

**Part 2A of Form ADV: Firm Brochure**

Item 1 Cover Page

**DISCLOSURE STATEMENT - PART 2A Form ADV - BROCHURE**

as of

**March 21, 2025**

for

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CAIRN INVESTOR SERVICES  
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**This brochure provides information about the qualifications and business practices of Cairn Investor Services. If you have any questions about the contents of this brochure, please contact us at 858-454-3558 or [Jim@cairninvestor.com](mailto:Jim@cairninvestor.com). The information in this brochure has not been approved or verified by any state securities authority. None of these entities has passed upon or approved the qualifications or business practices of the company, its employees, or associated persons, and registration does not imply a certain level of skill or training.**

**Additional information about Cairn Investor Services is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

Item 2 Material Changes

Office located at 7775 Fay Ave. Lolla, CA 92037 will be close as of June 1<sup>st</sup> 2025. Cairn Investor Services is no longer taking appointments this location and is waiting for the lease to transfer.

Item 4 section B. Cairn Investor Services now offers a financial planning and advisory service subscription

Item 4 section E. Assets under management have been updated.

Item 5 section A. Fees have been updated to reflect our subscription service. Fee schedule for Carin's Customized Investment Management Service has been changed, and lowered by 10%. Interactive Brokers will be calculating fees and billing the accounts.

**Item 3: Table of Contents**

<b>Item 1: Cover Page.....</b>	<b>1</b>
<b>Item 2: Material Changes.....</b>	<b>2</b>
<b>Item 3: Table of Contents.....</b>	<b>3</b>
<b>Item 4: Advisory Business.....</b>	<b>4</b>
<b>Item 5: Fees and Compensation.....</b>	<b>7</b>
<b>Item 6: Performance-Based fees and Side-by-Side Management.....</b>	<b>9</b>
<b>Item 7: Types of clients.....</b>	<b>10</b>
<b>Item 8: Methods of Analysis, Strategies and Risk of Loss.....</b>	<b>11</b>
<b>Item 9: Disciplinary Information.....</b>	<b>13</b>
<b>Item 10: Other Financial Industry Activities and Affiliations.....</b>	<b>14</b>
<b>Item 11: Code of Ethics, Participation of Interest in Client Transactions and Personal Trading.....</b>	<b>16</b>
<b>Item 12: Brokerage Practices.....</b>	<b>20</b>
<b>Item 13: Review of Accounts.....</b>	<b>21</b>
<b>Item 14: Client Referrals and Other Compensation.....</b>	<b>22</b>
<b>Item 15: Custody.....</b>	<b>23</b>
<b>Item 16: Investment Discretion.....</b>	<b>24</b>
<b>Item 17: Voting Client Securities.....</b>	<b>25</b>
<b>Item 18: Financial Information.....</b>	<b>26</b>
<b>Item 19: Requirements for State-Registered Advisers.....</b>	<b>27</b>

**A. ABOUT CAIRN INVESTOR SERVICES**

**CAIRN INVESTOR SERVICES** is a Registered Investment Advisor with the State of South Carolina, and is sole proprietorship owned by **James W. Vassas Jr.** It should be noted that registration does not imply a certain level of skill or training. In March of 2016 upon completion of registration, James W. Vassas Jr. began offering the advisory services outlined below.

**B. ADVISORY SERVICES OFFERED**

**FEE BASED FINANCIAL PLANNING**

This service includes a thorough analysis of your financial and life objectives, present financial position, investment, estate and risk management planning activities, income tax situation, and financial strengths and weaknesses and is a complete and comprehensive plan tailored to your specific needs.

We also outline some general approaches to bring financial activities more in line with your objectives. Our fees are based on a rate of \$200 per hour and are quoted in advance of entering into the Financial Planning Contract. This contract terminates upon delivery and acceptance of the financial plan.

There are no minimum account sizes for financial planning services. Financial planning services are advisory in nature and no discretionary powers are given to Cairn Investor Services or any individuals associated with the company.

**GENERAL FINANCIAL ADVISORY SERVICES**

We offer financial advisory services to clients under a Financial Advisory Contract which specifies the services to be provided by the adviser at an hourly rate. This service may include a thorough analysis of your financial and life objectives, present financial position, investment, estate and risk management planning activities, income tax situation, and financial strengths and weaknesses. This is not a comprehensive plan, but is goal specific.

