these individuals as a single client. This results in lower fees when accounts in the same household are combined. For example, a husband has an IRA account worth \$450,000 and his wife has a brokerage account worth \$150,000. The total account value for billing purposes is \$600,000. The fee would be 1% of the first \$500,000 and then .75% on the balance of \$100,000 (in accordance with the fee schedule above). If the accounts had been billed separately, the fee would have been higher.

### **C. Other Fees and Expenses**

The third-party custodian may charge transaction fees on the purchase (or sale) of certain mutual funds and exchange-traded funds. These transaction fees are incidental to the purchase or sale of the mutual fund or exchange-traded fund.

Fidelity Investments is the third-party custodian for most clients. Fidelity charges a transaction fee (currently \$35) for the purchase (or sale) of some mutual funds. These funds are known as “transaction fee” funds. We have the discretion to purchase “transaction fee” funds in a client’s account if we believe it is in their best interests to do so. For example, we will purchase a “transaction fee” fund if we believe that the transaction fee incurred in owning the fund is outweighed by the upside potential of that fund.

All mutual funds charge an expense fee for operating the mutual fund. The expense fee also includes a management fee for the individuals operating the fund. This expense fee is referred to as the “expense ratio”.

To illustrate, an expense ratio of .75% means that the mutual fund company charges the holder of the fund (the client) .75% of the fund’s asset value for operating the fund. All clients owning shares of a mutual fund will incur this kind of fee, regardless of how, where or through whom the shares are purchased.

Performance figures published by mutual fund companies generally reflect total return *after* the expense fee and management fee have been deducted.

Both the transaction fee and the expense ratio are fees which the client pays *in addition to* our advisory fee.

The third-party custodian may charge fees for the purchase or sale of other securities. For example, a brokerage fee is paid to the custodian for the purchase or sale of an exchange-traded fund or an individual stock. The current charge ranges from zero to \$17.95 per trade. There may be limitations on the number of shares purchased for this price range. The custodian may increase or decrease these fees at any time.

We do not receive compensation of any kind from mutual fund companies or the third-party custodian in exchange for purchases or sales in a client account. “*Research and Soft Dollar Benefits*” are discussed on page 14.

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

Clients do not pay an advisory fee in advance. Our “*Billing Process*” is discussed in Paragraph “B” above. Since advisory fees are not paid in advance, we have no refund policy for pre-paid fees.

If we or the client terminate the advisory relationship prior to the end of the quarter, we will bill the client up to the date when the assets are removed from our institutional platform. On this date, we may no longer exercise investment discretion over the client’s account.

#### **E. Fee-Only Compensation**

We do not accept compensation in connection with the purchase or sale of securities or other investment products. We do not accept asset-based sales charges or service fees from the sale of mutual funds. No supervised person accepts any such compensation. We are fee-only advisors.

## **Performance-Based Fees**

We do not accept performance-based fees or fees based on a share of capital gains on or capital appreciation of the client’s assets. We do not recommend investments which use performance-based fees.

## **Types of Clients**

#### **A. General Description**

We provide investment advisory services to individuals, trust, estates, pension and profit-sharing plans, charitable organizations, corporations, partnerships and small businesses. These services are provided on an ongoing and continuous basis for the majority of our clients. We also may advise individual clients on a one-time basis.

#### **B. Minimum Account Size**

We require an aggregate household minimum account size of \$500,000 for ongoing clients. Some current clients are exempt from this requirement. The minimum requirement does not apply to individual clients seeking advice on a one-time basis.

In our sole discretion, we may elect to waive the account minimum if:

- The prospective client expects to add more assets to their existing assets under management which would then allow the client to meet the minimum threshold
- The client is a relative or personal friend of ours
- The client is a relative of an existing client
- The client is a professional colleague

We do not charge a fee for introductory client meetings. This includes exploratory face-to-face meetings and telephone conferences. We may meet with a prospective client at no charge on two or more occasions. We do not charge a fee until the prospective client signs an agreement with us *and* we begin actively managing the client's assets on a discretionary basis.

## **Methods of Analysis/Investment Strategies/Risk of Loss**

### **A. Methods of Analysis & Investment Strategies**

Methods of Analysis: Our investment analysis includes a variety of methods. We get our information from the following sources:

- Financial websites on the World Wide Web
- Investment newsletters and publications
- Financial magazines and periodicals
- Research materials prepared by independent third parties (this includes Morningstar's Principia Mutual Funds Advanced)
- Fidelity Investments' Advisor Channel research
- Live webinars and educational sessions presented by investment firms and financial media.

#### Investment Strategies:

1) **Asset Allocation:** Our primary investment strategy is to focus on properly allocating the client's assets. Asset allocation aims to balance risk and reward by apportioning portfolio assets according to the client's individual goals, risk tolerance and investment horizon. We believe that asset allocation is one of the most important decisions that investors make. Our philosophy is that the selection of individual investments is less important than the way an investor allocates the investments into stocks, bonds and cash. We feel that the percentage allocation into each category will be the principal determinant of a client's investment results.

The decision on setting the proper asset allocation is made based on an initial series of discussions with the client. These discussions may occur via face-to-face meetings, telephone conferences or through electronic communications the client has with us.

