

**Form ADV : Part 2 A & B**

As of January 31, 2011

**Part 2A: The Brochure:** This brochure discloses information about the qualifications and business practices of the investment advisory firm named below for the benefit of its clients and prospective clients. If the adviser uses a wrap fee program, it is found in **Appendix 1**. If you have any questions about the contents of this brochure, please contact us at the [as given below].

**Part 2B: The Brochure “Supplement** discloses information about persons providing advice.

**2A: Brochure: Item 1: Cover Page:** for



**Myers Capital Management, Inc.**

[crd # 117119]

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Abington, Pennsylvania 19001-2327

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Business Hours : Tuesday through Friday, 8:30 am to 5 pm.

Email : paul@myerscap.com

Website : WWW.MYERSCAP.COM

Please note that this brochure has not been approved by the Securities & Exchange Commission or by any state securities authority. This firm is registered with the State of Pennsylvania (7.7.2000); **registration does not mean approval or verification by those regulators**. More information about the firm is at Investment Adviser Public Disclosure : [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

If an item does not apply to the firm, it must state that it does not apply. All information must be true and may not omit any material facts.

**2A: Brochure: Item 2:** This Brochure is written in the newly required disclosure format. However, there have been no material changes since last year’s annually updated ADV Part II.

**2A: Brochure: Item 3: Table of Contents:** Information that investment advisers must provide to prospective clients initially and to existing clients annually: 19 disclosure items that describe this firm’s advisory business and Appendix 1 with disclosures required for a “wrap fee” program brochure [a specialized brochure].

Item 1: <u>Cover Page</u> .	The firm’s name, its address, contact information,	Page 1, above
Item 2: <u>Material Changes</u> .— Amendments made as of _____		Page 1, above
Item 3: <u>Table of Contents</u>		Page 2, this page
Item 4: <u>This advisory firm’s business</u> —Types of services; amount of assets; owners.		Pages 3 - 6
Item 5: <u>Fees and Compensation</u> . . — How our firm is compensated; fee schedules		Pages 7 - 12
Item 6: <u>Performance-Based Fees and Side-By-Side Management</u> .		Page 12
Item 7: <u>Types of Clients</u> . — The types of clients we service; account requirements		Page 12
Item 8: <u>Methods of Analysis, Investment Strategies and Risk of Loss</u> . —		Pages 13 - 14
<b>Caution: Investing in securities involves risk of loss.</b>		
Item 9: <u>Disciplinary Information</u> . —Legal or disciplinary events relating to our firm to evaluate the integrity of our firm or its management persons.		Pages 15 - 16
Item 10: <u>Other Financial Industry Activities and Affiliations</u> . . — Possible conflicts of interest and how they are addressed.		Pages 16 - 18
Item 11: A. <u>Code of Ethics</u> , & B. - D. —A summary; how to obtain a copy; Interest in client transactions or in investments we recommend; conflicts of interest		Pages 18 - 20
Item 12: <u>Brokerage Practices</u> . — How we select a broker; conflicts of interest; “soft dollars”; directed brokerage; trading practices - aggregating trades.		Pages 20 - 22
Item 13: <u>Reviews of Accounts&amp; Reports to Clients</u>		Pages 23 - 24
Item 14: <u>Client Referrals and Other Compensation</u> .		Page 24
Item 15: <u>Custody</u> .		Page 24
Item 16: <u>Investment Discretion</u> .		Pages 24 - 25
Item 17. : <u>Voting Client Securities</u> .— Proxy voting practices. Does our firm vote client securities? How to obtain a copy of our proxy voting policies and procedures.		Page 25
Item 18: <u>Financial Information</u> .— Disclosure of material financial information.		Page 26
Item 19: <u>State-registered investment advisers : requirements : Pennsylvania</u>		Page 27

## 2A: Brochure: Items 4 – 19:

[ If an item is inapplicable to an adviser, the IA must include the heading and an explanation why the information is inapplicable. If information an adviser provides in response to one item is also relevant to another item, the adviser may cross-reference the information in the other item.]

### Item 4. : This advisory firm’s business

4. A. **Myers Capital Management, Inc.** is a Pennsylvania state corporation. The firm was registered in Pennsylvania on 7.7.2000 as an investment advisor. Please note that registration by a state does not imply any form of approval from the state regulator. This brochure and the firm’s documents refer to Myers Capital Management, Inc. variously as Myers Capital Management, Inc., “the advisor,” “Myers Capital Management,” “MCMI,” “the firm” or “we.”

Our firm’s principal and sole owner is Paul D. Myers, its President and Director and an advisory representative for the firm. This disclosure brochure includes information about Paul Myers in Part 2B.

4. B. Myers Capital Management, Inc. provides the following services :

- Portfolio construction and management on a non-discretionary basis
- Referral to third party asset portfolio managers
- Various types of Financial Planning with various fee arrangements

#### Portfolio construction and on-going management

(1) Clients may opt to engage Paul Myers to construct an investment portfolio and to provide **ongoing portfolio supervision and management**. The advisor will offer recommendations for portfolio re-balancing according to changes in the market and/ or in a client’s financial goals and needs.

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#### Referrals to third party advisor investment programs

(2) MCMI assists clients in selecting **third party money managers** that are appropriate to a client’s specific financial circumstances and goals. In the role of the client’s primary advisor, MCMI will determine the appropriate risk level for a portfolio, based on client- provided information regarding financial goals, time horizon, tax status, attitude regarding volatility, and overall financial resources.

The advisor assists each client in selecting institutional level investment advisors, called Portfolio Strategists, to make the initial and on-going portfolio decisions. The Portfolio Strategist makes asset allocation decisions, selects investment managers to purchase securities in these asset classes, and determines when accounts are re-balanced.

The platforms MCMI presents to its client offer Model Portfolios designed by a third party investment advisors; they have designed different Models to satisfy a gradient of risk/return assumptions. The independent investment advisors have no direct relationship with MCMI or with MCMI’s clients, make no analysis of those clients’ circumstances or objectives, and do not

tailor the Models to any specific client's needs.

MCMI is required to provide the client with both MCMI's and the third party investment advisor's ADV Part 2. Upon selection of the third party investment advisor, the client will sign both the MCMI and the applicable investment advisor's contract and deposit funds in an appropriate account. The client specifically directs the account to be invested in accordance with the chosen Model Portfolio. Thereafter, the client's funds will be invested as recommended by the third party investment advisor.

When the client selects the Model Portfolio, the client further directs that the account be automatically adjusted to reflect any adjustment in the Model Portfolio by the investment strategist. This client authorization would result in the purchase and sale of certain mutual funds or ETF's (or transfers between variable annuity sub-accounts) without further authorization by the client at such time as the investment strategist changes the composition of the selected Model Portfolio.

The client receives confirmation of all transactions in the account and is free to terminate her or his participation in the program and retain or dispose of any assets in the account at any time. MCMI has no authority to cause any purchase or sale of securities in any client account, or change the Model Portfolio or to direct the account be invested in any manner other than as previously authorized by the client.

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### (3) Financial Planning Services

#### **FINANCIAL PLANS**

The advisor offers three forms of financial planning, each with its own fee arrangement.

- A custom written financial plan (either paper or pdf)
- An annual review
- Hourly financial planning consultations

#### **A Custom Written Financial Plan**

A custom written financial plan is an evaluation and analysis of information provided by the Client regarding one or more areas of that client's financial world. The analysis includes an overview of the Client's current situation and specific recommendations to assist the pursuit of goals within the scope of the financial topics chosen. A custom financial plan may cover anywhere from one area to a more inclusive review of all applicable financial planning topics. Following are some of the topics that may be included in a custom financial plan.

- **Retirement Lifestyle Planning:** For those nearing retirement, this service analyzes whether one can retire with confidence and shows the probability of being able to continue the desired lifestyle throughout retirement based on client resources and risk

tolerance. The plan gives specific recommendations regarding at-retirement decisions and about how retirement success may be enhanced.