**SUBSCRIPTION BASED ADVISORY AND PLANNING SERVICES**

This service combines aspects of both our advisory and planning service. It is not an investment management service and should client want to engage in investment management services they can do so through our Customized Investment Management Service or through our General Financial Advisory Services.

Cairn calls this service UPLAN4U. In its design this service is completely customizable by the client and ties in other professional services, access to software, and gives the client access

to an advisor. Although there is no specific criteria for an individual to subscribe to this service, it is recommended that one of the following criteria is met: 1) individual is young and new to planning 2) client has a continually changing and ongoing financial need where a more traditional relationship could incur higher and more fees over time 3) are already working with an advisor/ money manager and is looking for additional oversight or other opinions to help meet their financial needs.

It is possible this service will implement non-investment related services through the use of other professional. These are services such as estate planning, tax planning, insurance, cyber security, and access to other various types of software. Some services may require a separate agreement with Cairn providing access to those services. In any such matters, Cairn, is not an accountant, nor an attorney and advise should not be construed as tax or legal advice.as Karen does not prepare state planning documents.

There are no minimum account sizes for this service however there are initial onboarding fees based on the client's customization of the service. The Client retains discretion of all implementations provided through this service and therefore can accept or reject any recommendation at any time.

Due to the specific needs of each client and the extent to which this service can be customizable, more information on this service can be found on our website Cairninvestor.com, under servies, UPLAN4U. The Client and Cairn will be required sign an agreement with Carin setting terms and conditions on the engagement and describing the scope of services that will be provided.

## **CUSTOMIZED INVESTMENT MANAGEMENT SERVICE**

We provide discretionary investment management services to our clients. We use "no-load" (no commission) mutual funds of various types in managing our client's funds **as well as individual stocks, bonds and other financial instruments.**

Account reviews are performed by an officer of the company and are provided quarterly. They include a summary of all action taken and results achieved. Client accounts are typically domiciled at retail or discount stock brokerage firms and we perform our services under a limited power of attorney which allows us to make trades in clients' accounts. **Due to the fact that we often utilize mutual funds in this program, there are fund management fees, 12(b)1 expenses and possibly other charges which are in addition to our management fees. We typically utilize the services of Interactive Brokers LLC. or TradeStation Securities, Inc. for this program. If a different brokerage firm is chosen by the client, it is possible that commissions charged by this firm will be higher or lower than those charged by Interactive Brokers LLC. or TradeStation Securities, Inc.**

We do not take possession of client funds or ownership certificates under any of our management programs. All accounts are registered in the name of the client.

**C. CLIENTS' NEEDS AND PREFERENCES**

Most of our clients are over 40 years of age and have or are in the accumulation and distribution phases of their planning. Our clients include individuals, corporations, partnerships, estate trustees, and trustees of employee benefit plans. Vassas Jr., James W takes into consideration the objectives, needs and individual requirements of each client when suggesting an investment service to reach their desired short term or long term goals.

**D. WRAP FEE PROGRAMS**

Cairn Investor Services does not offer Wrap Fee programs to any client.

**E. CLIENT ASSETS UNDER MANAGEMENT**

As of December 31, 2023, the amount of assets under management on a discretionary basis was \$1,843,709 and on a non-discretionary basis was \$00.00.

## **A. COMPENSATION AND FEE SCHEDULES**

As described in Item 4 Section B of this brochure, Cairn Investor Services offers Fee Based Financial Planning at a rate of \$200 per hour utilizing the Financial Planning Contract. The rate is quoted in advance and charged in arrears.

Our General Financial Services are offered under a Financial Advisory Contract and the fee is based on a rate of \$200 per hour which is quoted in advance and charged in arrears.

Our Subscription Service (UPLAN4U) has an initial subscription fee that can range from \$150 to \$1100 dollars based on the customization of the plan. In addition to this initial fee, monthly subscription fees can range from \$37 to \$117 dollars per month. The service is only available monthly. Charges are reflected on our UPLAN4U Contract.

