FORM ADV PART 2 BROCHURE

Item One: Cover Page

Filed March 30, 2023, with the Securities and Exchange Commission XXEC, Inc.
Dba: the Fredric E. Russell Investment Management Co.
2200 South Utica Place, Suite 430
Tulsa, Oklahoma 74114

Telephone: 918.743.5959
Website: www.ferimc.com

Fredric E. Russell, Chief Executive Officer, Email: Fred@ferimc.com Cathy Karney, Chief Compliance Officer, Email: Cathy@ferimc.com

This brochure provides information about the qualifications and business practices of the Fredric E. Russell Investment Management Co. If there are any questions about the contents of this brochure, please contact us by phone at (918) 743-5959 or by email at fer@ferimc.com.

The information in this brochure is not approved or verified by the United States Securities and Exchange Commission (SEC) or any state securities investment authority. Additional Fredric E. Russell Investment Management Co. information is available on the SEC's website at www.adviserinfo.sec.gov.

FREDRIC E. RUSSELL
INVESTMENT MANAGEMENT CO.

Item Two: Material Changes

We last updated this brochure on March 30, 2023

1. *Decreased assets under management to $144 million.*

We will send a summary of any material changes to this brochure and subsequent brochures within 120 days of the end of the calendar and fiscal year, December 31.

DISCLOSURES: The firm may update this brochure. If this update creates a material change, the firm will offer to send the revised brochure to all clients electronically or by email. Our brochure is available online at the SEC's Investment Adviser Public Disclosure website: Go to: https://adviserinfo.sec.gov/, select the "Firm" tab, and enter CRD# 108886 or SEC# 801-30601. This will provide access to Form ADV Part 1 and Part 2a of the firm's brochure.

A copy of this brochure is also available by contacting the Chief Compliance Officer at (918) 743- 5959, or by email at fer@ferimc.com

Item Three: Table of Contents

FREDRIC E. RUSSELL
INVESTMENT MANAGEMENT CO.

Item Four: Advisory Business

The Fredric E. Russell Investment Management Co. is an investment management firm serving Aspen and Denver (Colorado) and Oklahoma (Tulsa and Oklahoma City). Our firm was founded in 1987.

The firm's founder and sole shareholder, Fredric E. Russell, was born in New York City on February 17, 1944. Mr.

Russell attended public school in New York City (Manhattan) through the eighth grade.

Mr. Russell, according to his version of events, met no serious academic challenges in the New York City public school system. He wanted more significant challenges. He applied for admission to Deerfield Academy in Deerfield, Mass, In 1957. He graduated from Deerfield in 1961 and then attended Swarthmore College (Swarthmore, Penn.) in Pennsylvania, graduating in 1965.

After earning an M.B.A. at Washington University in St. Louis, Mr. Russell recognized that he wanted to enhance his accounting knowledge, building on the introduction to the subject he had gained at Washington University. He was awarded teaching positions at Eastern Michigan University, Sam Houston State University, and Montana State University. He subsequently passed the Uniform Certified Public Accountant Examination in 1979. Mr. Russell then secured a position as a chief investment manager in the trust department of the Fourth National Bank of Tulsa. (The Fourth National Bank of Tulsa is now a subsidiary of Bank of America in Charlotte, North Carolina).

We manage all client accounts in a uniform investment strategy. **This is like the function of a mutual fund in that all clients own part or all of the Firm's portfolio, which consists of a maximum of thirty common stock positions. However, whether taxable or tax-deferred, all assets are legally the client's property or clients who have signed our investment contract.**

Any required minimum Distributions from Investment Retirement Accounts can be disbursed monthly, quarterly, or annually.

The Fredric E. Russell Investment Management Co. **does not** participate in wrap fee programs.

We manage $146,198,819.45 of client assets on a discretionary basis as of March 27, 2023. This is one hundred percent of our assets under management.