- **Long Term Retirement Planning:** For those further away from retirement, the plan outlines specific goals for retirement and recommendations to put Clients on the path to attaining their retirement goals.
- **Asset Allocation:** The advisor analyzes risk tolerance and recommends an allocation among various asset classes for either personal investments, personal retirement plans, or employer-sponsored retirement plans.
- **Lump Sum Distribution Planning:** MCFI can produce an overview of options for lump sum distribution of a retirement plan or inherited retirement plan or IRA, including tax implications and a discussion of which options may suit the Client's specific situation.
- **Insurance/Risk Management:** Outlines the importance of protecting assets and makes specific recommendations regarding which areas of protection are most important in the pursuit of a Client's own financial goals.
- **Education Funding:** An evaluation of college expense funding goals, including how much should be saved to meet these goals, what type of accounts to utilize, and an overall discussion of financial aid.
- **Estate Planning:** Analysis of a Client's distribution wishes and recommendations on how to best accomplish this while lowering or eliminating death taxes.
- **Tax Planning:** An overview of what steps a Client can take to reduce overall income tax liability in coordination with financial goals.
- **Employee Benefits:** An analysis of offered employer benefits, how these fit within Client financial goals, and a recommendation of which benefits to select at open enrollment. It may include insurance benefits and spending accounts only or also discussion about Stock Options and/or Restricted Stock Grants.
- **Long Term Goal Planning:** We outline a plan to meet long term goals other than retirement or education funding; it includes how to integrate them with other goals, how much a client must save to accomplish the goals, and a discussion of appropriate savings or investment vehicles.

4.C. Do we tailor our advisory services to a client's individual needs and how do we do so?  
Can clients impose restrictions on investing in certain securities or types of securities?

### **INVESTMENT MANAGEMENT**

#### **Non-discretionary Portfolio Construction And Management**

Clients may opt to engage Paul Myers to construct an investment portfolio and to provide ongoing portfolio supervision and management. The advisor will offer recommendations for portfolio re-balancing according to changes in the market and/ or in a client's financial goals and needs.

To begin the management process, the advisor will interview the client to determine an appropriate risk level for a portfolio based on the client's individual financial goals, time horizon, tax status, attitude regarding volatility, and overall financial resources. Based on this risk profile, we will construct a suitable model asset allocation. The advisor will select asset classes from among various types of stocks, bonds, real estate, and commodities that can be

represented by a mutual fund. With this allocation plan as a map, various mutual funds are then selected based on performance and consistency of style to represent each asset class in the model asset allocation.

Regarding a client's ability to impose restrictions on investments:

MCMI does not seek nor use discretionary control of its clients' portfolios. The advisor will ask each client to allow any and all transactions the client may agree to in advance. For MCMI to place a trade on a client's behalf, that client must provide a signed agreement to allow that limited power of attorney.

Regarding third party advisor investment programs :

The client, together with MCMI's advisor, decides which investment platform is suited to the client's goals and financial situation. That initial selection includes the investment parameters or limitations to which the strategist is to adhere.

4. D. Do we participate in a wrap fee program providing portfolio management services? Yes.

(1) How does our management of the wrap fee accounts differ, if it does, from how we manage other accounts?

The SEC has clarified that "managed account programs" and mutual fund asset allocation programs generally are not considered true wrap fee programs. One of the platforms that MCMI uses through Genworth Financial Asset Management does in fact combine the advisory fee and brokerage commissions into a single fee.

We refer suitable clients to the wrap fee programs provided by Genworth Financial Asset Management Division of Genworth Financial Wealth Management, Inc. ("GWFWM"). The differences between our management of GWFWM accounts and our other accounts are:

- Composition of the account holdings : With GWFWM's platforms we choose a manager of a portfolio constructed by that manager to meet the investment parameters of investment goals and risk tolerance; when MCMI constructs a portfolio the person selecting the asset allocation model and the component securities is Mr. Myers.
- Reviews: The frequency of reviews is very similar. Reviews of the portfolios Mr. Myers constructs require more time to perform. The more intense reviews of the GFWM portfolios are performed by those platforms' money managers, and it is likely that those platforms will be re-balanced more frequently.
- Currently the majority of assets we manage are through referrals to Genworth's programs to access high-end money managers; MCMI will manage portfolios that do not meet the minimum account size required by the GWFWM platforms or have special circumstances that do not fit with GFWM's style.
- Fees: GWFWM's fees are somewhat higher than MCMI's, although a larger portion of the fees for MCMI's management belong to MCMI.

(2) Notice to clients : We receive a portion of the wrap fee for our advisory services.

4. E. The assets that this firm manages in a continuous and regular manner are approximately **\$19 million as of January 31, 2011**. All accounts are non-discretionary.

[ The assets stated must be updated at any time an adviser makes an interim update to its brochure if the amount has become materially inaccurate. Figures must be current within 90 days of submission.]

Item 5 :Fees and Compensation. . — How our firm is compensated

5. A. A description of the range of fees.

Our fee schedules

**INVESTMENT MANAGEMENT**

Non-discretionary Portfolio Construction And Management

The fee our firm charges for this service is calculated as a percentage of the assets advised on / supervised. The percentage varies depending on the complexity of a client’s account. Listed below are two fee schedules. The first is the schedule that we charge most investors. The second is the maximum fee schedule that could be charged if a client’s situation has more complexities. It should be noted that maximum level fees are charged only in limited circumstances and also that fees are contractually set by the written agreement between MCMI and the client and cannot be changed without the client’s written authorization.

<b>Assets under Management</b>	<b>Typical Annual Fee</b>	<b>Maximum Annual Fee</b>
\$0 to \$250,000	1.35 %	2.0 %
\$250,001 to \$500,000	1.2 %	1.8 %
\$500,001 to \$1 million	1 %	1.6 %
\$1 million to \$2 million	.75 %	1.4 %
Greater than \$2 million	.5 %	1.2 %

We charge fees quarterly in advance, based on the average daily balance portfolio value during the previous quarter. NFS LLC computes the fees for our firm for portfolio construction.

We allow a pro-rated refund if a client terminates the agreement prior to the end of a quarter. Either party may terminate the agreement for any reason with fifteen days written notice to the other party. Fees are negotiable, based on the complexity of the portfolio management. These fees are for advisory services only. The client may pay additional charges and/ or management fees.

Clients pay all trading ticket charges from National Financial Services for the buying and selling of securities in the account, in addition to a \$4.95 confirmation statement charge per trade. These charges will be deducted from each client’s account. Some of the common ticket charges are :

Mutual Funds: \$30  
ETFs: \$15 plus .02 per share  
Listed Stocks: \$35 plus .02 per share  
OTC Stocks: \$35  
Listed Corporate Bonds: \$35 plus 1.75 per bond

OTC Corporate Bonds           \$35  
 CDs:                               \$40

However, trades from a select list of over 4,500 mutual funds will have the ticket charge waived for the first 10 buys/sells and the first 15 exchanges within a fund family in each calendar year. MCMI will seek to select funds from this list of funds to keep client transaction costs to a minimum. This list is available upon request.

The custodian also charges for such items, including a retirement account annual custodial fee (\$35), wire transfers (\$20), overnight mailing (\$20), and account closing fees (\$75 for retirement accounts and \$30 for other accounts).

The Broker/ Dealer providing the platform for this asset management service is Securities Service Network, Inc., an FINRA / SIPC member, located at 9729 Cogdill Rd., Suite 301, Knoxville, TN 37932-3383 (telephone : (865) 777-4677).

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5. A. (continued)

**Third party money manager services**

The **fee for third party money manager services** is usually payable quarterly, in advance, based on assets under management using the fee schedule below. The account fee reflects charges for all advisory services, including the ongoing services of MCMI as your primary advisor. The separate Prospectus or Agreement executed between the client and the Account Administrator sets forth any separate charges for the account, including transfer and custodial fees.

Since different Third Party Investment Advisors have different fee schedules, there is no typical fee schedule. However, to give prospective clients a general idea, listed below are the two most common fee schedules and the maximum fee schedule. The written agreement between MCMI and the client set the fees contractually; they cannot be changed without the client's written authorization.

<b>Assets under Management</b>	<b>Typical 1 Annual Fee</b>	<b>Typical 2 Annual Fee</b>	<b>Maximum Annual Fee*</b>
\$0 to \$250,000	1.50 %	1.80 %	2.5 %
\$250,001 to \$500,000	1.35 %	1.65 %	2.5 %
\$500,001 to \$750,000	1.1 %	1.4 %	2.3 %
\$750,001 to \$ 1 million	.7 %	1.0 %	2.3 %
\$1 million to \$2 million	.6 %	.9 %	2.1 %
Greater than \$2 million	.5 %	.8 %	2.1 %

We will charge the maximum level fees only in limited circumstances. Clients may terminate accounts at any time and receive a full pro-rata refund of any unearned fees.

