

Item 1 - Cover Page



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## Wrap Program Brochure

Registered As

# Fairway Investment Group, LLC

Doing Business As: Fairway Investment Group

Registered Investment Adviser

1216 Kendale Blvd | East Lansing, MI 48823

(800) 292-1950 – phone

(517) 337-5594 – fax

[www.meafs.com](http://www.meafs.com) - website

**December 31, 2020**

**NOTICE TO PROSPECTIVE CLIENTS: READ THIS DISCLOSURE BROCHURE IN ITS ENTIRETY**

This wrap fee program brochure provides information about the qualifications and business practices of Fairway Investment Group. If you have any questions about the contents of this brochure, please contact Fairway Investment Group at (800) 292-1950 or [meafinancial@mea.org](mailto:meafinancial@mea.org). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration does not imply a certain level of skill or training. Additional information about Fairway Investment Group LLC also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 2 - Material Changes

The SEC amended the format of the disclosure document required to be delivered to clients by investment advisors. This Brochure dated December 31, 2019 is a new disclosure document prepared using the new format and its requirements.

Since its last annual update of March 31<sup>st</sup>, 2019, Fairway Investment Group has not had any material changes.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Disclosure Brochure may be requested by contacting us at (800) 292-1950 or [meafinancial@mea.org](mailto:meafinancial@mea.org).

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## Item 4 - Services, Fees and Compensation

### **Services**

Fairway Investment Group (“Fairway”) offers asset management services based on the individual needs of the client. This Brochure provides a description of the advisory services offered under the Fairway Investment Group Wrap Program. For more information about Advisor’s other investment advisory services, please contact Fairway for a copy of a similar brochure that describes such services or go to [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

In the Fairway Investment Group Wrap program, Fairway provides ongoing investment advice and management on assets in the client’s account. Fairway provides advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds (“ETFs”), variable annuity subaccounts, equities, fixed income securities. Fairway provides advice that is tailored to the individual needs of the client based on the investment objective chosen by the client. Clients may impose restrictions on investing in certain securities or groups of securities by indicating in the written advisory agreement with Fairway.

Fairway provides management services on a non-discretionary basis.

Assets for program accounts are held at LPL Financial (“LPL”) as custodian. LPL also acts as executing broker/dealer for transactions placed in program accounts, and provides other administrative services as described throughout this Brochure.

### **Fees**

In the Fairway Investment Group Wrap program, clients pay LPL a single annual advisory fee for advisory services and execution of transactions. Clients do not pay brokerage commissions, markups or transaction charges for execution of transactions in addition to the advisory fee. The advisory fee is negotiable between the client and the Investment Adviser Representative (IAR) and is set out in the advisory agreement. The advisory fee is a percentage based on the value of all assets in the account, including cash holdings. The maximum advisory fee is 2.5 %. The advisory fee may be higher than the fee charged by other investment advisors for similar services. The advisory fee is paid to LPL and is shared between Fairway and its Investment Adviser Representatives. Fairway does not accept performance-based fees for program accounts.

The advisory fee is deducted from the account by LPL as the custodian of assets based on a written authorization from the client. LPL calculates and deducts the advisory fee quarterly in advance. If the advisory agreement is terminated before the end of the quarterly period, client is entitled to a pro-rated refund of any pre-paid quarterly advisory fee based on the number of days remaining in the quarter after the termination date.

Although clients do not pay a transaction charge for transactions in a program account, clients should be aware that Fairway pays LPL transaction charges for the transactions. The transaction charges paid by Fairway vary based on the type of transaction (e.g., mutual fund, equity or fixed income security) and range from \$0 to \$50. Because Fairway pays the transaction charges in program accounts, there is a conflict of interest. Clients should understand that the cost to Fairway of transaction charges may be a factor that the Fairway considers when deciding which securities to select and how frequently to place transactions in a program account.

### **Other Types of Fees and Charges**

Program accounts will incur additional fees and charges from parties other than the Fairway as noted below. These fees and charges are in addition to the advisory fee paid to LPL. Fairway does not share in any portion of these third party fees.

LPL, as the custodian and execution service provider on program accounts, will impose certain fees and charges. LPL notifies clients of these charges at account opening and makes available a list of these fees and charges on its website at [www.lpl.com](http://www.lpl.com). LPL will deduct these fees and charges directly from the client's program account.