Fees for Customized Investment Management Service are charged quarterly according to the chart below and billed in arrears. All accounts use the chart below. For Interactive Brokers Accounts: The value is entered as an annualized percentage, applied on a daily basis using 252 business days. Interactive Brokers uses the following formula to calculate fees: blended fee rate\*daily ending account value/252\*business days in the quarter account was opened. It is still billed quarterly based on the amount of business days of that quarter and therefore prorates for deposits and withdrawals. For Non-Interactive Brokers Accounts: The value used to determine account value is the close of business on the last trading day of the quarter and the fee is prorated for deposits and withdrawals throughout the quarter.

<u>Account Value</u>	<u>Quarterly Fee as % of Account</u>
First \$ 100,000 of account value	1.80% per year
Next \$ 150,000	1.57% per year
Next \$ 250,000	1.35% per year
Next \$ 500,000	0.90% per year
Over \$1,000,000	0.45% per year

Fees for personal family members of Cairn who have a Customized Investment Management Service agreement are charged quarterly at a fixed rate of 1% regardless of account value.

The fees set forth in the above paragraphs are non-negotiable.

## **B. CLIENT BILLING**

Financial Planning clients are billed upon delivery of their financial plan. General Financial Advisory Services are billed upon delivery of the financial review. The frequency of these reviews is at the client's discretion. Management programs are billed on a quarterly basis in arrears. Management fees can be deducted directly from a client's account pursuant to a written agreement. For Interactive Brokers accounts the fee is automatically billed to the client's account. Interactive Brokers will calculate and hold the amount of the fee during the

billing period for the advisor. This allows advisors to collect fees owed from an account that may terminate the advisory relationship during a billing period.

**C. OTHER FEES, EXPENSES, TRANSACTION COSTS**

Due to the fact that we often utilize mutual funds in our management programs, there are fund management fees, 12(b)1 expenses and possibly other charges which are in addition to our management fees. We typically utilize the services of Interactive Brokers for these programs. If a different brokerage firm is chosen by the client, it is possible that commissions charged by this firm will be higher or lower than those charged by Interactive Brokers LLC. For more information on our Brokerage selection and recommendations, please refer to Item 12 of this brochure regarding Brokerage Practices.

**D. PAYMENT OF FEES**

Cairn Investor Services does not charge in advance for any services rendered. All billing is in arrears. Quarterly statements show amount of fee, value of your assets upon which fee is based and fee schedule from which calculations are determined. It's the client's responsibility to verify the accuracy of the fee calculation, as the custodian will not do so. Lower fees for comparable services may be available from other sources.

**E. SALES OF SECURITIES OR INVESTMENT PRODUCTS**

Vassas Jr., James W does not sell any security or investment product.



Cairn Investor Services charges fees based on the amount of funds a client has under management or for specifically contracted hourly fee services with clients whose accounts are generally not enrolled in a management program. We do not offer performance-based fee management services and therefore there is no conflict of interest in our managed accounts. In some cases, a client who has or is using our advisory services, may be advised to use our investment management services. This could result in clients paying us both an investment management fee and a financial advisory fee.

Item 7      Types of *Clients*

As stated in Item 4 of this brochure, our clients are for the most part over 40 years of age and are in the accumulation or distribution phase of their financial plan. Our clients include individuals, corporations, partnerships, estate trustees, and trustees of employee benefit plans.

Cairn Investor Services does not have minimum fees or requirements for opening or maintaining an account but we suggest a minimum investment of \$100,000 under our Customized Asset Management program.

**A, B. METHODS, STRATEGIES AND RISK OF LOSS****METHODS OF ANALYSIS****Investment Management Programs**

All analysis used for rendering advice and providing investment management services is based upon both fundamental and technical evidence. In the technical area, we use moving averages, momentum indicators, oscillators, stochastics and other technical tools and apply them to various stock market indices and individual mutual funds. Fundamental analysis relies primarily on annual audited financial statements provided by various sources including research services and corporate annual reports.

**Financial Planning Advisory Services**

Cairn procedures include analyzing 1) individual client objectives, assets, liabilities, income, income taxes, estate planning, risk management and budgeting programs, 2) pointing out strengths and weaknesses in the client's present financial planning activities, and 3) outlining alternative actions to improve their financial position in light of their objectives.