The third party investment advisor carefully describes its portion of the above fee, and their method of calculation, in the form ADV Part 2 for that advisor. They generally charge fees that

on a periodic basis (usually quarterly) are debited from the client accounts on a schedule pre-approved by the client.

In most cases, the advisor designs the account debiting arrangements to follow the “safe harbor” provisions of SEC Release No. IA-1000. Clients should consult the investment advisor’s ADV Part 2 to determine the procedure for terminating an account and obtaining a refund on any pre-paid fees.

The cost of advisory and investment management services provided through the Third Party Advisor Program may be more or less than the cost of purchasing similar services separately.

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5.A. (continued) **Financial planning fees**

MCMI charges a fixed fee for producing a custom financial plan. The services selected determine the amount of the fee. Individual services range from \$300 to \$3,500, depending on the complexity of a client’s financial situation and the particular service chosen. There is a significant savings for combining services or considering a financial plan which covers all applicable financial planning topics. Overall plans range from \$1,500 to \$5,000, depending on the complexity of a client's financial situation.

Half of the fee is due in advance, the rest immediately upon delivery of the plan. If a client changes her or his mind and wishes to discontinue service before receiving the plan, any pre-paid fees will be refunded on a pro-rata basis, using \$160 per hour as the rate.

After presenting the plan, MCMI will initiate one follow-up to answer any client questions about the plan. For a period of one year from the date of the written Agreement, MCMI will also address any client-initiated questions or issues regarding the plan at no additional fee.

**Annual Review of Financial Plans**

Subsequent to the twelve month period of the initial financial plan offered, the Client has the option to engage MCMI to provide an annual review of the custom financial plan/s produced previously by MCMI for a fixed fee. MCMI will provide to the Client updated specific recommendations which will include the scope of services of the original financial plan/s.

The fee for this service ranges from \$300 to \$2,500, again depending on the complexity of a client's financial situation and the particular topics being reviewed. Half of the fee is due in advance, the rest at the annual plan review meeting. If a client cancels, any prepaid fees will be refunded on a pro-rata basis using a \$160 hourly rate as the charge for work performed.

For a period of one year from the date of written Agreement, MCMI will also address any client initiated questions or issues regarding the scope of the annual review at no additional fee.

**Hourly Financial Planning Consultations**

For those not desiring a custom financial plan, MCMI provides financial planning services on an

hourly basis for up to twelve months on client specified topics including, but not limited to: investments, insurance/risk management, budgeting, retirement planning, education funding, tax planning, employee benefits, retirement plans, lump sum distributions, and estate planning.

The current rate is \$160 per hour and is due immediately once time has been utilized and billed.

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Are our fees negotiable?

Non-discretionary Portfolio Construction and Management fees: Yes, these are negotiable.

Financial Planning fees: In effect these are negotiable in that the advisor and the client must agree to the complexity involved and the resulting fee to be stated in the agreement.

Fees for referrals to third party money managers: These are negotiable in some instances.

5. B. Disclosure : Does the adviser bill clients for fees incurred OR has it been authorized by the client to deduct fees from clients' accounts' assets?

- May clients select either method?
- How often does the adviser assess fees (or bill clients)?

MCMI does practice "direct billing" that requires us to obtain a client's written permission to deduct our fees directly from the client's account held by the custodian. [See the ADV Part 1B, Item 2. I] We ourselves do not normally send an invoice to the client for payment of our advisory management fees; we can accommodate a client on this point in some instances. MCMI does create an invoice for its financial planning services.

All bills for investment management fees are quarterly.

[\[An adviser must respond to these items even if client fees are fully disclosed in advisory contracts.\]](#)

5. C. Disclosure: Other types of fees or expenses clients may pay in connection with the advisory services. Clients should be aware that opening an investment account carries with it costs beyond the advisory fee(s) MCMI charges. These other costs include custodian fees, administrative fees for investments in mutual fund fees, and, of course, brokerage commissions for buy and sell transactions.

Section 12 of this brochure further discusses aspects of the brokerage we use.

Other compensation-related disclosures regarding costs that clients may pay in connection with advisory services from both MCMI and for GWFM, as disclosed in their ADV Part 2, are :

- custody fees
- fund expenses. [12b-1 fees, etc.]

5. D. Disclosure: Do clients pay fees in advance? How may a client obtain a refund of a pre-paid

fee if the contract is terminated prior to a billed period's end? How will the amount of the refund be determined?

MCFI charges fees in advance for both its own portfolio management and for certain financial plans. As noted above, our firm allows a pro-rated refund if a client terminates the agreement prior to the end of a quarter. Either party may terminate the agreement for any reason with fifteen days written notice to the other party. National Financial Services, a service MCFI hires, will calculate the refund for management services; Mr. Myers will calculate refunds for financial planning services, based on the time used.

5. E. Disclosure: Does the firm or any of its supervised persons accept compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds?

Mr. Myers sells securities as a Registered Representative of Securities Service Network, Inc. If an advisory client opts to use Mr. Myers to place transactions in a commission-based account outside of the contracted fee-based investment management or financial planning advisory service, Mr. Myers will earn the customary and normal sales commissions. If Mr. Myers invests a financial planning client in a mutual fund, he does receive the 12b-1 fees paid out by that mutual fund to registered representatives as part of its fund administration.

Disclosure 5.E.1. Whenever an investment advisory firm's representatives may earn a commission, or mutual fund management 12b-1 fees, or other forms of sales charges in their capacity as the registered representatives of a broker-dealer, that arrangement creates an incentive to recommend those sales and, as a consequence, an inherent possibility for a conflict of interest. An advisor is a fiduciary who is required to make only those recommendations for a client that solely are in the client's own best interest, uninfluenced by any calculation of personal gain.

Our firm addresses this potential conflict of interest first by informing clients of the conflict in this disclosure brochure. Secondly, we limit our ability to make such investments by not having discretion over the account. Implementation of any MCFI financial plan will be either on a fee basis to the advisory firm or on a commission basis that Mr. Myers will earn in his capacity as a registered representative of his broker dealer, if a client chooses to use him in that capacity. We normally do not reduce our advisory fees to offset the commissions or markups; we cannot reduce commissions to offset fees.

Disclosure 5.E.2. [Explain] Clients always have the option to purchase through unaffiliated broker-dealers and their agents those investment products our firm recommends.

Disclosure 5.E.3 Does our advisory firm receive more than half its revenue from commissions and other sales-based compensation? No, our firm's primary business activity, in time and in revenues, is its fee-based advisory service. Mr. Myers receives commissions, but the advisory firm does not.

Disclosure 5.E. 4. Do we charge advisory fees in addition to commissions or markups? We do, of course, charge advisory fees. That is how most investment advisers perform business. Our

investment advisory firm is not also a broker dealer and therefore does not receive commissions or markups directly, only as paid-in through Mr. Myers as the registered representative. .

Other disclosures for this section :

If the adviser primarily recommends mutual funds, it must disclose whether it will recommend “no-load” funds. Our firm does recommend primarily mutual funds to our clients. Those recommendations will be either

- all “no-load” funds , which impose no commission or sales charge (“load”) on the shareholder and are purchased directly from the fund company, rather than through a broker;
- or load funds with the commission waived.
- The one exemption to this is for certain Financial Planning fee clients, who may choose to implement plan recommendations on a commission basis.

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

Does our firm charge performance-based fees [fees based on a portfolio’s increase in asset value]? No, it does not. [See also: Form ADV Part 1A, Item 5. E. (6).

Does our firm have a supervised person who manages an account that pays performance fees? No, it does not. [\[If the adviser also manages accounts that are not charged such fees, the adviser must discuss the conflicts of interest that arise and how these conflicts are addressed.\]](#)

NOTE: Regulators have stated that performance fees can cause incentives for an adviser to manage a portfolio with an eye to short term gains only, including investments that are more speculative or have a higher risk of loss. They may also tempt an advisor to allocate more time to them than to other clients’ portfolios due to the possibility of a higher fee. As a fiduciary, an investment adviser is to provide equitable treatment to each client’s managed portfolio as if it were the adviser’s own portfolio - within the investment parameters agreed to with the client.

