

**Investment Management & Insurance Advisors, Inc. A North Carolina State-Registered Investment Advisory Corporation**

**This brochure provides information about the qualifications and business practices of Investment Management & Insurance Advisors, Inc. If you have any questions about the contents of this brochure, please contact us at 919 975 4856. 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.**

**Item 1 Cover Page**

Investment Management & Insurance Advisors, Inc.  
Firm IARD# 118276  
Thomas E. Vass, Investment Advisor IARD # 132639  
6001 Waters Way Dr  
Raleigh, NC 27606  
Related Websites:  
[www.technologystockadvisor.com](http://www.technologystockadvisor.com)

**Item 2 Material Changes**

The most recent ADV Part II for the firm was prepared in November of 2011 as a part of the submission for the 2011 annual ADV update for IARD. There have been no material changes since that date.

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**Part 2B of Form ADV Supplemental Brochure on Thomas Vass**

**This brochure supplement provides information about Thomas Vass that supplements the brochure for Investment Management & Insurance Advisors, Inc. You should have received a copy of that brochure. Please contact Thomas Vass if you did not receive the firm brochure or if you have any questions about the contents of this supplement.**

## **Item 4 Advisory Business**

Investment Management & Insurance Advisors, Inc., offers investment management services and also acts as an investment advisor to private companies on private placements for a self-underwriting or direct corporate private offering. In addition, IM&I offers investment advice related to the value of private securities which may be offered by a private company in a self-underwriting private placement.

The client retains the services of Investment Management & Insurance Advisors, Inc. through an investment advisory agreement, which outlines the advisory services to be provided in a specific engagement. This contract entails that a negotiable fixed monthly fee be paid to Investment Management & Insurance Advisors, Inc. and that an additional fee be paid upon the closing transaction. Generally, the fee at closing is 3- 5% of the amount raised, and the fee is negotiable.

Clients may retain IM&I under an hourly fee arrangement. The usual hourly fee is \$150. The client may also choose to pay on a per-project basis instead of the hourly fee. Fees are negotiable.

The minimum account size to start an investment advisory account with Investment Management & Insurance Advisors, Inc., is \$100,000. The minimum account size is negotiable.

Clients are informed of the advisor's privacy policy when they fill in their Investment Policy Statement (IPS). They are reminded annually about the Privacy Policy as an addendum to the annual ADV letter.

## **Item 5 Fees and Compensation**

Management fees for IM&I investment advisory accounts are based upon an annualized percentage of the dollar value of the assets in the account. The accounts are valued, and fees are due on an end-of-quarter basis. Fees are automatically deducted from the client's account, according to the invoice prepared by Investment Management & Insurance Advisors, Inc., and sent electronically to both the client and the account custodian. Clients authorize the automatic deduction of the fees when they sign the Investment Advisory Agreement, which retains Investment Management & Insurance Advisors, Inc., as the client's investment advisor.

The fee schedule for investment advisory accounts is:

From \$100,000 to \$ 1,500,000 of valuation 1%

For asset account values above \$1,500,000 .5% (1/2 of 1%)

Fees are negotiable at the time the Investment Advisory Agreement is signed.

The account custodian/clearing agent for the investment management accounts is an online web-based company that imposes a fee for executing transactions and other custodial services in each client account. These charges are not retail broker commissions, and no part of the transaction charge is paid to Investment Management & Insurance Advisors, Inc. The fees and charges imposed by the clearing agent are in exchange for facilitating the execution of trades and for the custody of the assets in the client's account. In addition to transaction charges, the custodian may also impose various fees for transferring securities and for other services. These transaction fees are subject to change without warning, and Investment Management & Insurance Advisors, Inc., has no control over the transaction fees imposed by the custodian/clearing agent.

The Schedule of Custodial Fees and Charges for the Investment Management Accounts are:

Quarterly service fee 25 basis points (1/4 of 1%)

Minimum quarterly brokerage fee per account \$75

While Investment Management & Insurance Advisors, Inc. has an established business relationship with the account custodian/clearing agent, the client is free to request that account assets be held, and that security transactions be cleared through, a custodian of the client's own choice. Based upon a market review of competitors, the fees charged by the custodian seem reasonable and competitively priced.