The asset allocation we recommend is based on a combination of factors important to the client. These include:

- Age of the client
- Income distribution needs
- Length of the client's investment horizon
- The client's risk tolerance profile and investing personality.

The asset allocation becomes the basis for the client's Investment Policy Statement (IPS) and is incorporated into the IPS. The IPS is a signed document which details a client's individual investment objectives and risk tolerance. The IPS is discussed on page 1.

2) **Diversification:** We seek to diversify the types of investments in a client account. This is part of the asset allocation approach described above. Diversification is a risk management technique that mixes a wide variety of investments within a portfolio. The rationale behind this technique is that a portfolio of different kinds of investments will yield higher returns over time. The diversified portfolio is also expected to pose a lower risk than any individual investment found within the portfolio.

Diversification strives to smooth out unsystematic risk events in a portfolio so that the positive performance of some investments will neutralize the negative performance of others. Therefore, the benefits of diversification will be effective only if the investments in the portfolio are not perfectly correlated.

3) **Modern Portfolio Theory (MPT):** We incorporate the principles of MPT into our client accounts. MPT is a theory on how risk-averse investors can construct portfolios to optimize or maximize expected return based on a given level of market risk.

The theory emphasizes that risk is an inherent part of higher reward. MPT is related to the strategy of diversification. MPT holds that *specific stock risk* can be diversified away by building portfolios of assets whose returns are not correlated to one another. Proponents of MPT believe that only true *diversification* reduces risk. They believe that an investor who holds different assets that move in the same direction does *not* lower risk. Diversification reduces risk only when an investor combines assets whose prices move inversely (or at different times) in relation to one another.

In summary, by using the concepts of MPT and diversification, we focus on the relationship of *all* the investments in a client's portfolio rather than placing primary emphasis on a single individual holding.

4) **Investment Vehicles:** We use actively and passively managed mutual funds. This includes index funds and exchange-traded funds. We do not use individual stocks unless a client wishes to own an individual *stock*. We do not engage in day trading, short sales, margin transactions or covered option writing. We use individual bonds, certificates of deposit or other similar instruments. See page 3, “*Tailoring to Individual Clients*”.

***Investing in securities of any kind involves risk of loss that clients should be prepared to bear. Furthermore, past performance is no guarantee of future results.***

## **B. Material Risks Involved in All Investing**

All investment strategies have risks to the client. We focus on the management of those risks. Our investment approach reflects this focus. But clients must be aware that the following investment risks cannot be managed:

- **Interest-Rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, the market value (price) of bonds will decline. This is because the yields on existing bonds become less attractive.
- **Inflation Risk:** Purchasing power erodes as the rate of inflation increases. When inflation grows, the value of a currency (such as the dollar) will not be as valuable as it had been in a lower inflationary environment.
- **Market Risk:** Also known as “systematic risk” or “un-diversifiable risk”. This risk cannot be diversified away. The price of an investment may decline in reaction to external events or conditions which are independent from that investment’s underlying fundamental value. For example, political, economic or social events or conditions may trigger market responses which can cause declines.
- **Currency Risk:** Foreign investments in particular are susceptible to fluctuations in the value of the U.S. dollar versus the currency of another country in which the investment is held. This is also known as “exchange rate risk”.
- **Reinvestment Risk:** This is the risk that proceeds from current investments must be reinvested at lower interest rate in the future, thus lowering the rate of return. This pertains mostly to fixed income investments—such as bonds or certificates of deposit.
- **Business Risk:** These are risks associated with a particular industry or company within an industry.

- **Liquidity Risk:** An investment is liquid if an investor can easily and quickly convert the investment into cash. Investments which are in higher demand or are suitable for a broader range of investors are highly liquid. An example would be Treasury bills. An example of an illiquid investment is real estate investment property, because there is a limited demand. There is only a small group of individuals willing or able to own real estate compared with other investments.
- **Financial Risk:** During times of financial strain, a company's inability to meet its debt obligations may result in a declining market value for its stock. It might also result in a bankruptcy filing.

### **C. Material Risks Involved in Mutual Fund and ETF Investing**

We invest client assets in no-load or load-waived mutual funds. All of the material risks discussed above applies to mutual funds and to individual securities. Investing money in mutual funds does not protect an investor from these risks.

Some of the mutual funds we use are more conservative than the overall stock market. This is because the fund includes fixed income or cash holdings. This means that the client may not earn as high a return on the investment as they would earn if they were in a different investment, for example, an individual stock.

Some of the mutual funds we use may be more risky or have higher volatility than the overall stock market. This is because the fund managers may purchase companies that are more risky than other companies with the hope that the price of these riskier companies will rise faster. This means that the client may lose more money on their investment than they would have lost if they were in either an individual stock or in a more conservative mutual fund.

Mutual funds of bonds are subject to potentially greater interest-rate risk as defined above. They are also subject to loss of principal value. Individual bonds are not held in mutual *funds* of bonds and can be held to maturity. Therefore interest-rate risk may be reduced with individual bonds. If the individual bond is held to maturity, there may also be a lesser chance of principal loss. But principal would still be lost if the bond defaulted. In some ways, mutual *funds* of bonds are riskier than holding individual bonds.