**Sources of Information**

We utilize financial newspapers and magazines, research material prepared by others, corporate rating services, accounting periodicals, investment newsletters, annual reports, prospectuses, filings with the Securities & Exchange Commission, company press releases, and various computer data bases such as the Dow Jones News Retrieval Service data base service.

**INVESTMENT STRATEGIES****Investment Management Programs**

Strategies are dictated both by mathematical trend following techniques and fundamental financial analysis. Technical indicators used include moving averages of various types, momentum indicators and oscillators. Our management programs tend to produce both long- and short-term gains and losses as it attempts to reduce risk to the portfolio. Whether we decided to use fundamental analysis, technical analysis or a combination of both it does not completely remove risks associate with investing. Both types of analysis rely on past information to predict future results. As such, it is possible that the actual outcome of an investment will differ from its expected outcome.

## Financial Planning Advisory Services

Both long and short term planning is done based on the individual needs of the client. Strategies employed include:

- the introduction of capital protection techniques,
- income and estate tax reduction,
- protection of assets and income from inflation,
- maximizing after tax income, and
- coordinating financial activities with financial goals and objectives.

### C. TYPES OF SECURITIES

The company provides investment advice with regard to:

Exchange Listed Securities	Unlisted Securities	Warrants	Oil & Gas
Corporate Debt Securities	Mutual Funds	Partnerships	Equipment Leasing
Trust Deeds	Municipal Securities	CDs	R.E.I.T's
Variable Life Insurance	Foreign Securities	Insurance	Agricultural
Partnerships		Govt. Bonds	
Variable Annuities	Securities Options	Commodities	Precious Metals
Real Estate Partnerships	R&D Partnerships	Royalty Trusts	Venture Capital

Cairn Investor Services chooses investment vehicles on the basis of the clients' investment needs and amount of risk involved in holding the security. Cairn does not stress primarily any particular type of security to its clients as a whole.

Risks include credit default and stock market fluctuations. Investing in securities involves a risk of loss that clients should be prepared to bear.

Item 9      Disciplinary Information

Neither Cairn Investor Services nor James W. Vassas Jr. has not and is not currently involved in any legal or disciplinary event requiring disclosure of any investment-related business.

**A. MANAGEMENT PERSONS AS BROKER-DEALERS**

No Cairn Investor Services management person is registered, or has an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

**B. MANAGEMENT PERSONS AS FUTURES OR COMMODITIES REGISTRANTS**

No Cairn Investor Services management person is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person for the foregoing entities.

**C. MATERIAL RELATIONSHIPS OR ARRANGEMENTS**

Cairn Investor Services has no relationship or arrangement that is material to the Cairn advisory business or to Cairn clients with any related person listed below:

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or “hedge fund,” and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. pension consultant
9. real estate broker or dealer
10. sponsor or syndicator of limited partnerships.

Vassas Jr., James W does have relationships and arrangements material to Cairn advisory business or to Cairn clients with the related persons below:

1. Insurance companies and insurance agencies, currently known as Marathon Insurance Services, LLC.

**D. MATERIAL CONFLICT OF INTEREST**

Cairn Investor Services does receive compensation directly from insurance companies and insurance agencies on sales made from the recommendations to Cairn clients. Cairn clients are under no obligation to act upon any recommendations made in connection with this conflict of interest. However, if a client elects to act on any of Cairn’s recommendations they are under no obligation to effect the transaction through Cairn Investor Services and Cairn is not a broker dealer and cannot sell investment products.

Cairn Investor Services does not select other advisors for its clients. Cairn does not charge in advance for any services rendered. All billing is in arrears. Quarterly statements show amount of fee, value of client's assets upon which the fee is based and a fee schedule from which calculations are determined. It's the client's responsibility to verify the accuracy of the fee calculation, as the custodian will not do so. Lower fees for comparable services may be available from other sources.

**A. CODE OF ETHICS**

Cairn Investor Services “Cairn” requires of its officers, directors and employees, hereafter referred to as “supervised persons,” as well as any supervised persons who have access to non-public information or are involved in making securities recommendations that are non-public, hereafter referred to as “access persons,” strict adherence to a standard of conduct which places the financial welfare of the client as an individual and of the clients as a whole, along with the integrity and professionalism of Cairn representatives in all dealings with and for the benefit of the client(s), above any other consideration.