Item Five: Fees and Compensation

Our fee schedule is as follows:

We want to make a few things clear. We are not brokers. We are not wealth managers. We operate in a narrow, specialized part of the investment industry, with one style as described above in Item 4. Although the SEC considers us an investment advisory firm, we do little advising as the term is commonly understood., that is, engaging with clients on asset allocation or on which company to buy or sell. A client can choose a broker or custodian if he wants to manage some of his assets. If so, we will have no financial interest in these assets or responsibility for them. Investing in common stocks involves many significant risks. We will not confuse this risk issue by offering different companies to different clients with the erroneous implication that some companies have less risk than others and some have little risk. Investing in the stock market is often a tough business, and we want clients to understand and respect this reality from the outset. Our experience has told us we must have complete discretion over a client's portfolio. This means we have discretionary control over what to buy, when, and when to sell. If clients decide to hire us, we tell them that we will invest their money in the same securities as other clients own. Our specialty is investing in a small number of companies with a maximum of thirty positions. We believe this maximum affords diversification and lets us focus our research efficiently and energetically. This is not a novel concept based on common sense, which is a misleading term. Above all, we are specialists managing a diversified portfolio: this is all we do. We do not sell annuities, life insurance, or other financial products. We use companies such as Charles Schwab to execute and hold client securities.

Fredric E. Russell Investment Management Co. is compensated for its advisory services by charging 1.00 percent of the account's market value per annum, billed 0.25 percent at the end of every quarter. This is the only fee clients incur through the Firm, except for the nominal fees that a broker or a custodian may charge.

IN ITS SOLE DISCRETION, Fredric E. Russell Investment Management Co. reserves the right to negotiate, reduce or waive the advisory fee for certain client accounts for any period determined solely by our Chief Executive Officer.

When a client opens an account under our management, any custodian, the client must authorize us to debit the investment account each quarter for our management fee or mail us a check for the management fee every quarter. We can send a paper copy of this notice through regular mail or email if the client chooses this payment option.

Our clients incur no other advisory fees or expenses through our Firm. However, some commissions and fees occur when a trade is placed through a broker or custodian, i.e., Charles Schwab. We review these on a per-trade basis and deem them reasonable and competitive. Clients do not pay any fees in advance. We prorate management fees for client accounts if the account is not under our management for the entire quarter, for instance, when the client first opens the account, as this rarely occurs precisely on the first or last day of a quarter. In such cases, we calculate a prorated fee that is simply the fee for the entire quarter divided by the number of days in the quarter and multiplied by the number of days the account was under our management. A similar calculation is done if a client decides to leave the Firm. We take the total number of days in the current quarter that the client was under our management, divide that by 90 days, and multiply by the standard quarterly rate of 0.25 percent. The termination fee mentioned in our contract of $500 can be waived if both parties agree to the termination.

We do not accept compensation for selling securities or other investment products.

Fees are not charged in advance and are deducted from clients' accounts each quarter as follows: fee rate multiplied by the net market value of the client's account as of the close of trading on the New York Stock Exchange ("NYSE") (herein, "close of markets") on such day, or as of the close of markets on the immediately preceding trading day for any day when the NYSE is closed, and then divided by 365 (or 366 in any leap year).

Our fee is a percentage of the market value of the client account as of the close of business on the last day of the calendar quarter.

We do not charge hourly or flat-rate fees.

Item Six: Performance-Based Fees and Side-By-Side Management

We do not calculate fees based on the performance of an account, as explained above in Item 7.

Item Seven: Types of Clients

Our clients consist primarily of high-net-worth individuals. We require $250,000 to open an account. We manage individual accounts, joint accounts, individual retirement accounts (IRAs), trust accounts, L.L.C. accounts, and self-directed 401(k) accounts.

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

We, as a team, do our research by digging deep and using our own quantitative and qualitative analysis processes. Then we find a company of interest, read the company's Securities and Exchange Commission 10k filings and press releases, and study the company's balance sheets and financial ratios.

If the company passes this first inspection, the Firm discusses the company in-depth and prepares questions for a call to the company's top executives.

Our phone calls with top management usually last about an hour as one probing question prompts another.

Fredric E. Russell will occasionally visit the company's headquarters and meet with executives to view the company in action.