Mutual funds that are priced at the end of the trading day are called "open-end" funds. They cannot be purchased or sold during trading hours. This means that the client may not be able to quickly buy or sell a fund for a price other than the closing price on that particular day. The market may *decline* significantly within the trading day and the client will not be able to *sell* the shares of the mutual fund until the trading day ends. The market may *increase* significantly within the trading day and the client will not be able to *buy* the shares of the mutual fund until the trading day ends. These are additional risks the client faces.

The mutual fund companies charge fees for owning their funds. These fees include operating expense fees and transaction fees which the third-party custodian sometimes charges. See page 5, “*Other Fees and Expenses*”.

We may invest client assets in exchange-traded funds (ETFs). Unlike open-end mutual funds, ETFs are purchased and sold during the trading day at the then-current price. The client does not have to wait until the end of the trading day to buy or sell as with mutual funds. ETFs are subject to fluctuations during the trading day due to volatility and trading volumes.

We may invest client assets in index funds. These are mutual funds constructed to match or track the components of a market index, such as the Standard & Poor's 500 Index (S&P 500). An index mutual fund provides broad market exposure. Those that strictly track the stock market have no fixed income exposure. Therefore, they may be more volatile than most managed no-load or load-waived mutual funds. Index funds track the market index almost precisely. This results in losses nearly identical to the market index during market declines.

## **Disciplinary Information**

We have not been involved in any legal or disciplinary events related to past or current investment advisory clients under either our current name or any prior name.

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

### **A. Broker-Dealer Status**

We are not registered, nor have we applied to register, as a broker-dealer or a registered representative of a broker-dealer. There is no management person who has registered, or applied to register, as a broker-dealer or a registered representative of a broker-dealer.

### **B. Futures Merchant or Commodities Operator/Advisor**

We are not registered, nor have we applied to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities. There is no management person who has registered, or applied to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

### **C. Material Conflicts of Interest with Related Persons**

Andrew J. Fama is both a “related person” and a “management person”. Andrew J. Fama is a licensed attorney in New York. As an attorney, he may occasionally represent our advisory clients in connection with real estate transactions, tax or estate planning, or other legal matters.

In all cases, the client signs an agreement with Andrew J. Fama which acknowledges the following:

- That Andrew J. Fama recommends the client seek independent legal counsel of their own choice
- That despite this recommendation the client nevertheless wishes to retain Andrew J. Fama as an attorney
- That the client pays the LLC an investment advisory fee for managing the investment account
- That Andrew J. Fama will charge the client a *separate* legal fee
- That the legal fee is *in addition to* the investment advisory fee charged by the LLC
- An explanation of the hourly rate used to determine the legal fee
- That the fee is agreed to by the client prior to legal services being rendered
- That the fee is acceptable to the client and is fair and reasonable
- That there may be an *actual* or *perceived* conflict of interest created by such representation
- One or more examples of how such a conflict might exist or *be perceived* to exist.

The agreement requires the client's signature acknowledging an acceptance and understanding of any potential conflict of interest.

Andrew J. Fama will refuse legal representation if he believes that any *material* conflict of interest actually exists or would be created by representing the client.

Client legal representation accounts for less than 5% of the time spent by Andrew J. Fama in a typical month. Andrew J. Fama spends 95% or more of his time providing investment management advice to our clients.

Andrew J. Fama is a licensed real estate broker in New York. He may occasionally refer a client to another real estate broker for services. He may receive a referral fee in his capacity as a licensed real estate broker according to customary business practice in the real estate community. Any referral fee paid by another real estate broker to Andrew J. Fama shall be disclosed in writing to the client. The client shall acknowledge his understanding of the referral terms by his authorized signature. The referral fee paid to Andrew J. Fama is separate and apart from the advisory fee we charge the client. Real estate brokerage services provided to clients accounts for less than 5% of the time spent by Andrew J. Fama in a typical month. Andrew J. Fama spends 95% or more of his time providing investment management advice to our clients.

#### **D. Material Conflicts of Interest with Other Advisers or Recommended Professionals**

Other Advisers: We do not recommend or select other investment advisers for clients.

Recommended Professionals: Andrew J. Fama, a management person, may recommend or select an attorney, real estate broker or real estate title agency to our client. He may receive a referral fee as permitted by applicable law. The referral fee shall be paid by the professional and accepted by Andrew J. Fama in strict accordance with all applicable professional rules of ethics and standards of conduct required by the professional discipline governing the referral.

## **Code of Ethics & Participation in Client Transactions**

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

We have adopted the CFA Institute Code of Ethics and Standards of Professional Conduct. Our mission is to set the highest ethical standards in our business practices. The Code of Ethics we have adopted is available to all clients or prospective clients who request it.

We require our related persons to comply fully with all state and federal regulations governing registered investment advisors. Our Chief Compliance Officer is Andrew J. Fama, a “related person”. Andrew J. Fama reviews and approves in writing all trades placed on behalf of a client. He also reviews trades made on behalf of any “related person”. He promptly addresses any actual or perceived conflicts of interest.

### **B. Financial Interest in Client Transactions**

We do not recommend to clients any investment or security in which we or a “related person” have a material financial interest.

### **C. Personal Trading (General)**

We do not buy or sell securities for our own account in the LLC. Related persons, including our owner and principal, Andrew J. Fama, may invest in the same securities that are also recommended to a client. However, the related person may not trade their own securities ahead of client trades of the same security. The trades will be made at the same time and under the same terms and conditions as those of clients. Any conflict shall be resolved in favor of the client.