Cairn supervised persons and access persons, who may be placed by clients in positions of trust and confidence, shall offer and provide professional services with integrity. The ultimate source of such public trust is the integrity of each supervised person and access person. In deciding what is right and just, each of these individuals should rely on his or her integrity as the appropriate touchstone. Integrity demands honesty and candor which must not be subordinated to personal gain or advantage. Within the characteristic of integrity, allowance can be made for innocent error and legitimate difference of opinion; but integrity cannot co-exist with deceit or subordination of one’s principles. Integrity requires the individual to observe not only the letter but also the spirit of the Cairn Code of Ethics.

Cairn supervised persons and access persons, shall be objective in providing professional services to clients. Objectivity requires intellectual honesty and impartiality. It is an essential quality for any professional. Regardless of the particular service rendered or the capacity in which a Cairn supervised person and access person may act, each should protect the integrity of his or her work, maintain objectivity and avoid subordination of his or her judgment that would be in violation of this Code.

Cairn supervised persons and access persons, shall provide services to clients competently and maintain the necessary knowledge and skill to continue to do so in those areas in which the designee is engaged. One is competent only when he or she has attained and maintained an adequate level of knowledge and skill and applies that knowledge effectively in providing services to clients. Competence also includes the wisdom to recognize the limitations of that knowledge and when consultation or client referral is appropriate. Cairn supervised persons and access persons of Cairn are deemed to be qualified to offer their professional services to clients by their experience, education, and earned designations and licensing status. In addition, supervised persons and access persons of Cairn shall make a continuing commitment to learning and professional improvement. Refer to the Fiduciary Capacity section of Cairn Compliance Policies.

Cairn supervised persons and access persons, shall perform professional services in a manner that is fair and reasonable to clients, principals, partners, and employers and shall disclose conflict(s) of interest(s) in providing such services. Fairness requires impartiality, intellectual honesty and disclosure of conflict(s) of interest(s). It involves a subordination of one’s own feelings, prejudices and desires so as to achieve a proper balance of conflicting interests.



Fairness is treating others in the same fashion that you would want to be treated and is an essential trait of any professional.

Cairn supervised persons and access persons, shall not disclose any confidential client information without the specific consent of the client unless in response to proper legal process, to defend against charges of wrongdoing by its officers, directors and/or employees or in connection with a civil dispute between its officers, directors and/or employees. A client, by seeking the services of Cairn, may be interested in creating a relationship of personal trust and confidence with Cairn supervised persons and access persons. This type of relationship can only be built upon the understanding that information supplied Cairn supervised persons and access persons will be confidential. In order to provide the contemplated services effectively and to protect the client's privacy, the officers, directors and employees shall safeguard the confidentiality of such information.

Cairn supervised persons and access persons, shall conduct themselves in all matters in a way that will reflect credit upon the profession. Because of the importance of the professional services rendered by the supervised persons and access persons of Cairn, there are attendant responsibilities to behave with dignity and courtesy to all those who use those services, fellow professionals, and those in related professions. Cairn supervised persons and access persons also have an obligation to cooperate with fellow professionals to enhance and maintain the profession's public image and to work jointly with other professionals to improve the quality of services. It is only through the combined efforts of all professionals cooperating with each other that this vision can be realized.

Cairn supervised persons and access persons are prohibited from receiving any gift, gratuity, hospitality or other offering of more than *de minimis* value (not to exceed \$100 annually) from any person or entity doing business with Cairn or on behalf of Cairn or any of its clients. This gift policy generally excludes items or events where the employee has reason to believe there is a legitimate business purpose.

Cairn supervised persons and access persons, must comply with all applicable Federal and State Securities laws, including but not limited to those pertaining to a) Disclosure Requirements and Privacy Policy, b) Fiduciary Capacity, c) Insider Trading, d) Personal Securities Transactions, e) Principal and Agency Cross Transactions and f) Securities Transactions, Soft Dollar Arrangements and Best Execution. All of these topics are defined in the Cairn Compliance Policies manual. Acknowledgment of receipt of Cairn Compliance Policies is made a part of the Cairn Code of Ethics.