We are long-term investors and invest only in companies we believe are strong enough to perform well for years. Of course, the strength of a company that has its competitive advantage may decline or increase. We frequently review the companies in our portfolio and will sell those we no longer believe will provide a good return for our clients.

We invest only in United States common stocks, publicly traded companies whose global headquarters are in the United States, and US Treasury Notes. Of course, many of the companies in our portfolio have significant international operations. They are exposed to global risks, including but not limited to currency exchange rates and the political stability of countries where these companies have functions.

We hold no more than thirty companies in our portfolio at any time.

The client(s) understands and acknowledges that investors in any security class face many risks. In the paragraphs below, we mention a few, but certainly not all, risks.

Common stocks have historically experienced greater risk when measured by price volatility, the standard deviation of annual returns, or other measures than high-grade fixed-income securities. At the same time, common stocks have shown greater price appreciation than fixed-income instruments.

For example, common shares of U.S.-based companies from 1925 through 2022, whether small capitalization or significant capitalization issues, have experienced greater annual price volatility and greater yearly price appreciation than U.S. government debt issues.

Nevertheless, there is no guarantee that common stocks purchased for the Portfolio (individually or as a group) will enjoy total annual returns exceeding, or even matching, for that matter, the total yearly returns produced by high-grade fixed-income securities (such as U.S. government debt issues). Nor is there any guarantee that U.S. government fixed-income securities or any fixed-income security purchased for the portfolio during any given period will experience less volatility than common stocks, including those that may be purchased for the portfolio.

Furthermore, there is no guarantee that the historical pattern of any asset class concerning risk, whether measured by price volatility or any other measure of risk, or return, will be maintained, or repeated.

Also, stock prices may decline sharply and not recover for lengthy periods. In 1929, for example, large-capitalization stocks (defined by Ibbotson Associates as equities that comprise the Standard & Poor 500 or are similar in size to the market capitalization of companies that include the Standard & Poor 500) fell 8.5%. In 1930, these equities declined a further 24.9%. In 1931, they again fell by a staggering 43.34%! If an investor had taken positions in large-capitalization stocks in 1929, they would not have recovered their capital or broken even until 1937. They would have suffered tremendous volatility and distress for eight years (1929-1937), producing zero returns.

In March 2000, the Standard & Poor 500 reached an all-time high of 1552.87. By October 2002, it had fallen to 768.63, a decline of over 50%! If an investor had taken positions in the Standard & Poor 500 stocks in March 2000, they would have recovered their capital and broken even in July 2007.

Both periods described above were uncomfortable for the equity investor, but such experiences may recur.

The Firm's historical investment return and volatility experience for any asset class is not guaranteed. Returns may be lower, and volatility may be greater than the Firm's historical experience.

The Firm cannot eliminate common stocks' unique (specific asset) or systemic (market) risk. The Firm will attempt to diversify these risks, but there is no guarantee that the Firm will do so. Likewise, the Firm may eliminate fixed-income securities' interest rates and credit risk.

Also, the portfolio is always subject to realized and unrealized losses in any asset class. The client(s) understands this and agrees to hold the Firm harmless for such losses that may occur.

Mr. Russell currently has sole discretion over investing. He shares his ideas and processes with the Firm to increase his knowledge of his investment process but independently decides how much and what companies to invest in.

Clients must be aware of the risks enumerated in the previous paragraphs, be financially ready to incur these risks and be willing to do so. The client is responsible for keeping the Firm informed of any changes in their risk profile, such as changes in net worth, current income needs, health, or any other.

Circumstances, such as retirement or layoff, would affect investment suitability and the portfolio's asset allocation. The Firm will have no liability in the portfolio management under this agreement in case of any change in the above circumstances unless the client brings them to our attention.

Furthermore, we have no duty to make these inquiries concerning these circumstances.

The client also understands that the formulation of the Firm's equity strategy is a subjective exercise. No universal or objective agreement exists on weighing the competitive advantages discussed in a company's marketing literature, including its brochure. For example, some analysts may consider market share more important than return on equity in deciding whether a company has critical competitive advantages.