### **D. Timing of Personal Trading**

Generally, trades made by related persons are limited to open-end mutual funds. The price of these funds is set at the end of each trading day. This means that one buyer or seller has no advantage over another buyer or seller. The price is the same for everyone who buys and sells on the same day.

## **Brokerage Practices**

### **A. Factors Considered in Selecting Broker**

#### General:

We are not registered as a broker-dealer and we have no affiliations with product sales firms. We do not take possession or custody of client assets. All assets are held in an account at a “qualified custodian”.

#### Specific Factors Considered:

We take into consideration several factors when selecting a broker-dealer or independent third-party custodian. The financial strength, corporate integrity and industry reputation of the custodian are very important.

Also important are the following qualifications of the broker-dealer or custodian:

- the quality of transaction execution services
- the quality of asset custody services
- the capability to execute and settle trades
- the capability to facilitate transfers and payments to and from client accounts
- the breadth and choice of no-load and load-waived mutual funds
- the availability of investment research and tools that assist the Firm in making investment decisions
- the overall quality of service and communication
- the pricing competitiveness in providing services
- the willingness to negotiate prices for services
- prior service to us and to our clients
- the availability of other services and investment products that benefit us and our clients.

Also important is best price and execution of trades. We invest client assets primarily in open-end mutual funds. These are purchased at net asset value (NAV) at the end of each trading day. The price for either purchase or sale of these open-end funds is the same for all clients. Therefore, there is less concern over a potential conflict based upon a failure to achieve best price and execution.

Operational expediency and quality of research are also factors in determining the broker or the custodian to be used. Our clients’ principal custodian is Fidelity Investments. The custodian offers a trading platform and related software program at no cost to us or our clients.

#### Institutional Trading Platform:

Fidelity Investments provides us with access to its institutional trading and custody services platform. This platform is typically not available to Fidelity retail investors. Institutional services are available to independent registered investment advisors on an unsolicited basis.

Some institutional platforms (including Fidelity's) require a minimum asset level for a registered investment advisor to participate. For example, Fidelity requires an asset minimum of \$15 million for an advisor to utilize its institutional platform of services. Our access to this platform of services is *not* contingent upon us committing to Fidelity a *specified* dollar amount of assets or *specified* dollar amount of trading expenses or commissions.

There are client benefits to using the institutional platform. Fidelity's institutional services include the execution of all investment transactions, custody and research. It also allows access to certain mutual funds and other investments which would otherwise be available only to other institutional investors. In addition, these funds might otherwise require a significantly higher minimum initial investment.

Reasonableness of Broker-Dealer Compensation:

For our client accounts maintained in its custody, Fidelity Investments does not charge separately for custody services. Fidelity is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades. These trades are executed through Fidelity's broker-dealer or are trades that settle in Fidelity accounts.

We believe that the commissions and fees charged by Fidelity Investments as broker-dealer for client transactions is fair and reasonable. We made this determination by carefully examining the costs of competing custodians and broker-dealers. These competitors include insurance companies, brokerage houses (also known as stockbrokers or wire houses) and other independent third-party custodians available to registered investment advisors in the marketplace.

Research and Soft Dollar Benefits:

Fidelity also provides us with other products and services that benefit us but may not directly benefit client accounts. Many of these products and services may be used to service all or some substantial number of our accounts, including accounts not maintained at Fidelity.

Fidelity products and services that assist us in managing and administering clients' accounts include software and technology that:

- Provides access to client account data (such as trading confirmations and account statements)
- Facilitates trade executions and allocates aggregated trade orders for multiple client accounts
- Provides research, pricing and other market data
- Assists with back-office functions, recordkeeping, and client reporting.

The research we receive from the custodian may be proprietary research. This is research created and developed by the broker-dealer or custodian. We may also receive research created and developed by a third party. This includes seminars and white papers delivered to us by the custodian.

We also receive products and services from the custodian which help us manage and develop our business. These services include:

- Compliance, legal and business consulting
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants and insurance providers. Annuities are offered by the insurance arm of the custodian.

The custodian may make available, arrange for and/or pay third-party vendors to render services to us. The custodian may discount or waive fees it would otherwise charge for some services. For example, a third-party performance reporting vendor may offer their product at a reduced rate for investment advisors who use Fidelity as their custodian. The custodian may also pay all or a part of the fees for a third-party vendor providing such services to us. The custodian may provide to us free of charge other benefits such as educational events or occasional business entertainment, including breakfasts, lunches or dinners, for us or our employees, management persons or related persons.

Potential Conflicts of Interest:

When we use client brokerage commissions (including markups or markdowns) to obtain research or other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services.

We may have an incentive to select or recommend a broker-dealer or custodian based upon our interest in receiving the research or other products or services, rather than on the client's best interest in receiving most favorable execution.

It is our opinion that receipt of any "soft-dollar" benefits (known as "paying up") does not cause our clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for those benefits.

Any research, including "soft-dollar" benefits provided to us is used to service all of our accounts and not just those that paid for the benefits. We do not seek to allocate any "soft-dollar" benefits we may receive to client accounts proportionately to the soft dollar credits the accounts generate.