Cairn supervised persons and access persons, shall act diligently in providing professional services. Diligence is the provision of services in a reasonably prompt and thorough manner. Diligence also includes proper planning for and supervision of the rendering of professional services. All Cairn supervised persons and access persons shall base their services on commonly accepted fiduciary standards of the industry. The Advisers Act imposes a fiduciary duty on investment advisers. As a fiduciary, Cairn supervised persons and access persons, have a duty of utmost good faith to act solely in the best interests of each client. This fiduciary duty is the core principle underlying this Code of Ethics, and represents the expected basis of

all of our dealings with our clients. Refer to the Fiduciary Capacity section of the Cairn Compliance Policies.

All supervised persons and access persons shall acknowledge in writing receipt of a copy of the Cairn Code of Ethics, and any amendments to the Code, along with the Cairn Compliance Policies manual, of which the Code of Ethics is part.

Vassas Jr., James W will provide a copy of its Code of Ethics to any client or prospective client upon request.

## **B. MATERIAL FINANCIAL INTEREST**

Cairn Investor Services does buy and sell securities in which any management person or related person recommends to clients.

We have no vested interest whatsoever in the frequency or size of securities commissions that are generated by our management activities. Vassas Jr., James W does not buy or sell securities for its clients in any capacity - principal, agent, or broker. Vassas Jr., James W receives no compensation whatsoever from securities transactions. In fact, since our fees are based upon account value, we have a vested interest in minimizing transaction and commission costs.

The company executes securities transactions either through the client's existing stockbroker or with various discount brokerage firms.

Neither Cairn Investor Services, nor its employees will act as a securities broker or agent for clients.

## **C,D. PARTICIPATION IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

Cairn Investor Services management persons may own securities that are also owned by clients. Personal trading and investment activities of employees are subject to federal and state securities laws, rules and regulations.

All Cairn supervised persons and access persons, shall submit to James W. Vassas Jr. an initial holding report of every securities transaction in which they, their families (including the spouse, minor children and adults in the same household as the officer, director or employee), and trusts of which they are trustees or in which they have a beneficial interest within 10 days after each transaction. The report shall include the name of the securities, date of the transaction, quantity, price, and broker-dealer through which the transaction was effected. The requirement may be satisfied by sending duplicate confirmations of such trades to James W. Vassas Jr. The information must be current, no more than 45 days prior to the date of the report.

All Cairn supervised persons and access persons shall submit quarterly transactions reports within 30 days after the end of a quarter. Copies of monthly account statements will satisfy this requirement.

All Cairn supervised persons and access persons shall submit annual holdings reports of his/her securities holdings as of a date no more than 45 days prior to the date of gaining access to non-public information. Copies of monthly account statements will satisfy this requirement.

#### Policies Relating to Individual Securities Transactions

No employee or member of the investment committee may execute any exchange listed transaction for any security presently held in client accounts or on the buy list without first obtaining the approval of James W. Vassas Jr. Open end mutual fund transactions are excluded from this policy.

If the investment committee approves the purchase of an exchange listed security that is presently being held by any employee or member of the investment committee, that individual must disclose this fact along with the size of the position and its cost immediately to James W. Vassas Jr. This individual must also obtain written permission from James W. Vassas Jr. before entering any sell oriented order pertaining to this security. Client accounts will be given priority. Should trades be placed in employee accounts of Vassas Jr., James W, they will be placed after or on a separate trading day.

Each employee or member of the investment committee will provide monthly statements and transactions reports for personal accounts, current as of the past 30 days. These statements will reflect the full scope of investment holdings and fulfill the requirements for quarterly and year end reporting of assets held by Cairn supervised persons and access persons.

**A. BROKER-DEALERS FOR CLIENT TRANSACTIONS**

1. Research and Other Soft Dollar Benefits

Cairn does not engage in any soft-dollar benefits programs.

2. Brokerage for Client Referrals

Cairn does not solicit or receive client referrals from any broker-dealers.