There are other fees and charges that are imposed by other third parties that apply to investments in program accounts. Some of these fees and charges are described below, but are not limited to:

- If a client's assets are invested in mutual funds or other pooled investment products, clients should be aware that there will be two layers of advisory fees and expenses for those assets. Client will pay an advisory fee to the fund manager and other expenses as a shareholder of the fund. Client will also pay LPL the advisory fee with respect to those assets. Most of the mutual funds available in the program may be purchased directly. Therefore, clients could generally avoid the second layer of fees by not using the management services of Fairway and by making their own investment decisions.
- Certain mutual funds impose fees and charges such as contingent deferred sales charges, early redemption fees and charges for frequent trading. These charges may apply if client transfers into or purchases such a fund with the applicable charges in a program account.
- Although only no-load and load-waived mutual funds can be purchased in a program account, client should understand that some mutual funds pay asset based sales charges or service fees (e.g., 12b-1 fees) to the custodian with respect to account holdings.
- If client holds a variable annuity as part of an account, there are mortality, expense and administrative charges, fees for additional riders on the contract and charges for excessive transfers within a calendar year imposed by the variable annuity sponsor.

Further information regarding fees assessed by a mutual fund, or variable annuity is available in the appropriate prospectus, which is available upon request from the Fairway or from the product sponsor directly.

### **Other Important Considerations**

- The advisory fee is an ongoing wrap fee for investment advisory services, the execution of transactions and other administrative and custodial services. The advisory fee may cost the client more than purchasing the program services separately, for example, paying an advisory fee plus commissions for each transaction in the account. Factors that bear upon the cost of the account in relation to the cost of the same services purchased separately include the type and size of the account, historical and or expected size or number of trades for the account, and number and range of supplementary advisory and client-related services provided to the client.
- The advisory fee also may cost the client more than if assets were held in a traditional brokerage account. In a brokerage account, a client is charged a commission for each transaction, and the representative has no duty to provide ongoing advice with respect to the account. If the client plans to follow a buy and hold strategy for the account or does not wish to purchase ongoing investment advice or management services, the client should consider opening a brokerage account rather than a program account.
- The Investment Advisor Representative recommending the program to the client receives compensation as a result of the client's participation in the program. The amount of this compensation may be more or less than what the IAR would receive if the client participated in other LPL programs, programs of other investment advisors or paid separately for investment advice, brokerage and other client services. Therefore, the IAR may have a financial incentive to recommend a program account over other programs and services.
- The investment products available to be purchased in the program can be purchased by clients outside of a program account, through broker/dealers or other investment firms not affiliated with Advisor.

### **Item 5 – Account Requirements and Types of Clients**

A minimum account value of \$10,000 is generally required for the program. In certain instances, Fairway may permit a lower minimum account size.

The program is available for individuals and high net worth Individuals.

## Item 6 – Portfolio Manager Selection and Evaluation

In the Fairway Investment Group Wrap program, Fairway does not select, review or recommend other investment advisors or portfolio managers. Fairway, through its Investment Advisor Representatives, is responsible for the investment advice and management offered to clients.

In the Fairway Investment Group Wrap program, the Investment Advisor Representative provides ongoing investment advice and management on assets in the client's account. Investment Advisor Representative provides advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, equities, and fixed income securities. Fairway and its Investment Advisor Representatives provides advice that is tailored to the individual needs of the client based on the investment objective indicated by the Investor Profile Questionnaire, completed by the client before opening each account. Clients may impose restrictions on investing in certain securities or groups of securities by indicating in the written advisory agreement with Fairway.

There are no differences between how the wrap fee program is managed and how other accounts are managed.

Fairway Investment Group also offers certain non-wrap fee programs which include:

### **Asset Management**

Fairway Investment Group through its Investment Advisor Representatives provides ongoing investment advice and management on assets in the client's custodial Strategic Wealth Management (SWM) account held at LPL Financial. Strategic Wealth Management is the name of the custodial account offered through LPL to support investment advisory services provided by Fairway Investment Group to our clients. More specific account information and acknowledgements are further detailed on the account application.

Investment advisor representatives provide advice on the purchase and sale of various types of investments, such as mutual funds, exchange-traded funds ("ETFs"), variable annuity subaccounts, real estate investment trusts ("REITs"), equities, and fixed income securities. The advice is tailored to the individual needs of the client based on the investment objective indicated on the Investor Profile Questionnaire completed by the client before the account is opened in order to help assist clients in attempting to meet their financial goals. Accounts are reviewed on a regular basis and rebalanced as necessary according to each client's investment profile.