We do not have specific procedures in place which direct client transactions to a particular broker-dealer in return for soft dollar benefits we receive. "*Directed Brokerage*" is discussed later in this section.

Brokerage for Client Referrals:

We do not receive client referrals from broker-dealers or custodians. We therefore have no incentive to select or recommend a broker-dealer based upon any actual or perceived interest in receiving client referrals.

### Directed Brokerage:

We routinely recommend that client accounts be held at Fidelity Investments, Inc. (the primary custodian). We also accept client accounts held at Charles Schwab & Co., Inc., T. Rowe Price, TIAA-CREF or the Vanguard Group (alternative custodians). These companies are all registered broker-dealers and members of SIPC.

The custodian holds client assets in individually-owned accounts and executes trades as we instruct them. We recommend that the primary custodian (Fidelity Investments) be chosen by the client as custodian. However, the client ultimately decides which custodian to use.

It is customary for clients to follow our suggestion on the choice of custodian. There are no written policies or procedures to explain the choices of custodian to clients.

The client opens an account with the custodian directly. They do so by entering into an account agreement with the custodian. The account becomes effective upon the client's signature and by the custodian's acceptance of the completed account agreement. We provide the necessary account forms and assist in completing the paperwork and setting up the new account.

We are independently owned and operated and are not affiliated with a custodian. We are not paid by a custodian for establishing client accounts with that custodian. See page 16, "*Potential Conflicts of Interest*".

Investment advisory firms do not always require their clients to direct brokerage to a particular custodian or broker-dealer. By directing brokerage services to one custodian over another, we may be unable to achieve the most favorable execution of client transactions. This practice may cost clients more money.

We permit a client to direct brokerage if the client desires to do so. The client may direct brokerage if for some other reason they need to direct brokerage to a custodian of their choice. It may cost the client more money if they decide to self-direct brokerage.

For example, in a directed brokerage account, the client may pay higher brokerage commissions. This may occur because the client may not be able to take advantage of lower cost offerings, lower-price commissions or reduced transaction costs which might be available at another custodian with whom we have an ongoing relationship.

## **B. Aggregation of Orders**

We do not aggregate the purchase or sale of securities for client accounts. We invest client assets primarily in open-end no-load or load-waived mutual funds, including index funds. The price the client pays for these funds is set at the end of the trading day. The price does not fluctuate during the trading day. There is no advantage or disadvantage to aggregating trades of open-end mutual funds, since the price paid (or the proceeds received, in the case of a sale) for the fund is the same for each client who purchases or sells on that day.

We do not aggregate the purchase or sale of any exchange-traded funds or individual securities. Each purchase or sale is client-specific. The purchase or sale is therefore suitable only for that client, and not for all clients. In the unlikely event that a single exchange-traded fund or individual security is purchased for more than one client, then the lack of aggregation may result in an additional cost to the client for not aggregating, based upon price fluctuations occurring between the time of one purchase or sale and the second or third purchase or sale.

## **Review of Accounts**

After the Investment Policy Statement (IPS) is implemented, we continue to provide ongoing discretionary investment advice. The advice provided is based on the Investment Management Agreement the client executes. Each client account is individually monitored for:

- Changes in investment performance
- Managerial changes in funds held
- Reinvestment of income or capital gains
- Coordination with tax and estate planning
- Required client withdrawals and distributions.

### **A. Periodic Review of Client Accounts**

Andrew J. Fama personally reviews each account with the client on a regular and ongoing basis (but not less than once per year). The portfolio performance is compared with the IPS using any of the following methods to conduct the review:

- Face-to-face meeting
- E-mail
- Telephone conference
- Written correspondence combined with any of the other methods.

The review is used to aid the client in updating their specific individual investment needs and to assess the continued appropriateness of the client's investment objective and asset holdings.

Account reviews may be performed more frequently than once per year. Reviews may increase when market conditions dictate. A client may request a review at any time and for any reason.

### **B. Other Triggers for Review**

There may be other circumstances that trigger a review. These might include client-impacted changes in the tax laws, new information about a significant holding, a deposit of substantial new money by the client (including the opening of a new account) or changes in a client's financial or personal circumstances.

The client is responsible to advise us if their circumstances have changed in a way that requires us to change how we manage the account. The client may change the stated investment objective at the annual meeting. They may also do so at any other time by notifying us in writing.

### **C. Regular Reports**

We provide information to the client from a variety of sources. The written Investment Management Agreement (which includes the Investment Policy Statement) is the first report reviewed with a client. This document includes detailed information and recommendations which address the client's financial goals and objectives.

The client receives a monthly investment account statement from the independent third-party custodian. The custodian also delivers trade confirmations and annual tax reporting documents to the client.

We deliver asset allocation reports to the client on a regular and ongoing basis. These reports assess the current percentage of dollars in each asset class. These asset classes include equities, fixed income and cash. The reports also list the specific holdings within each account as of the date we generate the report. The reports are delivered to the client via e-mail or regular U.S. mail.

Reports are provided at each annual review. We also provide the client with a letter following the review. The letter summarizes each item discussed at the review. The letter may include additional information or reports which may not have been reviewed at the meeting. Any material changes to the Investment Policy Statement or to the account holdings, including those discussed at the review, are included in the letter. Any material change in investment strategy discussed at the review is included.