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

IM&I does not offer performance-based fees of side-by-side management.

## **Item 7 Types of Clients**

Investment Management & Insurance Advisors, Inc., offers services to high net worth individuals, families, and owners of businesses. In addition, IM&I offers investment advice to companies that are raising capital. IM&I offers portfolio management for individual retirement accounts and pension plan accounts.

## **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

The owner of IM&I, Thomas Vass, obtained a patent in June of 2007, on the methodology used to manage client accounts. (US 7,251,627 B 1 Method of identifying a universe of stocks for inclusion into an investment portfolio).

The concept of management is based on an econometric model called an input-output model to help understand the relationships between companies in certain types of technology industrial sectors.

The IM&I method suggests that there are a specific set of basic industrial sectors, primarily in manufacturing, that appear to be more sensitive to changes in final demand than other sectors. The companies in these manufacturing industrial sectors have high interindustry linkages, and tend to have higher multiplier effects when any one sector among them is stimulated by a change in final demand. Generally, the sectors of interest to Investment Management & Insurance Advisors, Inc. are identified by the standard industrial classification codes from SIC 25 through 38, with SIC 48, 72, and 73 also being important.

The Investment Management & Insurance Advisors, Inc. stock selection methodology is based upon the identification the stocks of companies that are in a time period where they are benefiting from changes in final demand, and to establish the portfolio management parameters of when to buy the stocks at their low periods and when to sell them at their higher period of success.

All investments bear risk of loss of principal and there are no guarantees of success related to any investment.

## **Item 9 Disciplinary Information**

Investment Management & Insurance Advisors, Inc. has no disciplinary proceedings now or pending.

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

The clearing agent custodian, FolioFn, for investment advisory accounts is an NASD broker-dealer and charges fees and commissions to execute transactions in the client's account. FolioFn CRD is 48015.

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

Both the personal family accounts of Thomas Vass, owner of Investment Management & Insurance Advisors, Inc., and the business investment accounts of Investment Management & Insurance Advisors, Inc., contain securities selected using the investment methodology outlined in question 4 (Portfolio Methodology). From time to time, the securities selected in the personal and business accounts are the same as those selected for client accounts. As a general policy, when Investment Management & Insurance Advisors, Inc., is buying or selling securities for investment management accounts, the total of all securities to be executed are aggregated into a block trade, and executed at one time, with the shares being allocated to specific accounts, after the trade. In the event that client accounts are held at a different custodian than the personal and business accounts, the executions in the client accounts are done before the executions in the personal and business accounts to avoid the situation of "front-running."

## **Code of Ethics- Revised December 22, 2007**

I. Introduction: Investment Management & Insurance Advisors, Inc., acts as an advisor in a fiduciary capacity to clients, which means that in all dealings with every client, their best financial interests are the polar star for guiding the behavior of IM&I. In all dealings with clients, IM&I will offer open, honest, trustworthy advice by placing the client's interests first.

### **II. Investment Management & Insurance Advisors, Inc., Code of Business Conduct**

A. Investment Management & Insurance Advisors, Inc., complies with all Federal and State Securities laws, and all employees are required to read, at least annually, the full text of The Investment Advisors Act of 1940.

B. New employees of IM&I are given the text copy of the 1940 Act and are required to keep the copy in their desk or file for easy reference.

C. All dealings with clients are confidential, and all employees are instructed to maintain strict client confidentiality in all dealings.

D. There can be no conflict of interest between the client's interest and the interests of IM&I. If ven the appearance of a conflict arises, IM&I is bound to disclose the conflict to the client and to obtain the client's written acknowledgement that a potential conflict may exist.

E. IM&I operates under the principle of full and fair disclosure both in its written contracts and in the presentation of its business operations in the ADV Part II which serves as the disclosure document for the company.

F. IM&I will promptly report to all regulatory agencies any advisory or compliance breaches.

### **III. Insider Information and Non Public Information.**

A. Investment Management & Insurance Advisors, Inc., has abided by its written policy of avoiding the use of insider and non public information since its adoption in 1997.