Item 7. : Types of Clients.

The types of advisory clients we service; requirements for opening or maintaining an account.

Typically our clients include both high net worth and other individuals. We are prepared to provide services to other types of clients as well : corporations and other businesses, pension and profit-sharing plans, charitable organizations, estates and trusts.

The minimum investment account size is \$250,000, though some third party investment advisor’s programs may have larger minimum account requirements. MCFI at its discretion may accept accounts below these minimums on an individual basis.

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

A. An adviser must describe its methods of analysis and investment strategies used in formulating its investment advice. It must explain in detail any unusual risks.

**Caution: Investing in securities involves risk of loss.**

MCMI employs its own analysis for investment selection and also the expertise and analytical methods of third party money managers. The third party money managers' methods and strategies may vary greatly; they are described in the ADV Part 2 for those programs.

Mutual Fund Research: Myers Capital Management conducts research to evaluate and recommend mutual funds for client portfolios. For all funds, the following are accessed...

Asset Class Identification: Because our investment approach is asset allocation driven, we look to identify funds that buy all or predominantly assets of a particular asset class. Ongoing monitoring is needed to make sure that the fund has not drifted to other asset classes.

Performance: Our research seeks to identify funds that have good performance relative to their asset class. Time periods considered are 1 year, 3 year, 5 year, 10 year, and sometimes longer. Timeframe significance depends on manager tenure.

Manager Tenure: We believe good managers exist who exhibit skill in selecting securities and can make a difference in a fund's portfolio. How long managers have been managing a fund is important when evaluating fund performance. A good 10 year return is irrelevant if the manager picking the securities has only been there 1 year.

Fund Expenses: Mutual Funds are sought that have lower relative operating expenses. This is not a controlling criterion, but will be used to select among competing funds that meet other criteria.

Diversification: Another factor in our analysis of funds is the level of diversification that a fund provides. Does it have 50 holdings or 1,500?

Custodial Trading Costs: We look to find funds that meet our criteria which can be purchased without a custodial trading cost for clients.

In addition to the other factors described, for bonds funds we evaluate portfolio average maturity, duration, and the average rating of the bonds held in the portfolio. When we are not able to identify a mutual fund that meets our criteria for a particular asset class, we will conduct research to identify an Exchange Traded Fund (ETF) that matches the asset class. We will seek an ETF that has proper representation of and diversification within the asset class as well as low expense ratios.

**Risks:** The risks in this analysis include the enormous number of mutual funds available for selection and their variance in performance, as well as the risk that a successful manager of a fund may leave it at any time.

### Third Party Money Managers

MCMI introduces clients to third party investment advisors who provide discretionary management of individual portfolios of equity and/or fixed income securities. In advising MCMI's retail clients investing in the programs of third party investment advisors, MCMI uses model portfolios of mutual funds, Exchange Traded Funds (ETF's) and Variable Annuity sub-accounts provided by a number of institutional investment strategists and based on their information, research, asset allocation methodology and investment strategists.

The methods of securities analysis, main source of information and investment strategies utilized by the approved third party investment advisors will vary. These advisors conduct all security analyses. The client should consult the specific third party investment advisor's Form ADV Part 2 for more information. MCMI will distribute the ADV Part 2 for the selected third party investment advisor to the client either: a) forty eight hours prior to the execution of the advisory services agreement or, b) at the time the agreement is executed. If the client receives the Form ADV at the time the agreement is executed, the client will then have the opportunity to rescind the contract within five business days without penalty.

**Risks** in using these methods and strategies: As the managers' strategies and methods may vary widely, they may include the risks noted above in a fundamental analysis or others specific to their methods. None is a proven, absolutely sure means of obtaining positive results. There is always a risk-return relationship: the greater the chance of a higher return on an investment, the higher the risk of loss will be as well.

In formulating our investment advice, MCMI uses financial newspapers and magazines, research prepared by others, mutual fund prospectuses, filings with the SEC, and company press releases. Market cycles, "secular bull and bear" markets, also play into the adviser's estimations of optimum portfolio composition, based on economic and market cycle research provided by others.

B. Explain the material risks involved and, if an adviser's strategy involves frequent trading of securities, the advisor must explain how frequent trading can affect performance. Trading frequency generally follows portfolio rebalancing, which usually occurs annually, more frequently if needed, if some component has strayed from the allocation model. We do, generally, not perform short term trades.

C. Do we recommend primarily a particular type of security? What are the material risks involved with that type of security? Are those risks unusual or significant? As noted above, we recommend primarily mutual funds, also occasionally Exchange Traded Funds. There is always market risk in these investments due to diversification. The asset manager may under perform the asset class.

MCMI's trading strategies include holding for the long term (a year or more) and short term investments (traded within a year). All these strategies are intended to enhance the portfolio's value and ability to meet a client's stated goals. What may be regarded as "frequent trading" varies according to both client and to the type of security involved.

Item 9 :Disciplinary Information.

What facts about any legal or disciplinary event involving our firm or its personnel should you know of, because it is material to an evaluation of the integrity of our firm or its management persons? *[An adviser cannot complete this item by adding a cross-reference to Part 1 of its Form ADV.]* Our clients may review the answers to the same or similar disciplinary questions found in the ADV, Part 1A, Item 11 (and, for state registered investment advisers, in Part 1B, Item 2. C.D.E and F.)

The SEC requires that we inform you, our client, if our firm or any of our management persons has been involved in any of the events listed below in 9. A, B, and C. and, beyond those points, if there is any material fact about any legal or disciplinary event that you should know about in order to evaluate our integrity. "Involved" means having engaged in "any act or omission, aiding, abetting, counseling, commanding, inducing, conspiring with or failing reasonably to supervise another in doing an act."

If the advisory firm or a *management person* has been *involved* in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a *client's* or prospective *client's* evaluation of the firm's advisory business or the integrity of its management, the IA must disclose the event. Similarly, even if more than ten years have passed since the date of the event, the IA must disclose the event if it is so serious that it remains material to a *client's* or prospective *client's* evaluation. The SEC has "determined not to require disclosure of arbitration awards in the client brochure. Advisers should, however, carefully consider whether particular arbitration awards or settlements do, in fact, involve or implicate wrongdoing and/or reflect on the integrity of the adviser, and should be disclosed to clients in the brochure or through other means."

Has our firm or any of our management persons been involved in : **[answers in red ]**

9. A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which our firm or a *management person*

1. was convicted of, or pled guilty or nolo contendere ("no contest") to

(a) any *felony*; **No, our firm has not and no one in our firm has been.**

(b) a *misdemeanor* that *involved* investments or an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; **No, our firm has not and no one in our firm has been.** or

(c) a conspiracy to commit any of these offenses; **No, our firm has not and no one in our firm has been.**

2. is the named subject of a pending criminal *proceeding* that involves an *investment-related* business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses; **No, our firm has not and no one in our firm has been.**

3. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation; **No, our firm has not and no one in our firm has been.** or

4. was the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a *management person* from engaging in any *investment-related* activity, or from violating any *investment-related* statute, rule, or *order*. **No, our firm has not and no one in our firm has been.**

9. B. An administrative *proceeding* before the SEC, any other federal regulatory agency, any state regulatory agency, or any *foreign financial regulatory authority* in which your firm or a *management person*

1. was *found* to have caused an *investment-related* business to lose its authorization to do business; **No, our firm has not and no one in our firm has been.** or

2. was *found* to have been *involved* in a violation of an *investment-related* statute or regulation and was the subject of an *order* by the agency or authority

(a) denying, suspending, or revoking the authorization of your firm or a *management person* to act in an *investment-related* business **No, our firm has not and no one in our firm has been.;**

(b) barring or suspending your firm's or a *management person's* association with an *investment-related* business **No, our firm has not and no one in our firm has been.;**

(c) otherwise significantly limiting your firm's or a *management person's investment-related* activities; **No, our firm has not and no one in our firm has been.** or

(d) imposing a civil money penalty of more than \$2,500 on your firm or a *management person.* **No, our firm has not and no one in our firm has been.**

9. C. A *self-regulatory organization (SRO)* proceeding in which your firm or a *management person*

1. was *found* to have caused an *investment-related* business to lose its authorization to do business; **No, our firm has not and no one in our firm has been.** or

2. was *found* to have been *involved* in a violation of the *SRO's* rules and was:

(i) barred or suspended from membership or from association with other members, or was expelled from membership - **No, our firm has not and no one in our firm has been.;**

(ii) otherwise significantly limited from *investment-related* activities - **No, our firm has not and no one in our firm has been.;** or

(iii) fined more than \$2,500 - **No, our firm has not and no one in our firm has been..**

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

What material relationships does our firm or any of our management persons have with related financial industry participants? What material conflicts of interest may arise from these relationships and how are these conflicts addressed?