We may provide written performance reports on an annual basis or more frequently to a client. The reports reflect the performance of the client accounts which are held at Fidelity Investments. The performance reports compared the client's investment performance with either a recognized securities market index or with a proprietary blended benchmark created from a blend of market indices. New York State does not require us to provide a minimum number of performance reports each year.

The client receives a written invoice in the mail within ten business days after any fee deduction. The invoice recites the dollar amount of the fee and the calculation used to arrive at the fee. The custodian also reports the fee to the client. The fee is reported by the custodian on the account statement for the month following the quarter just ended. For example, the quarterly fee we deduct on April 1 covers the advisory period of January 1 through March 31. It is reported by the custodian on the client's April account statement. The April account statement is mailed to the client at the end of April.

We regularly and consistently provide accurate and relevant periodic reports to the client, both verbally and in writing. Therefore, the client is able to monitor and understand investment results more readily. The reports are intended to enhance the client's understanding of the investment results.

## **Client Referrals and Other Compensation**

We refer clients to other professionals. These include attorneys, accountants, insurance agents and real estate agents. The firm does not receive anything of value from these professionals for referring the client. The client engages the professional directly and not through the firm. Any actual or perceived conflict of interest will be disclosed to the client.

Andrew J. Fama is a "management person" and may receive a referral fee or other compensation from another professional. Please read "*Material Conflicts of Interest with Related Persons*" discussed on pages 11 and 12.

### **A. Economic Benefits Accruing to the Firm**

We derive no economic benefit from any individual or business entity in exchange for providing investment advice or other services to our clients. We receive no sales awards or other prizes in exchange for providing investment advice to clients. No related person or management person receives any such awards or prizes.

### **B. Compensation for Referrals to the Firm**

We do not pay cash fees, either directly or indirectly, to any person who recommends potential clients to us. We may deliver a nominal gift (not to exceed a value of \$100) to *an existing client only* for referring a new client to us. The gift is "in-kind" only. It is not a cash payment.

We have reviewed SEC rule 206(4)-3 and similar state rules regarding solicitation arrangements and the registration of investment adviser representatives. We interpret these rules as not applying to nominal gifts given to existing clients.

We do not compensate any other referring party for referrals. These referring parties include attorneys, accountants, insurance agents or other professionals or non-professionals who may refer a client to us.

### **C. Other Compensation**

We receive no compensation from any other source other than the investment advisory fee paid to us.

Please read “*Material Conflicts of Interest with Related Persons*” discussed on pages 11 and 12. This section pertains to other professional activities and affiliations of Andrew J. Fama, a “related person” and it provides a detailed discussion of fees which may be paid to Andrew J. Fama for providing *non-advisory* services to clients.

## **Custody**

***We do not take custody or possession of any client funds.*** We have no right to withdraw any client funds except when authorized in writing by the client for the quarterly deduction of advisory fees.

All client assets are held at an independent third-party custodian. The primary custodian for client assets is Fidelity Investments, Inc., headquartered in Boston, MA. Other custodians holding client assets are the Vanguard Group, Charles Schwab & Co., TIAA-CREF, T. Rowe Price and Merrill Lynch- Bank of America. Other custodians may be chosen by clients as desired.

The custodian provides the client with monthly account statements at the client’s address of record. The custodian also provides the client with immediate trade confirmations of all transactions made within the client account.

Clients are urged to carefully review both the monthly statements and the trade confirmations upon receipt.

We may provide clients with account statements. These might include performance reports and asset allocation reports which detail the investment holdings in an account. Clients are urged to carefully review *and compare* the account statements received directly from the custodian with any reports or statements we send them. We expect the client to notify us of any discrepancy or questions regarding any statement or report they receive.

## **Investment Discretion**

### **A. Discretionary Authority**

The client gives us (and we accept) discretionary authority to manage the account under the terms of the signed Investment Management Agreement.

Discretionary authority means that we have the authority to determine the securities to be bought or sold and the amount of the securities to be bought or sold *without obtaining specific client consent*. The term “securities” includes (but is not limited to) mutual funds, individual equities, individual bonds or any other financial instrument.

We formulate and create the initial investment plan with the client's direct input. We review the investment plan with the client prior to implementation. The investment plan includes the asset allocation the client chooses during the initial series of meetings with us. We provide the client with the names and symbols of the individual mutual funds or other investments that are to be purchased in the account. We provide the client with research reports on the investments.

As a matter of good practice management, we make reasonable attempts to notify the client in advance, or immediately thereafter, of changes made in the account. We communicate the changes to the client via e-mail, telephone, or regular U.S. mail.

We consistently apply the client's investment objective to their account(s). The investment objective is stated in the Investment Policy Statement signed by the client. Discretionary authority does not permit us to change the investment objective of the client without the client's written agreement. The client's investment objective may only be changed by amending the Investment Policy Statement at their direction. The client must sign any amendment.

We shall have no right to transfer money or securities out of or into the client account. The client must authorize and direct any transfer made on their behalf. Examples of permissible transfers include:

- *Systematic* withdrawals authorized by the client into a client account at another institution
- *One-time* withdrawals authorized by the client into a client account at another institution
- Items involving an amount or adjustment (including advisory fees) the client owes us under the Investment Management Agreement
- The resolution of a clearly documented error.