3. Directed Brokerage

Vassas Jr., James W has no economic relationships with any broker-dealer. The company executes securities transactions either through the client's existing stockbroker or with various discount brokerage firms. Due to the fact that we often utilize mutual funds in our programs, there are fund management fees, 12(b)1 expenses and possibly other charges which are in addition to our management fees. We typically utilize the services of Interactive Brokers. If a different brokerage firm is chosen by the client, it is possible that commissions charged by this firm will be higher or lower than those charged by Interactive Brokers LLC. We do not take possession of client funds or ownership certificates under any of our management programs. All accounts are registered in the name of the client.

**B. PURCHASE OR SALE OF SECURITIES IN BLOCK TRADING**

Cairn Investor Services may, in its sole discretion, aggregate purchases or sales of any security, instrument or obligation affected for client accounts with purchases or sales, as the case may be, of the same security, instrument or obligation effected on the same day for the accounts of one or more of its clients. Although such concurrent aggregations potentially could be either advantageous or disadvantageous to any one or more particular accounts, they will be effected only when it is believed that to do so will be in the best interest of the affected accounts. When transactions are so aggregated, (a) the actual prices applicable to the aggregated transaction will be averaged, and each client account participating in the aggregated transaction will be averaged, and each client account participating in the aggregated transaction will be deemed to have purchased or sold its share of the security, instrument or obligation involved at the average price and (b) all transaction costs incurred in effecting the aggregated transaction shall be shared on a pro rata basis among all accounts participating in such aggregated transaction, except to the extent that certain broker-dealers that also furnish custody services may impose minimum transaction charges applicable to some of the participating accounts. When such concurrent aggregations occur, the objective will be to allocate the executions in a manner that is deemed equitable to the accounts involved. On assets with a low volume of trading, Cairn breaks the trading blocks into smaller share amounts, and trades the blocks throughout the morning.

**A.      PERIODIC ACCOUNT REVIEWS**

Accounts are reviewed by an officer of the company on a quarterly basis. This takes the form of a written review to the client that details the starting value for the quarter, the gain or loss achieved, and the ending value and the fee due. Each client also receives a management report which reviews the actions taken in their account(s) and the performance of their account both for the current quarter and the year to date. Management fees are frequently deducted from the client's accounts pursuant to a written agreement. (Refer to Item 4 B) Fees are deducted from the account or billed to the client on or after the day the reviews are made available to the client.

Financial plans are reviewed by an officer of the company at the request of the client or according to the frequency instructions in an agreement signed by the client for periodic reviews. Jim Vassas, President, reviews all accounts.

**B.      OTHER REVIEWS**

Aside from quarterly reviews, accounts are reviewed from time to time for the following reasons:

1.      Buying or selling assets for individual accounts or multiple accounts,
2.      Dramatic market movements,
3.      Change in the outlook for the economy, earnings, interest rates,
4.      Decline in a certain section of the market,
5.      Individual clients' circumstances or changes.

**C.      REPORT CONTENT**

All quarterly reports are written reports. Each report contains the starting value for the quarter, the gain or loss achieved, and the ending value and the fee due. Each client receives a management report which reviews the actions taken in their account(s) and the performance of their account both for the current quarter and the year to date.

Cairn Investor Service does not take possession of client funds or ownership certificates under any of its management programs. All accounts are registered in the name of the client. In most cases, our management clients receive monthly or quarterly statements from their broker-dealer, bank or other qualified custodian along with quarterly statements from Vassas Jr., James W. Brokerage account applications give authorization to investment advisers to deduct fees from accounts by written agreement of the client. This does not constitute custody of the clients' accounts, only permission for the client to pay the fee by deduction from the account to the investment advisor. It is always in the clients' best interest to review all of their statements and compare them for accuracy and content.

**A.      RECEIPT OF ECONOMIC BENEFITS**

Cairn Investor Services does not accept or receive economic benefits from non-clients for providing investment advice or other advisory services to its clients.

**B.      REFERRAL COMPENSATIONS**

Cairn Investor Services receives compensation related to the sale of insurance products that are sold, but not from referrals to other professionals nor does it receive compensation from referrals from other professionals. A conflict of interest may exist between the interests of the investment adviser and the interests of the client, but the client is under no obligation to act upon the investment adviser's recommendations. If the client elects to act on any of the recommendations, the client is under no obligation to effect the transaction through the investment adviser. The investment adviser is not a broker dealer and cannot sell investment products.