A. Have we, or has any of our management persons, registered either as a broker-dealer or as the representative of a broker-dealer? Yes.

Do we or any management person have such a registration pending? No.

The principal business of MCMI is the provision of advisory services.

Mr. Myers sells securities as a Registered Representative of Securities Service Network, Inc. If an advisory client opts to use Mr. Myers to place transactions in a commission-based account outside of the contracted fee-based investment management or financial planning advisory service, Mr. Myers will earn the customary and normal sales commissions.

Clients need to be aware of the fact that, in any such arrangement, in which the person making recommendations may receive some form of payment if the client receiving those recommendations chooses to follow them, there will always exist an inherent possibility for a conflict of interests. The potential conflict of interest arises from the incentive created by the possible commission. It remains an advisor's foremost fiduciary duty to make to a client only

those recommendations that are in that client's own best interest.

The firm in no way obligates any client to follow any recommendations MCMI makes, nor does it require any client to use Mr. Myers to effect any transactions in any security or for insurance products in the event that the client does choose to follow Mr. Myers' recommendations.

B. Have we, or has any of our management persons, registered as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of any of these entities named here? OR, Do we or any management person have such a registration pending?

No, none of this item applies to our firm.

C. Do we have any "related person" – a person or a firm that we control or that controls us through ownership or as an officer – with whom we have a material relationship, any arrangement, that may cause a conflict of interest when providing our clients with investment advice?

The firm's president engages in professions other than giving fee-based investment advice. Mr. Myers also uses the firm as the recipient for commissions earned from insurance sales; Mr. Myers is an insurance agent for various insurance companies, licensed to sell life, health, disability and long-term care insurance in Pennsylvania.

The firm also earns fees for the preparation of income tax returns and payroll tax returns.

The risk for a conflict of interest in any such arrangement lies in the compensation to be received; it creates an incentive to recommend the service to advisory clients. An investment advisor must make only those recommendations that are in its clients' own best interest. The firm does not obligate any advisory client to use its insurance or tax services, should a client deem them needed or useful.

D. Do we recommend or select other investment advisers for our clients? Yes; that is the service we described above as referrals to Third Party Money Managers/ Advisors and explain under the platforms offered by:

- Genworth Financial Wealth Management

[If an adviser selects or recommends other advisers for clients, the adviser must disclose any compensation arrangements or other business relationships between the advisory firms that create material conflicts of interest between the adviser and its clients along with a discussion of the conflicts and how they are addressed. ]

Do we receive compensation from those other advisers for our referrals? Yes. We earn a portion of the fee our client will pay to the third party money manager.

The compensation we will receive, clients should note, creates an incentive to make the recommendation and thereby an inherent risk for a conflict of interest. We address this possible conflict of interest by bringing it to our clients' attention in this disclosure brochure. We act as more than a solicitor only; we continue to monitor the performance of our clients' portfolios as they are managed by the third party advisor(s).

Do we have any other business relationships with these advisers that also could cause a conflict of interest and, if “yes,” how do we address them? No, not currently; some advisers do receive marketing assistance from Genworth, if the assets placed with GFWM exceed a certain amount that MCMI has not attained.

Item 11. Code of Ethics / Advisory Persons’ own trading and possible personal interest in our clients’ trades.

A. As required by SEC rule 204A-1 or similar state rules our firm has adopted a Code of Ethics. Our firm’s Code of Ethics describes our policies and procedures to abide by the law’s prohibition against insider trading, including our reviews of our own persons’ trades, and other ethical considerations. We will provide you, our client or potential client, a copy of our Code of Ethics if you write to us requesting one.

The steps we have taken to prevent the use of insider information include the following :

The firm keeps records of the advisor’s market activities, and those of its employees, on file at the firm’s offices and with the broker dealer with whom the advisor is registered as an agent. These are available for inspection by regulators; the broker dealer reviews them regularly. The advisory firm of Myers Capital Management, Inc., it should be noted, is not itself affiliated with Securities Service Network, Inc., but that Broker Dealer does have an FINRA-imposed duty to review the outside business activities of its registered representatives.

To date, the advisory firm of Myers Capital Management, Inc. has not been privy to any information from its clients or other sources that could be used as insider information, that is information regarding planned market activities unknown to the general public and of a nature that could allow someone having access to that information an advantage over the public to profit by buying or selling securities ahead of the reasonably expected effects of the planned activities. If such information were to become known to any person of the firm, the information is to be reported to the firm’s president, who will note the information, inform Securities Service Network of the occurrence and take measures, such as waiting periods or forbidden trade lists, to prevent the use of such non-public, insider information.

Personnel are reminded of their duty to keep all client information strictly confidential. The information may not be used to benefit any person to include the firm’s clients, employees, family or friends. Any person who has used insider information may be prosecuted, resulting in fines and/or imprisonment. MCMI may summarily terminate from employment any employee of Myers Capital Management, Inc. who has had access to insider information and has not properly reported it so as to avoid suspicion of using insider information.

We protect your personal, non-public information and other sensitive data by computer passwords, idle time limits on computer screens, locked building and office and locked files, and smoke alarms. Personnel are reminded of their duty to keep all client information strictly confidential.

11. B. [ also found in Form ADV Part 1A, Item 8. (1)(2) (3) and the former Part II, Item 9, A, C, D, E ]  
Does our firm or a related person recommend to our clients, or do we buy or sell for our

clients' accounts, securities in which we or a related person has a material interest?

A. Our firm and/ or its associates **do**

- buy or sell for the firm or for themselves securities (other than shares of mutual funds) that we also recommend to our advisory clients;
- buy or sell for the firm or for themselves shares of mutual funds that we also recommend to our advisory clients;

Our firm and its associates **do not**

- buy securities for the firm or for themselves from advisory clients (principal transactions);
- sell securities the firm or its associates own to advisory clients (principal transactions);
- in their capacity as a broker/ dealer agent, transact purchases or sales of any client's securities directly to any other person (an "agency cross transaction" that side-steps using a securities market place)
- recommend securities (or other investment products) to our advisory clients in which our firm or any person or other firm related to our firm has some other proprietary (ownership) or other financial interest.
- Act as an investment adviser to an investment company that we recommend to our clients.

[Disclosure is not required for securities that are not "reportable securities" (such as shares in unaffiliated mutual funds). This summary should provide enough information for the client to determine if it would like to read the full code of ethics and to understand generally the adviser's ethical culture and standards. ]

11. C. **Personal Trading.** : investing in the same or related securities

Does our firm permit itself, its personnel, or a person related to our firm (by ownership or other forms of control) to invest in the same securities that we recommend to our clients, or in securities that are related to those securities, such as options or other derivatives?

[ADV 2B must discuss the conflicts presented and describe how the firm addresses them.]

On occasion, the president may buy or sell securities that he recommends to clients. There is no conflict of interest as the securities Mr. Myers trades in for his own account are widely held and publicly traded mutual funds and ETF's in amounts too modest to affect the market. Mr. Myers always places clients' orders ahead of his own transaction orders and, by the firm's Code of Ethics may not place an order in the same security as for a client while a client's order is pending.

The possible conflicts of interest that arise whenever we recommend, or, in our discretion, buy or sell for you a security that we may also buy or sell for ourselves are

- using your order's market effect to benefit ourselves ("front running");
- using your order as "inside information" that would give us an unfair advantage in the markets to benefit ourselves or any other person (which is an illegal act);
- gaining a lower brokerage cost for ourselves in bunching orders, which can create an incentive to involve your account in that transaction.