Likewise, the very definition of competitive advantage is subjective: for example, the Firm weighs some characteristics more heavily than others in assessing whether a company has a de facto franchise. This weighting may not be enjoyed by universal agreement. Also, competitive advantages are not guaranteed to be perpetual or last for a specified time.

Furthermore, the Firm may purchase some issues without pronounced competitive advantages, companies that are, nevertheless, sound investments in the Firm's opinion.

The equity universe is large, inevitably containing companies with more significant risks than others. Some issues, such as purchasing for the portfolio, may not pay dividends and may have limited liquidity due to outstanding shares and average daily trading volume. Likewise, some companies may have market share, balance sheets, or cash flows superior to others. Likewise, some securities may have significant long-term or short-term debt, limited operating history, concentration on one product, inexperienced management, or other characteristics that may make such investments riskier than other common stocks.

The client(s) will not hold the Firm liable for any losses in the portfolio to the extent that any investments were made in good faith and, when applicable, were not contrary to the fiduciary standards of ERISA (Employee Retirement Income Security Act of 1974.) The client should ensure a financial profile suitable for investments in all issues described in Section 1.

Item Nine: Disciplinary Information

The Fredric E. Russell Investment Management Co. has never been cited for legal or disciplinary events.

Item Ten: Other Financial Industry Activities and Affiliations

The Fredric E. Russell Investment Management Co. has no other financial industry activities or affiliations.

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

The Fredric E. Russell Investment Management Co. maintains a Code of Ethics that covers ethical behavior regarding insider information, personal securities trading, privacy, internal controls, and written compliance procedures, among other things.

Each Fredric E. Russell Investment Management Co. employee receives a copy of the Code of Ethics upon employment. The Code of Ethics is reviewed and revised, as necessary, each year, and documents of the Revised Code are provided to all employees.

The Firm will provide a copy of its Code of Ethics to any client or prospective client upon request.

Employees at the Fredric E. Russell Investment Management Co. do not, and the Firm does not recommend to clients or buy or sell for client accounts securities in which we have a material financial interest.

The code of ethics forbids any company employee involved in trading decisions from initiating short positions[1] in fixed income or common stock of securities when any client has a long position[2] in either type of security or vice versa.

Suppose the Firm is buying securities, and the employee wishes to have a position in that security. In that case, the price allocated to the employee must be higher than or equal to the average price clients pay on purchasing a given security. Likewise, suppose the Firm is selling securities, and the employee wishes to sell part or all of their position. In that case, the price allocated to the employee must be no greater than the average price received by the clients on the date of sale.

Employees involved in investment decisions cannot participate in private placements or initial public offerings.

Item Twelve: Brokerage Practices

The Fredric E. Russell Investment Management Co. uses Charles Schwab & Co., Inc. as the broker-dealer for all trades for the client account. We may use additional brokers and custodians in the future.

Trading Desk in Phoenix, Arizona, or the Schwab Institutional Web Trading Applet. We periodically review Schwab's asset management and advisory services with their closest competitors; Schwab has been consistently competitive in the cost to ensure that our clients get the best price for this service.

The Fredric E. Russell Investment Management Co. receives no soft dollar benefits.

The Fredric E. Russell Investment Management Co. receives no client referrals from a broker-dealer or a third party.

The Fredric E. Russell Investment Management Co. requires that clients use Charles Schwab & Co., Inc. as the custodian and broker for client accounts. Not all advisers need their clients to use a specific custodian and broker. The Firm and Charles Schwab & Co, Inc. are not affiliated and have no economic relationship that creates a material conflict of interest—in other words, Schwab does not pay us to make you use them. We get excellent service for a reasonable price, and using one custodian and broker-dealer for all client accounts allows us to manage your money. Our Schwab trading team knows the Firm and our investment strategies and trading style, which helps minimize costly trading errors. Schwab interfaces well with our Advent portfolio management software. We know the reports we run using this software are accurate and can be used for investment activity.