B. The company will continue to avoid using material non-public or insider information.

. The company will restrict access to any information that may be construed as insider information to only the President, Thomas E. Vass.

### **IV. Personal and Business Security Transactions**

A. Since 1997, Investment Management & Insurance Advisors, Inc., has abided by a policy of using block trades for all investment transactions, and including the company's own securities or the personal and family securities in the block trade, alongside the client's own securities. This practice is fully disclosed in the ADV Part II.

B. IM&I deploys the block trading procedure to avoid the situation of "front running" where personal or business securities could possibly achieve a more favorable price than client securities.

C. IM&I does not engage in short term trading. Short term trading as a practice violates the IM&I portfolio management methodology and principles of investment management.

D. IM&I maintains all records of personal and business investments for a period of at least 5 years.

## **Item 12 Brokerage Practices**

Investment Management & Insurance Advisors, Inc., has an established business relationship with FolioFn, that acts as the clearing agent custodian for client accounts. FolioFn charges a quarterly fee to handle the client assets. Based upon a competitive review of other brokerage services, the fees and service provided by FolioFn appears competitive. Clients are free to request that their account assets be held at a broker of their choice.

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

All clients sign an Investment Advisory Agreement which contains the Investment Policy Statement (IPS) attached as Amendment A. The IPS is created by the client to describe the client's investment goals, risk tolerances and performance targets. The client uses the data in the IPS to evaluate and review the account on an on-going basis whenever the client is logged into the 3rd party account custodian website. The website contains account management software that allows the client to run calculations on the performance of the account and comparisons with benchmark indexes or other portfolio managers.

In addition to the data contained on the website, clients receive from IM&I each quarter a detailed statement describing the account investment results and can compare performance against goals. Clients are advised each year to describe any changes to their financial circumstances or changes in their goals that would warrant a change in the goals of the IPS.

In addition to the client's own evaluation of the account's performance, Thomas Vass, the investment advisor for each account continually evaluates the performance and the asset allocation of the account on a daily basis. Each month, the client receives an electronic statement from the account custodian/clearing agent, which describes the assets held, the transactions which occurred in the account during the month, any withdraws or additions of capital in the account, and the receipt of any dividends or interest income. In addition to the monthly statement, the client receives from the custodian/clearing agent, a transaction confirmation for each transaction in the account. The client has full-time access to account performance at the account custodian's website.

Each quarter, the client receives from IM&I, Inc. a detailed invoice describing the management fees that are deducted from the assets, and a detailed investment performance statement.

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

Investment Management & Insurance Advisors, Inc., does not have a referral relationship for obtaining new investment management accounts. For private placements related to either asset based lending or merger and acquisition, IM&I may be paid a referral fee if it refers a client to an outside firm that results in a successful transaction. The referral fee paid to IM&I varies based on the type of business being referred but generally is about 10% of the fee paid to the outside firm for their work in completing the transaction.

### **Item 15 Custody**

Investment Management & Insurance Advisors, Inc., maintains a business relationship with FolioFn, a custodian/clearing agent to hold the client's account.

Investment Management & Insurance Advisors, Inc., selection of a broker is based upon Investment Management & Insurance Advisors, Inc.'s judgment of the broker's honesty, trustworthiness, and competency to handle the business. Investment Management & Insurance Advisors, Inc., does not receive compensation from the clearing agent, nor any type of research or equipment.

The clearing custodial agent charges the client a service fee for account services, which is paid directly to the agent.

Based upon Investment Management & Insurance Advisors, Inc.'s research and evaluation of custodian/clearing agents, it appears that the transaction charges and any other fees imposed by the agent are reasonable for the level of services provided and are competitive with the market.

The client is always free to request that the assets in the account be held at a broker/dealer of the client's own choosing.

## **Item 16 Investment Discretion**

Investment Management & Insurance Advisors, Inc., obtains from the client authorization as attorney-in-fact to make trades in the client's account with the same force and effect as the client. For investment management accounts, clients sign an Investment Management Agreement that retains Investment Management & Insurance Advisors, Inc., as the investment manager for the account.