An adviser's **related persons** are: (1) the adviser's officers, partners, or directors (or any person performing similar functions); (2) all persons directly or indirectly controlling, controlled by, or under common control with the adviser; (3) all of the adviser's current employees; and (4) any person providing investment advice on the adviser's behalf.

Does any person in our firm participate in or have an interest in our clients' transactions? How does such a person participate or what is the interest and what conflicts of interest can that create? ["Participation or interest in Client Transactions "means the adviser or a related person recommends to clients, or buys or sells for client accounts, securities in which the adviser or a related person has a material financial interest.]  
SEC NOTE: Conflicts could arise if an adviser recommends that clients invest in a pooled investment vehicle that the firm advises or for which it serves as the general partner, or when an adviser with a material financial interest in a company recommends that a client buy shares of that company.

11. D. **Personal Trading** : investing in the same or related securities at the same time. What specific conflicts do we have when our firm or a related person trades in the same securities at or about the *same time* as it places trades for a client's account?

"The SEC generally dislikes 'contemporaneous' trading," that is, that anyone in our firm might enter an order for her or his own account at the same time as an order in the same security for a client. Note that these restrictions are not applied to investments in mutual funds that are unaffiliated with our firm. Unaffiliated means a mutual fund that we have not ourselves created or helped establish and/ or in some way act as the fund's managers.

The SEC has stated that "an adviser's ability to place its own trades before or after client trades in the same security may affect the objectivity of the adviser's recommendations" and therefore states further that the SEC believes *disclosure of this practice* is warranted. The SEC has not in that opinion stated a specific length of time before or after. In that respect it could also be noted conversely that clients might have reservations in employing an adviser who does not invest in the same securities the adviser recommends.

Mr. Myers' practice is to invest only in unaffiliated mutual funds and exchange-traded funds.

Our internal controls designed to prevent "contemporaneous trading" are : Mr. Myers' broker dealer requires that he not enter an order in any security in which he has an order pending for an advisory client.

[SEC: *In the Matter of Thomson McKinnon Asset Management, L.P.*, Investment Advisers Act Release No. 1243 (July 26, 1990) (settled order).] [See, e.g., *In the Matter of Chancellor Capital Management, Inc., et al.*, Investment Advisers Act Release No. 1447 (Oct. 18, 1994) (settled order).] ...

11.B, 11.C, and 11.D The SEC would not require disclosure with respect to securities that are not "reportable securities" under Advisers Act rule 204A-1(e)(10), such as shares in unaffiliated mutual funds.- such securities are not reportable under Advisers Act Rule 204A-1 because they appear to present little opportunity for front-running.

## Item 12 :Brokerage Practices.

12. A.. Does our firm select a broker/ dealer for you? On what basis do we do so? How do we determine the reasonableness of the broker's compensation (commission charges)?  
We do not recommend one or more specific broker-dealers for our clients' transactions.

Clients wishing to implement the MCM's advice are free to select any broker, insurance agent, or other financial entity they wish and are so informed.

If an advisory client selects Mr. Myers to implement investment advice by placing orders for transactions, Mr. Myers will recommend the use of the securities broker dealer (Securities Service Network, Inc.) with whom he is registered and those insurance companies with which Mr. Myers is licensed (such as Blue Cross/Blue Shield, C.N.A., Transamerica and many others). Under FINRA rules for supervision, Mr. Myers must effect any transaction as a registered representative of Securities Service Network. Commission rates at that firm may be higher or lower than those available to clients from other Broker-Dealers offering the same or essentially the same services. He may also recommend other Broker-Dealers, but Mr. Myers may not be the agent for those transactions.

12. A. 1. Research and other “Soft Dollar” benefits: Do we have any conflicts of interest such as receiving “soft dollars” from the broker/ dealer? [\[The description must be specific enough for clients to understand the types of products or services the adviser acquires \(and must include proprietary and third-party research\), and to permit clients to evaluate possible conflicts of interest. It must be more detailed for products or services that do not qualify for the safe harbor under Section 28\(e\) of the Securities Exchange Act.\]](#) We receive no soft dollar benefits from the broker-dealer; research is included in GFWM’s platforms.

Required disclosures / explanations:

- a. If an adviser uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the adviser receives a benefit in not having to produce or purchase them itself.
- b. Any such benefit creates an incentive to select or recommend the broker-dealer that provides it; an adviser’s duty is to select a broker-dealer based on the most favorable execution services for the adviser’s clients.

[c.] Do we “pay up” to obtain soft dollar benefits (that is, do we pay more than the lowest available commission rate)? Do we make our clients pay commissions (or markup or markdowns) higher than those charged by other broker-dealers in return for “paying-up”?  
No. We receive no soft dollar benefits.

[d.] Do we use soft dollar products, research or other items for the benefit of all our clients or only certain clients? Do we allocate benefits proportionately to accounts as those accounts generate the soft dollars by our directing brokerage to a specific broker-dealer?  
No. We receive no soft dollar benefits.

[e.] The types of products, services or other benefits our firm or any of its related persons acquired in our firm’s last fiscal year due to directing our clients’ brokerage to our broker dealer are : *[not applicable]* [\[“Merely disclosing that the firm receives various research reports and products is not specific enough”\]](#) [\[“greater detail for soft dollar items that do not qualify for the safe harbor in Section 28\(e\) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution”\]](#).

[f.] The procedures our firm used during its last fiscal year to direct our clients’ transactions to a particular broker-dealer in return for soft dollar benefits received were: NONE.

Clients need to understand that “soft dollars” are an enticing benefit for an adviser in so far as they provide access to research and / or other products both of use to the adviser in its business and at no expense to the adviser. Clearly, such an enticement creates an incentive to use the broker-dealer in question and may cause the adviser to use a broker that charges the adviser’s clients higher commission rates than another broker-dealer. An adviser has a duty to seek the best execution of trades for its clients, which includes considerations in addition to

the commission rate, however.

Are there additional, material conflicts of interest involved in our use of directed brokerage, due to a relationship with the broker-dealer? No.

*Brokerage practices* — An investment adviser is required to describe the factors considered in selecting or recommending broker-dealers for client transactions and determining the reasonableness of brokers' compensation. Investment advisers also must disclose soft dollar practices (research or other products or services, other than execution, provided by brokers or a third party to the investment adviser in connection with client transactions); client referrals (using client brokerage to compensate brokers for client referrals); directed brokerage (asking or permitting clients to send trades to a specific broker for execution); and trade aggregation (bundling trades to obtain volume discounts on execution costs). Investment advisers must explain how they address the various conflicts of interest associated with these practices.

#### 12. A. 2. Brokerage for client referrals

Do we direct brokerage to a specific broker-dealer in return for client referrals either to our firm or to a related firm? *[Includes referrals from a BD or other third party.]*

No, we do not.

The inherent conflict of interest in this practice stems from an adviser's fiduciary duty to the client to put the client's interests first. The referrals create an incentive to use the broker-dealer not for the services a client will receive, but due to the benefit to the advisory firm. Directed brokerage may result in brokerage costs that are higher than a client might obtain from another broker-dealer.

#### 12. A. 3.

[a] Do we "routinely recommend, request or require" our clients to direct brokerage?

No, clients may use any broker dealer they choose for their asset management. If an advisory client wishes to implement a plan through Mr. Myers, then he must do so through his employing broker dealer, Securities Service Network. Clients should know that not all advisers do require directed brokerage.

Is the broker-dealer in question an affiliate of our firm or have some other economic relationship? No. We inform our clients here that such a relationship creates an inherent risk for a conflict of interest. By directing brokerage an advisor may not be able to achieve the most favorable execution for client transactions, at an increased cost to our clients than they might have incurred with another broker-dealer.

[b] Do we permit a client to direct brokerage to a specific broker-dealer? As noted above, clients may use any broker dealer they choose. Clients should understand that their choice of broker-dealer may lead to higher brokerage costs than they might have otherwise obtained, due to higher rates or an inability to aggregate orders and thereby reduce transaction costs.