[1] You initiate a "short position" when you borrow securities to sell with the expectation that the deposit will fall in value.
[2] You have a "long position" when you have bought security with the expectation that it will rise in value.

Fredric E. Russell Investment Management Co.

Our Schwab support team speedily manages our requests and concerns. The client also has access to their account online at www.schwab.com and can contact Schwab Alliance with any questions or concerns.

We aggregate the purchase and sale of securities for all client accounts. This allows all clients to receive the average price paid for or obtained from the day's trading in the security, rather than some clients receiving a higher or lower price than others.

Fredric E. Russell and the Firm's Portfolio Manager continuously monitor our client's portfolios.

Partial fills happen with limits on the number of shares allocated to all accounts. Sometimes when a stock is ordered, its volume throughout that day is so low (and the order so high) that partial fills run to the end of the day.

The number of common securities traded across clients will vary greatly on any given day. When possible, Fredric E. Russell Investment Management Co. utilizes software programs to enhance its trading efficiency, including aggregating or blocking trades in securities across clients. Upon execution, the pricing of such secured trades is averaged and proportionately allocated among the corresponding client accounts. Given the average trade size and depth of the market for such securities, the Firm's execution of aggregated trades is not expected to have a material impact on pricing. The Allocation Statement will be allocated among clients if the aggregated order is filled. If the order is partially filled, it will be allocated to clients alphabetically from A-Z. If we purchase or sell more on a subsequent day, we will give Z-A to ensure allocation fairness.

Item Thirteen: Review of Accounts

We may review all client positions in one particular security for several reasons, such as when a company reports earnings and may decide to check certain client accounts that are over-or underweighted in the security or have a significant gain or loss on the security.

Fredric E. Russell and the Portfolio Manager solely review client portfolios. Daily Cash and Unrealized Gains and Losses Reports are checked daily, summarizing account performance, balances, and holdings. Clients can access their accounts through Schwab Alliance and receive monthly statements from Schwab.

Fredric E. Russell, the CEO, conducts reviews. Fred Russell makes all final investment decisions for the client.

Item Fourteen: Client Referrals and Other Compensation

Only clients provide an economic benefit to the Fredric E. Russell Investment Management Co through quarterly management fees.

Item Fifteen: Custody

The Fredric E. Russell Investment Management Co. does not have custody of any client funds or securities. Charles Schwab & Co., Inc. holds all client funds and securities except accounts assigned with two legacy clients.

Both legacy accounts are held at the Bank of Oklahoma.

The custodians send monthly statements to the clients via electronic or paper mail, depending on the client's indicated preference. Clients should carefully review these statements.

Item Sixteen: Investment Discretion

When a client opens or transfers an account to the management of the Fredric E. Russell Investment Management Co., they sign a form provided by Charles Schwab & Co., Inc., the custodian of the account, which grants the Fredric E. Russell Investment Management Co. limited power of attorney over the account. This means that the Firm has the right to trade in equities and fixed-income securities, with no restriction to be placed on the investment decisions of the firm for its clients, as summarized below:

> The client authorizes the Firm, at the Firm's discretion and without requiring notice to the client, to invest in (a) U.S. common stocks and, from time to time, (b) U.S. government obligations without any percentage limitation for the preceding two categories.
>
> To invest in the portfolio, the Firm may use any cash held. This cash may arise from dividends, interest, cash deposits, and the sale of securities held in the portfolio. The Firm may purchase and maintain any security above with percentage limitation. At Fredric E. Russell Investment Management Co., we do not allocate any position that exceeds 8% of the client's total account value. The client authorizes the Firm to place buy and sell orders or investment instructions as it sees fit for the portfolio and gives investment and settlement instructions.
>
> The Firm will use Charles Schwab & Co., Inc., and other firms as brokers and custodians for the account. By using Charles Schwab & Co., Inc. to effect brokerage services for the client, the Firm can negotiate block or professional investment or trading privileges for its clients and link its Advent software system that generates performance reports for the portfolio.