As a part of the Agreement, the client authorizes and appoints Investment Management & Insurance Advisors, Inc., to be the attorney in fact to buy, sell, trade stocks, bonds, mutual funds and other securities, in order to pursue the investment goals of the client.

In addition to the Investment Management Agreement, the client, as a part of the new account registration process with the custodian/clearing agent, signs a letter of authorization appointing Investment Management & Insurance Advisors, Inc., as the attorney in fact, and authorizing the custodian/clearing agent to accept instructions from Investment Management & Insurance Advisors, Inc., on behalf of the client in the same manner as the client may do for himself.

## **Item 17 Voting Client Securities**

Investment Management & Insurance Advisors, Inc., obtains information from FolioFn on upcoming or pending issues that may require a vote. The client also obtains this information. Investment Management & Insurance Advisors, Inc., will consult with the client on issues that may affect the value of the securities held in the client account and obtains instructions from the client on how to vote.

## **Item 18 Financial Information**

Investment Management & Insurance Advisors, Inc. does not solicit or accept pre-payments from clients. Accounts are billed and fees are due on an end of quarter basis.

## **Item 19 Requirements for State-Registered Advisers**

The principal address is 6001 Waters Way Dr. Raleigh NC 27606

Thomas Vass is a licensed insurance agent, a licensed real estate broker, an author of books, a business consultant and a teacher of investment seminars. These activities take up about 50% of his work time.

## **Part 2B of Form ADV: Brochure Supplement For Thomas E. Vass**

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

Thomas E. Vass is the President, and owner of Investment Management & Insurance Advisors, Inc. His date of birth is 11/30/51. He graduated in 1973 with a BA in Political Science from the University of North Carolina at Chapel Hill, and received his Masters in Regional Planning (Economic Development and Labor Markets) from UNC-CH in 1975. In 1988, he established Business & Family Financial Strategies, Inc., a predecessor investment advisory company to Investment Management & Insurance Advisors, Inc. He sold the assets of BFFS in 2000, and created the Corporate Investment Center Inc. In July of 2005, he added life insurance and health insurance to his services and renamed the company Investment Management & Insurance Advisors, Inc. (IM&I).

### **Item 3 Disciplinary Information**

No current or pending disciplinary actions.

### **Item 4 Other Business Activities**

Thomas E. Vass, the owner of Investment Management & Insurance Advisors, Inc., is a licensed life, health, long term care, and property casualty insurance agent in the state of North Carolina. As an agent, Vass receives commissions on the sale of insurance products. Generally, the commissions range from 50% of the first year's premium to smaller amounts, depending on the product. Usually, the agent will also receive annual trailing commissions when the owner of the insurance product pays periodic premiums.

Thomas E. Vass, the owner of IM&I is a licensed real estate broker in the State of North Carolina. He receives commissions on the sale of real estate which he has sold. He is the owner of a real estate corporation registered in the State of North Carolina called O-Honey! Realty, Inc.

Thomas E. Vass, the owner of Investment Management & Insurance Advisors, Inc., teaches seminars related to business financial issues, private capital markets and new venture creation.

Generally, the compensation for teaching depends on the number of class participants and the entrance fee to take the class.

Thomas Vass writes and sells books, and obtains sales revenues from book sales.

As a part of his work with private capital markets, Thomas Vass acts as an investment advisor to private companies that are raising capital. Vass provides advice on the value of the securities to be offered and management oversight to the company in the private offering process.

As a part of the private capital market services, Vass owns and manages an online due diligence web-based platform called The Private Capital Market. As a part of his private capital market services, he owns and manages an event registration website called The Capital Marketplace.

As a part of his insurance selling activities, Vass is a licensed agent of insurance companies.

### **Item 5 Additional Compensation**

Thomas Vass does not obtain additional compensation from entities related to his investment advisory practice and does not have "soft-dollar" arrangements with outside entities related to his investment advisory practice.

### **Item 6 Supervision**

Thomas Vass is the only employee/manager of Investment Management & Insurance Advisors, Inc.