12. B. When we place orders with a broker/ dealer for our clients, do we aggregate or "bunch" your trade order with orders for other clients? *[Finally, an adviser must disclose its trade aggregation practices. If the adviser has the opportunity to but does not aggregate trades, it must disclose that clients may therefore pay higher brokerage costs.]* Our firm does not bunch orders; we do not have the opportunity to aggregate for an advantage to our clients. If such an opportunity were to present itself, it would be a priority to take advantage of it for

our clients.

Item 13 :Review of Accounts.

13. A.

Does someone in our firm review your investment account portfolio and how often?

**Portfolio Management**

The advisor monitors funds on a quarterly basis and communicates any recommended changes to clients. Mr. Myers, the firm's President and Director performs all final reviews.

An advisor may re-evaluate a portfolio's asset allocation each year to consider what recommendations may be required to keep the portfolio within the agreed-upon parameters.

**Third Party Advisors Management**

The third party advisor account custodian will send each client a monthly statement. Either MCMI or the third party investment advisor will send quarterly performance reports to each client. As the primary advisor, MCMI monitors its clients' Portfolio Strategist(s), communicates any asset allocation or manager changes, analyzes the ability of the portfolio to meet client goals, and meets with clients for investment reviews with a frequency agreed upon by the client and MCMI. These portfolio reviews will occur at least annually.

**Annual Review of Financial Plans**

Subsequent to the twelve month period of the initial financial plan offered, the Client has the option to engage MCMI to provide an annual review of the custom financial plan/s produced previously by MCMI for a fixed fee. MCMI will provide to the Client updated specific recommendations which will include the scope of services of the original financial plan/s.

The fee for this service ranges from \$300 to \$2,500, again depending on the complexity of a client's financial situation and the particular topics being reviewed. Half of the fee is due in advance, the rest at the annual plan review meeting. If a client cancels, any prepaid fees will be refunded on a pro-rata basis [using the \$160 hourly rate as the charge for work performed]??.

For a period of one year from the date of written Agreement, MCMI will also address any client initiated questions or issues regarding the scope of the annual review at no additional fee.

13. B. What factors might trigger a review in addition to our periodic reviews?

Myers Capital Management usually recommends that a client's portfolio be rebalanced on an at least an annual basis if an asset class varies plus or minus 1% or more from the recommended allocation.

13. C. What regular reports do we or others provide you?

Are they written reports? What do they contain?

The account custodian, National Financial Services, will send each client a written monthly

statement and a tax report. MCMI will send written quarterly performance reports to clients.

Because we send you an account statement, we urge you, our client, to compare carefully that account statement with any other statement you may receive from the account's qualified custodian.

The frequency of investment portfolio review meetings will be agreed upon by each client and Myers Capital Management; the advisor intends that these portfolio reviews occur at least annually. These reviews may be verbal only or written, as the advisor and client agree.

Item 14 :Client Referrals and Other Compensation.

A. Does someone other than a client of our firm pay our firm or related persons, or otherwise provide some economic benefit to our firm, for the investment advice we provide to our clients? [12b-1 fees; other; sales awards or prizes] In some instances, as disclosed above, Mr. Myers may receive 12b-1 fees.

B. Does our firm or a firm related to us through some form of ownership pay someone, directly or indirectly, for client referrals? No, MCMI does not use solicitors.

Item 15: Custody.

Does our firm have custody of your assets? No, other than the allowed "modern practice" of billing our advisory fees directly to your account held by the custodian, which has been defined as "custody" but does not require an audit.

Who is the qualified custodian of your assets' account? National Financial Services LLC is the qualified custodian for portfolio construction; third parties have their own chosen custodial services, from which Mr. Myers may select.

The custodian will send to you a monthly financial statement. NOTE: These statements should be reviewed carefully. It is not the custodian's responsibility to ascertain the accuracy of the calculation for fees subtracted from your account.

Where an adviser has custody of client assets and a qualified custodian distributes quarterly (or more frequent)<sup>4</sup> financial statements, the adviser must explain that clients will receive statements directly from qualified custodians, and the statements should be reviewed carefully. Additional disclosure is required if the adviser also sends account statements directly to clients.

Item 16 :Investment Discretion.

A. Does our firm have discretionary authority over your assets?

With regard to its own portfolio construction and on-going management services, MCMI does not seek or exercise discretion. Clients must give their consent to any and all transactions the advisor may recommend before a buy or sell order is placed for their account.

With regard to the third party advisory programs, it is the client who designates to specific third party account managers any use of discretion; MCMI's management of these accounts is strictly non-discretionary.

B. What limitations are there, or can you place, on our discretionary authority?

The initial interview establishes the suitability parameters for all account management; recommendations are to remain within those parameters until such time as a client notifies the advisor of a change in the client's financial situation or goals. The fiduciary duty to follow a

client's directives and suitability parameters are the limits on discretion. Rebalancing does not constitute investment discretion on MCMI's part; MCMI does not itself take any independent discretionary authority over client accounts.. To place any trade for a client, the firm must first obtain from the client a signed, limited power of attorney to place trades on the client's behalf.

A client has only the suitability limitations designed into the third party advisor program as a limitation on the discretionary asset changes the strategists may make. A client may, of course, choose to withdraw from participation in one of these programs if s/he deems the use of discretion beyond what the client desires. When utilizing third party investment advisors, MCMI will not change without client authorization any manager or level of risk in a portfolio.

The client agreements with third party investment advisors allow those advisors to make changes to Model Portfolios and selected securities and to rebalance automatically an account based on changes made to the Model Portfolio the client has selected

Item 17. : Voting Client Securities.. — proxy voting practices

A. Does our firm have or will it accept authority to vote client securities?  
[if "yes" describe voting policies and procedures] [State if and how clients may direct the voting of their proxies in a particular solicitation.] [

What conflicts of interest exist and how do we address them? Proxies are to be voted in each client's own best interest. How to define that best interest, financially or on some other basis is a matter of concern. Voting them on the basis of financial measurements alone, such as increasing a company's value, may or may not be our client's primary interest in each voting issue, whereas it may rebound to increase the fee the firm may realize.

How can you obtain a copy of our proxy voting policies and procedures? Upon your written request to us, we will send to you by mail or by email, as you may prefer, a copy of our policy and our procedures. / If you wish to know how we voted your investment proxies in a specific security's questions, please write us a request stating which security or security investment proxy you want to review and we will send to you the information you seek.

B. This is our policy and our procedures: that we do not vote proxies. Our firm does not vote its clients' proxies. We state this here in these disclosures. Our firm urges our clients to read and participate in the voting process tied to the shares they own in various companies as an excellent means for our clients to become familiar with those companies in which they are invested.

Item 18 :Financial Information. **Not Applicable**

A. Custody situations : Does our firm have custody of your funds or your securities investments? Do we require prepayment of a fee of \$500 or more, 6 or more months in advance of services? We do not. Financial plans are produced within 60 days of obtaining the information needed to produce the plan.

"Direct Billing" means we bill a client for our advisory fees by arranging for payment, with the

client's signed consent, from the custodian of the client's account. Direct Billing is defined as a form of custody, but does not require an audit and is not marked on the ADV Part 1A as custody. Other than that practice, our firm does not have custody of any client's funds or securities.

Is our firm or any person in our firm the Trustee for an advisory client? No, we are not.

Notes : :[an adviser that requires prepayment of more than \$1,200 in fees per client, six or more months in advance, must give clients an audited balance sheet showing the adviser's assets and liabilities at the end of its most recent fiscal year]

1. An investment advisory firm that does have custody must include in this brochure a balance sheet prepared in accordance with GAAP (Generally Accepted Accounting Principles), audited by an independent, [identified] public accountant and accompanied by a note stating principles used to prepare it, the basis of the securities included, and any other explanations required for clarity.
2. It must show parenthetically the market or fair value of securities included at cost.
3. The independent public accountant's qualifications and accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.

18. B. Financial difficulties: If our firm has discretionary authority over your assets [see Item 16] or custody of our clients' securities or funds, or require or solicit prepayment of fees of \$1,200 or more (for SEC registrants, but only \$500 or more for state registrants), six or more months in advance, then we must disclose if there is any financial condition reasonable likely to impair our firm's ability to meet its contractual commitments to its clients.