Cairn Investment Services “Cairn” does not take possession of client funds or ownership certificates under any of its management programs. All accounts are registered in the name of the client. In most cases, our management clients receive monthly or quarterly statements from their broker-dealer, bank or other qualified custodian along with quarterly invoices and market reports from Cairn

Cairn has met the SEC’s 7 custody conditions:

1. The client provides an instruction to the qualified custodian, in writing, that includes the client’s signature, the third party’s name, and either the third party’s address or the third party’s account number at a custodian to which the transfer should be directed.
2. The client authorizes the Advisor, in writing, either on the qualified custodian’s form or separately, to direct transfers to the third party either on a specified schedule or from time to time.
3. The client’s qualified custodian performs appropriate verification of the instruction, such as a signature review or other method to verify the client’s authorization, and provides a transfer of funds notice to the client promptly after each transfer.
4. The client has the ability to terminate or change the instruction to the client’s qualified custodian.
5. The Advisor has no authority or ability to designate or change the identity of the third party, the address, or any other information about the third party contained in the client’s instruction.
6. The Advisor maintains records showing that the third party is not a related party of the Advisor or located at the same address as the Advisor.
7. The client’s qualified custodian sends the client, in writing, an initial notice confirming the instruction and an annual notice reconfirming the instruction.

Cairn does not accept custody of clients’ assets.

Cairn Investor Services accepts discretionary authority to manage securities accounts on behalf of its clients. A client must sign a limited power of attorney for this authority to be granted to Cairn Investor Services on the client's behalf. Under this limited power of attorney a client can grant trading authority, disbursement of assets for investment purposes or directly to the client, and fee payment authorization which allows the client's fees to be taken directly out of the account. Most clients include all three authorizations when they allow discretionary authority.



**A.      PROXY VOTING FOR CLIENTS**

Cairn Investor Services does not accept authority to vote client securities.

**B.      PROXY VOTING INFORMATION FOR CLIENTS**

Proxies and other securities solicitations are delivered to the client by their Broker-Dealer custodian or transfer agent. If a client has any questions regarding any request or report regarding proxies, Vassas Jr., James W will discuss the issues with the client at the client's request. There is no charge to the client for these services.

**A. NO PREPAYMENT OF FEES**

Cairn Investor Services charges all fees in arrears. Financial Planning clients are billed upon delivery of their financial plan. General Financial Advisory Services clients are billed upon delivery of their financial review. Management program clients are billed on a quarterly basis in arrears.

**B. CONTRACTUAL COMMITMENTS**

Due to the fact that all fees are charged in arrears, contractual commitments are met before Cairn Investor Services bills its clients.

**C. FINANCIAL HISTORY**

Cairn Investor Services has never been the subject of a bankruptcy petition.

**A. PRINCIPAL EXECUTIVE OFFICERS AND MANAGEMENT PERSONS**

James W. Vassas Jr. is the Chief Compliance Officer of Cairn Investor Services. A full description of his formal education and background is stated under Item 4: Advisory Business.

**B. OTHER BUSINESS**

A full description of the business Cairn Investor Services is engaged in can be found under Item 4: Advisory Business. A full description of any material conflicts of interest have been disclosed and can be found under Item 10 D.

**C. PERFORMANCE BASED FEES**

Neither Cairn Investor Services, nor any supervised person is compensated for advisory services with performance-based fees.

**D. LIABILITY CLAIMS**

Neither Cairn Investor Services, nor any management person has been involved in an award or has otherwise been found liable in an arbitration claim or in a civil, self-regulatory organization, or administrative proceeding.

**E. RELATIONSHIPS OR ARRANGEMENTS WITH ISSUERS OF SECURITIES**

Neither Cairn Investor Services, nor any management person, has any relationship or arrangement that is material to the Cairn advisory business or to Cairn clients with any issuer of securities

**F. BUSINESS CONTINUITY PLAN**

In the event of any emergency or significant business disruption, including death or incapacitation of the Investment Adviser, accounts will be transferred to Billy Coronel CRD #4491488. Billy Coronel, many not be currently licensed in all states that Cairn Investor Services clients reside in, and therefore will apply for any and all applicable licenses required to execute Cairn's business continuity plan.