Item Seventeen: Proxy Voting Client Securities

Except for assets owned directly by Fredric E. Russell Investment Management Co. or Fredric E. Russell personally, the Firm does not vote the proxies for clients. Clients will receive their proxies or other solicitations directly from their custodians. Clients may call the Firm with questions about a particular solicitation, but the Firm cannot guarantee it will advise on any specific solicitation.

Item Eighteen: Financial Information

The Fredric E. Russell Investment Management Co. does not require or solicit prepayment of any client fees. The Fredric E. Russell Investment Management Co. has discretionary authority over client funds and securities. The Fredric E. Russell Investment Management Co. needs to be made aware of any financial condition likely to impair its ability to meet client contractual commitments. The Fredric E. Russell Investment Management Co. has never been subject to a bankruptcy petition in the Firm's history. Nor to any lawsuit.

Item Nineteen: Privacy Policy and Notice

We have adopted policies and procedures at the Fredric E. Russell Investment Management Co. (FERIMC) to protect all clients' non-public personal information. We strive to maintain our client's trust and confidence in our Firm, an essential aspect of our commitment to protecting your personal information. We believe our clients and prospective clients value their privacy, so we have established this Privacy Policy and Notice to help.

Ensure that information about our clients and prospective clients will be handled appropriately. We will not disclose your personal information to anyone outside of FERIMC unless it is a fully vetted third-party service that assists us. We do not allow client information to leave our office, and all files are locked and always secured or shredded if applicable.

THIS NOTICE IS RELEVANT because you are a current client or contacted about our services. This notice describes our practices and policies concerning handling information about you.

THE PERSONAL INFORMATION THAT WE COLLECT MAINTAIN, AND DISCLOSE: The types and categories of information we collect and maintain include personally identifiable financial information about you that we obtain in connection with providing financial services to you, including:

- Information we receive from you to open an account (such as your home address, telephone number, and financial information).
- Information that we generate to service your account (such as trade tickets and account statements).
- Information about your transactions with us; and
- Information that we may receive information from third parties regarding you or your account (such as trade confirmations from Schwab or information from consumer reporting agencies).

CATEGORIES OF NON-PUBLIC PERSONAL INFORMATION DISCLOSED: FERIMC regards non-public personal information to include data such as your name, address, telephone/fax numbers, e-mail addresses, Social Security number, assets, income, investment objectives, risk tolerance, account numbers, account balances, transaction history, beneficiary information, bank account information, credit card information as well as any health and medical information.

UNAFFILIATED THIRD PARTIES TO WHOM NON-PUBLIC PERSONAL INFORMATION MAY HAVE ACCESS TO: Assist us in servicing your account; some non-affiliated third-party providers may have access to your non-public personal information. These parties may include financial service providers (such as companies that perform services on our behalf, including compliance regulators and portfolio management software assistance), nonfinancial companies (such as our technology consultants who assist us in maintaining our computer systems), and other non-affiliated third parties to whom disclosure of non-public personal information is permitted by law (such as the Internal Revenue Service for tax purposes). As we only share your nonpublic personal information as permitted by current federal and state statutes and laws, we will not share your nonpublic personal information with non-affiliates.

CATEGORIES OF INFORMATION ABOUT FORMER CLIENTS DISCLOSED TO NON-AFFILIATES: If you choose to close your account(s) or become an inactive client, we will adhere to this Privacy Policy concerning your non-public personal information. Nonpublic personal information about former clients will not be treated differently from our current clients' information.

HOW WE PROTECT OUR CLIENTS' PERSONAL INFORMATION: FERIMC will make every effort to ensure that client and company-related information remains confidential. Staff is expected to refrain from discussing client relationships outside of the office. Physical client files will be organized, secure, and locked safely. Employees are expected to keep client-specific information from the plain sight of office visitors. Except where required by law or whenever deemed necessary to transact business on behalf of the client, FERIMC and its employees are not to disclose any detailed "personally identifiable information" to any individual, group, or reporting agency without the consent of the client. FERIMC operates a cloud-based work environment. If you have any questions regarding our privacy policy, please call or email the Firm's Chief Compliance Officer via telephone at (918) 743-5959.