## **B. Limited Power of Attorney**

The client gives us a limited power of attorney granting full and exclusive discretionary authority to invest and reinvest the assets in the account.

The limited power of attorney permits us to:

- Access all of the information in the client's custodial account
- Discuss with the custodian any of the information in the client account
- Purchase and sell securities in the client account
- Deduct the quarterly investment advisory fee directly from the account (after written permission has been given by the client to do so)
- Direct disbursements to client-owned accounts outside of the custodian (after written permission has been given by the client to do so).

The limited power of attorney the client grants us sole responsibility for making decisions on the types of securities or amounts of securities to be purchased or sold. We make these decisions within the framework of the client's written Investment Policy Statement and in accordance with the Investment Management Agreement signed by the client.

## **Voting Client Securities**

We do not vote proxies on securities. Clients are to vote their own proxies.

If we are asked to assist on voting proxies, we will provide recommendations to the client. If any conflict of interest appears to exist, this fact will be disclosed to the client.

The client will receive their proxy or other solicitation directly from their account custodian or from the security's transfer agent. The client may call, write or e-mail us with any questions pertaining to a particular solicitation.

## **Financial Information**

### **A. Balance Sheet Requirement**

We do not require or solicit prepayment of any fees.

We provide the Investment Advisory Unit of the New York State Department of Law with a certified income statement and balance sheet within 90 days following our fiscal year end.

### **B. Financial Condition**

We have discretionary authority over client funds or securities. We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

### **C. No Bankruptcy**

We have not been the subject of a bankruptcy petition at any time during the past ten years. No "related person" has been the subject of a bankruptcy petition at any time during the past ten years.

## **Requirements for State-Registered Advisers**

### **A. Principal Officers and Management**

Andrew J. Fama is the principal executive officer and management person of the LLC. Additional information pertaining to his formal education and business background is found in the Brochure Supplement (Part 2B of Form ADV).

### **B. Other Business Activities**

We are not engaged in any other business activities other than providing investment advisory services. The owner and principal member of the LLC, Andrew J. Fama, is actively engaged in other business activities. A discussion of potential conflicts of interests is found on pages 11 and 12, “*Material Conflicts of Interest with Related Persons*”.

### **C. Performance-Based Fees**

We receive no compensation generated from performance-based fees. It is our belief that performance-based compensation may create an incentive for an advisor to recommend an investment that may carry a higher degree of risk to the client. This would also create a conflict of interest which we strive to avoid at all times.

### **D. Arbitration and Other Proceedings**

We have not been involved in any arbitration, civil or administrative proceeding, or proceeding of a self-regulatory organization involving any of the following:

- An investment or investment-related business or activity
- Fraud, false statements or omissions
- Theft, embezzlement, or other wrongful taking of property
- Bribery, forgery, counterfeiting, or extortion
- Dishonest, unfair, or unethical practices.

No “management person” has been involved in any of the above.

### **E. Relationships with Issuers of Securities**

We have no relationship or arrangement with any issuer of securities. No “management person” has a relationship or arrangement with any issuer of securities.

## **Privacy and Information Security**

We share a commitment to protect a client's privacy and confidential personal and financial information. Our privacy promise stems from the basic principles of trust, ethics, and integrity.

We may collect information that:

- Helps serve a client's financial needs
- Provides high standards of client service
- Assists in developing and offering new services to clients and prospective clients
- Fulfills legal and regulatory requirements.

We will not share this information except as follows:

- Information provided on account applications and related regulatory forms---for example, name, address, Social Security number, date of birth and annual income
- Reports from your employer group plans, including benefit information
- Third party reports, such as medical reports or physician's records, if relevant to a particular product or service
- Information pertaining to your relationship with us such as investments bought or sold or account balances and statements—we may obtain these during telephone or internet transactions or from data gathering software used when you access our website.

We maintain safeguards to ensure information security. We have implemented security standards and processes---including physical, electronic and procedural safeguards---to ensure that access to client information is limited to employees that may need this information to do their job. Our employees are required to respect the confidentiality of all client information.

We limit how, and with whom, we share client information. We do not sell client lists. We do not disclose client information to marketing companies. We will share client information only for the following reasons:

- When the client has agreed to share personal information by completing an account application
- If we are required by law or other regulation to disclose information to third parties---for example, in response to a subpoena; to prevent fraud; or to comply with rules or inquiries from industry regulators, including audits or reviews by Federal or State regulators
- To cooperate with accountants, attorneys, bank officers, and similar individuals and/or companies on a client's behalf, but only after the client grants permission to do so

We may share and exchange information with companies engaged to work with us, such as third-party custodians, third-party administrators and vendors hired to effect, administer or enforce a transaction requested by a client. We may share and exchange information with companies who develop or maintain performance-reporting software using account information and data. Any exchange or sharing of information in this manner will be done only as permitted by federal and state laws.

We deliver our full Privacy Promise to clients each year as required by law.