Does our firm have any financial condition that could reasonably seem likely to impair our ability to meet our contractual commitments to you, our client? This question is important, especially if an investment adviser has discretion, custody or both; if our financial condition were precarious, our clients would be exposed to increased risks that we might not manage their assets properly, according to the SEC. Prepaid fees might not be refunded if an advisory firm were to cease being able to do business due to insolvency. **No, it does not.**

The SEC cautions advisers that their fiduciary duty of full and fair disclosure may require them to continue to disclose any precarious financial condition promptly to *all* clients, even clients to whom they may not be required to deliver a brochure or amended brochure. If an adviser has discretionary authority over client assets, has custody of client funds or securities, or meets certain other requirements, then the adviser must disclose any financial condition reasonably likely to impair the adviser's ability to meet contractual commitments to clients. An adviser must also disclose if it was the subject of a bankruptcy petition during the past 10 years. An adviser that requires prepayment of more than \$1,200 in fees per client, six or more months in advance, must give clients an audited balance sheet showing the adviser's assets and liabilities at the end of its most recent fiscal year

18. C. We must also disclose if our firm has been the subject of a bankruptcy in the past 10 years. Has our firm been the subject of a bankruptcy petition during the last 10 years? **No, it has not.**

Item 19 :State Registrant Information.

**If you are registering or are registered with one or more *state securities authorities*, you must respond to the following additional Item.**

- A. Identify each of your principal executive officers and *management persons*, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item. **See the following form ADV Part 2B for Paul Myers.**
- B. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item. [see Item 10: Other Financial Industry Affiliations]  
The approximate amount of time spent on these activities is :
- 2% of business time, approximately 20 hours per year, as the registered representative of a broker-dealer
  - 2% of business time providing insurance products
  - 10% of business activity time providing tax preparation
- C. In addition to the description of your fees in response to Item 5 of Part 2A, if you or a *supervised person* are compensated for advisory services with *performance-based fees*, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the *client*. Not applicable.

D. If you or a *management person* has been *involved* in one of the events listed below, disclose all material facts regarding the event.

1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding involving* any of the following:

- (a) an investment or an *investment-related* business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

**None of the above under "D" applies to Myers Capital Management, Inc.**

E. In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your *management persons* have with any issuer of securities that is not listed in Item 10.C. of Part 2A. **Not applicable**

**Part 2B: The Brochure Supplement:** Here we provide information about advisory personnel on whom you rely for investment advice. We must provide this supervised person's supplement to you, our client initially at or before the time when *that* specific supervised person begins to provide you with advisory services.

### **Item 1. Cover Page.**

This brochure supplement provides information about Paul Douglas Myers that supplements the Myers Capital Management, Inc. brochure. You should have received a copy of that brochure. Please contact Paul Myers at 215-657-0300 or Email : paul@myerscap.com if you did not receive Myers Capital Management, Inc.'s brochure or if you have any questions about the contents of this supplement. Additional information about Paul Myers is available on the SEC's website at www.adviserinfo.sec.gov.

#### **Paul Douglas Myers,**

ChFC, CRPC

Born 1955

Registered with the firm 7.7.2000

CRD # 1258913

President, Director and Investment Advisor Representative

### **Item 2. Educational Background and Business Experience**

#### **Education**

Paul Douglas Myers received a Bachelor of Arts from Covenant College in 1977, an MDiv from Biblical Theological Seminary in 1982, the Chartered Financial Consultant Designation from American College in 2001, and the Chartered Retirement Planning Counselor designation from the College for Financial Planning in 2008. The professional designations are explained below.

Mr. Myers passed the Uniform Securities Agent State Law Examination (Series 63) on 4.30.1986

He passed the Uniform Investment Adviser Law Examination (Series 65) 12.23.1999

#### **Employment history**

Paul Myers has sold securities and insurance products for commissions in various capacities since 1985 and prepared taxes since 1993.

Myers Capital Management, Inc., owner, President, advisory representative from 7.7.2000 to present  
Securities Service Network, Inc., Abington, PA registered representative from 9.2006 to present,  
registered in several US States and/ or territories.

ING Financial Partners, Inc. (IARD # 2882), in Fort Washington, PA, from 1.1.2004 to 9.18.2006 as a  
registered representative.

Locust Street Securities, Inc. (#1703), Fort Washington, PA, from 1.28.2003 to 1.1.2004 as a registered  
Representative.

### **Item 2. (continued)**

#### **Descriptions of the qualifications for**

Chartered Financial Consultant Designation

Chartered Retirement Planning Counselor

The American College's website presents the following information regarding the professional designation, "**Chartered Financial Consultant**" (ChFC). The ChFC® instruction "provides comprehensive coverage of the key financial planning disciplines, including":

- Insurance
- Income taxation
- Retirement planning
- Investments
- Estate planning.

The curriculum's studies comprise 7 required and 2 elective courses, including "Financial Planning: Process and Environment" (required). To be awarded the ChFC® designation, one must pass successfully all the selected programs, meet experience requirements (3 years of full time business experience within the 5 years preceding the designation's award date; a full year of business time is reckoned as 2,000 hours' experience. ) and ethics standards (available at the ChFC® site) and agree to comply with The American College's Code of Ethics and Procedures.

**Chartered Retirement Planning Counselor (CRPC®)** is a professional designation awarded by the College of Financial Planning to persons who complete a course of studies focused on retirement, both pre- and post-retirement needs and planning, asset management, and estate planning. The course employs real client situations in its models. The candidate must pass a three hour end-of-course examination (with 70% or better) that tests the student's ability to use and apply the complex, theoretical concepts to real-life scenarios. The persons who attain the designation must also agree to comply with a "Standards of Professional Conduct" and are subject to renewing the designation every two years with 16 hours of continuing education and to a disciplinary process for any transgressions of ethical standards.

Item 3. Disciplinary Information. Item 3 requires disclosure of any legal or disciplinary event that is material to a client's evaluation of the supervised person's integrity

The online Investment Adviser Public Disclosure site notes: Are there events disclosed about this Investment Adviser Representative? **No.**

The Commission presumes certain disciplinary events are material to such an evaluation if they occurred during the last ten years. Disclosure of any event for which the supervised person had ever resigned or otherwise relinquished a professional attainment, designation or license in anticipation of it being suspended or revoked (other than for suspensions or revocations for failure to pay membership dues).

Item 4. Other Business Activities. Item 4 requires an adviser to describe other business activities of its supervised persons. The item specifically requires disclosure with respect to other capacities in which the supervised person participates in any investment-related business

Mr. Myers' activities as the registered representative of the Broker Dealer, Securities Service Network, Inc., require approximately 2% of his business time.

His insurance business requires ca. 2% of his business time.

Tax preparation requires ca. 10% business of his business time.

If Mr. Myers were to recommend any of these services to his clients, there would be an inherent risk for a conflict of interest in doing so, in that the payments he would receive for those services create an incentive to recommend them. No advisory client is obligated in any way to use Mr. Myers' other service capabilities.

The SEC requires disclosure of *other* business activities or occupations that the supervised person engages in if they involve a substantial amount of time or pay. Clients may have different expectations of an individual whose sole business is providing investment advice than of an individual who is engaged in other substantial business activities. Disclose any material conflicts of interest such participation may create. In addition, the item requires the supplement to include information about any compensation, including bonuses and non-cash compensation, the supervised person receives based on the sales of securities or other investment products, as well as an explanation of the incentives this type of compensation creates..

**Item 5. Additional Compensation.** This item requires that the supplement describe arrangements in which someone other than a client gives the supervised person an economic benefit (such as a sales award or other prize) for providing advisory services.

Mr. Myers may in some instances receive 12b-1 fees from a mutual fund if a client chooses to use him to be the registered representative placing the order.

**Item 6. Supervision.**

Mr. Myers is his own supervisor within the firm. As a registered representative of a broker/ dealer he also comes under the supervision of Securities Service Network, Inc., per FINRA rules regarding agents' outside business activities. His proprietary trading activities are monitored in some aspects by the Broker/ Dealer.

This item requires an adviser to explain how the firm monitors the advice provided by the supervised person addressed in the brochure supplement. It also requires a firm to provide the client with the name, title, and telephone number of the person responsible for supervising the advisory activities of the supervised person.

**Item 7. State Registration requirements**

Mr. Myers must renew his registration as an investment advisory representative in Pennsylvania every year.