## **Brochure Supplement**

(Part 2B of Form ADV)

**-COVER PAGE**

**Firm Name:** Andrew J. Fama Asset Management, LLC

3445 Winton Place- Suite 113

Rochester, New York 14623-2950

Tel: (585) 292-6007

**Supervised Person's Name:** Andrew J. Fama

(same address and telephone number)

This brochure supplement provides information about Andrew J. Fama that supplements the ANDREW J. FAMA ASSET MANAGEMENT, LLC brochure. You should have received a copy of that brochure. Please contact Andrew J. Fama, Principal of the Firm, if you did not receive ANDREW J. FAMA ASSET MANAGEMENT, LLC's brochure or if you have any questions about the contents of this supplement.

Additional information about ANDREW J. FAMA is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Date of this supplement: **March 31, 2011**

## **Educational Background and Business Experience**

Andrew J. Fama Asset Management, LLC believes experience is critical in the delivery of investment management services. We believe that no single checklist can be expected to reasonably measure experience. We feel that experience can be successfully augmented by formal education (including advanced degrees and institutions attended), previous business experience, community involvement and professional affiliations, credentials and designations.

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### **Supervised Person(s):**

- Andrew J. Fama
- Born: 1955
- High School: McQuaid Jesuit H.S., Rochester, NY, 1973
- College: University of Notre Dame, South Bend, IN, Bachelor of Arts in Psychology, 1977
- Graduate School: St. Louis University, St. Louis, MO, Master's Degree in Health Care Administration, 1980
- Law School: St. Louis University, St. Louis, MO, Juris Doctor, 1980
- Admitted to Bars of Florida (1981), District of Columbia (1982) and New York (1983); Western District of New York Federal Court (1983)
- Business background for the preceding five years:  
Principal in the firm of Andrew J. Fama Asset Management, LLC (formerly Andrew J. Fama Asset Management)
- Prior Business Experience: Self-employed attorney at law in private practice (1982-2000)
- Licensed Real Estate Broker, licensed with the New York State Department of State and a member of the Greater Rochester Association of Realtors (1990-present)
- Registered Investment Advisor with New York State (2001-present)
- Uniform Investment Advisor Exam- Series 65

### **Professional Designations of Supervised Person(s):**

The supervised person named above has earned certifications or achieved credentials that are required to be explained in further detail. These are:

- Uniform Investment Advisor Exam- Series 65

Defined: A three-hour exam consisting of 140 multiple choice questions which is administered by the Financial Industry Regulatory Authority (FINRA) (previously the National Association of Securities Dealers (NASD)). Completion of the Series 65 Exam will qualify an investment professional to operate as an Investment Advisor in New York State. The exam focuses on topic areas that are important for an investment advisor to know when providing investment advice. These areas include topics such as retirement planning, portfolio management strategies, and fiduciary obligations.

- Registered Investment Advisor

Defined: Section 202(a)(11) of the Investment Advisers Act of 1940 (15 U.S.C. § 80b-2(a)(11))—a federal law—defines "investment adviser" in part as "any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing, or selling securities, or who, for compensation and as part of a regular business, issues or promulgates analyses or reports concerning securities."

The three essential elements that characterize an investment adviser are: 1) provides advice or analysis on securities by making direct or indirect recommendations to clients or by providing research or opinions on securities or markets; 2) receives compensation in any form for the advice provided; and 3) engages in a regular business of providing advice on securities.

Firms that have less than \$100 million of assets under continuous and regular management register with the state in which they have a place of business and in which they have clients. Firms that have more than \$100 million under management must register with the SEC.

It is important to note that any reference in this supplement to the terms "registered investment adviser", "registered investment advisor", or "registered" does not in any way imply a certain level of skill or training.

## **Disciplinary Information**

The supervised person has had no legal or disciplinary events brought against him at any time.

## **Other Business Activities**

### **A. Broker-Dealer Status**

The supervised person is not registered and does not have an application pending to register as a broker-dealer or a registered representative of a broker-dealer, futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

The supervised person has no other financial industry activities which involve our advisory business and there is no material conflict of interest with clients created.

The supervised person does not receive commissions, bonuses or other compensation (either cash or non-cash) based on the sale of securities or other investment products. The supervised person does not receive distribution or service ("trail") fees from the sale of mutual funds.

## **B. Other Business(s) Engaged in by Supervised Person**

The supervised person is a licensed attorney and licensed real estate broker in New York. As an attorney and real estate broker, the supervised person may engage in or represent clients in these two business activities. He may receive compensation from clients for services provided. The compensation is paid directly by the client to the supervised person and is not paid either *by* us or *to* us. These business activities do not provide a substantial source of the supervised person's *income* or *time*. The combined business activities represent less than 10% of the supervised person's time and income and are therefore not substantial.

There are potential conflicts of interest which may nevertheless arise in connection with these other business activities. These are detailed in Part 2A of Form ADV (the "Firm Brochure") on pages 11 and 12 under "*Material Conflicts of Interest with Related Persons*".

## **Additional Compensation**

No economic benefits are provided by anyone who is not a client to the supervised person for providing advisory services.

## **Supervision**

Andrew J. Fama is our Principal and the sole member of the LLC. There are no other employees or independent contractors employed by us.

## **Requirements for State-Registered Advisers**

### **A. Arbitrations or Awards**

The supervised person has not been involved in any arbitration claim at any time. The supervised person has not been involved in any civil proceeding, administrative proceeding or proceeding of a self-regulatory organization at any time.

### **B. No Bankruptcy**

The supervised person has not been the subject of a bankruptcy petition at any time.