A minimum account value of \$10,000 is generally required for the program. In certain instances, Fairway Investment Group will permit a lower minimum account size.

Assets managed in a wrap fee account are not managed differently from a non-wrap fee account. However, Fairway Investment Group may charge a higher fee, up to 2.5%, and receive a portion of the wrap fee for services provided. Clients participating in this non-wrap fee program will be responsible for all charges, including but not limited to, transaction costs, sales charges, or other applicable fees or expenses.

Fairway Investment Group offers asset management on a non-discretionary basis. As of December 2018, the firm has \$10 million assets under management.

**Through LPL Financial, Fairway is able to offer the following wrap-fee programs which are sponsored and managed by LPL Financial:**

**Optimum Market Portfolios Program (OMP)**

OMP offers clients the ability to participate in a professionally managed asset allocation program using Optimum Funds Class I shares. Under OMP, client will authorize LPL on a discretionary basis to purchase and sell Optimum Funds pursuant to investment objectives chosen by the client. Investment Advisor Representative will assist the client in determining the suitability of OMP for the client and assist the client in setting an appropriate investment objective.

Each client will complete an Investor Profile Questionnaire, or document similar in nature, to assist the IAR in determining the correct asset allocation. IAR will recommend a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. LPL will have discretion to purchase and sell Optimum Funds pursuant to the portfolio selected for the client. LPL will also have authority to rebalance the account.

A minimum account value of \$15,000 is required for OMP.

**Personal Wealth Portfolios Program (PWP)**

PWP offers clients an asset management account using asset allocation model portfolios designed by LPL. LPL will act as the overlay portfolio manager on all PWP accounts and will be authorized to purchase and sell on a discretionary basis mutual funds and equity and fixed income securities.

Each client will complete an Investor Profile Questionnaire, or document similar in nature, to assist the IAR in determining the correct asset allocation. IAR will recommend to the client a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. IAR will also have discretion for selecting third party money managers (PWP Advisors) or mutual funds within each asset class of the model portfolio.

A minimum account value of \$250,000 is required for PWP.



□ **Model Wealth Portfolios Program (MWP)**

MWP offers clients a professionally managed mutual fund asset allocation program. Fairway Investment Group investment advisor representatives will obtain the necessary financial data from the client, assist the client in determining the suitability of the MWP program and assist the client in setting an appropriate investment objective. The Investment Advisor Representative will initiate the steps necessary to open an MWP account and recommend a model portfolio and strategist designed consistent with the client's stated investment objective. LPL's Research Department or the selected strategist is responsible for selecting the mutual funds within a model portfolio and for making changes to the mutual funds selected.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances exchange traded funds) and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for MWP accounts.

A minimum account value of \$25,000 is required for MWP.

Each client will complete an Investor Profile Questionnaire, or document similar in nature, to assist the IAR in determining the correct asset allocation. IAR will have recommend a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective.

□ **Manager Access Select Program**

Manager Access Select provides clients access to the investment advisory services of professional portfolio management firms for the individual management of client accounts. The Portfolio Manager manages client's assets on a discretionary basis. Advisor will provide initial and ongoing assistance regarding the Portfolio Manager selection process.

Each client will complete an Investor Profile Questionnaire, or document similar in nature, to assist the IAR in determining the correct asset allocation. IAR will have recommend a mutual fund asset allocation portfolio designed by LPL consistent with the client's investment objective. IAR will assist client in identifying a third party portfolio manager (Portfolio Manager) from a list of Portfolio Managers made available by LPL.

A minimum account value of \$100,000 is required for Manager Access Select, however, in certain instances, the minimum account size may be lower or higher.

□ **Guided Wealth Portfolio**

Guided Wealth Portfolios offers clients a digital investment experience for those that wish to invest and still have access to an advisor but might not need the constant face to face relationship, but will still have access to professionally managed portfolios. Clients are put on a “glidepath” depending on their age and account objective. A glidepath will automatically adjust their asset allocation to match their objective. GWP models are managed by LPL. Glidepaths may tilted toward fixed income, balanced, or equity, depending on the account objective.

The client will authorize LPL to act on a discretionary basis to purchase and sell mutual funds (including in certain circumstances exchange traded funds) and to liquidate previously purchased securities. The client will also authorize LPL to effect rebalancing for GWP accounts.

You may contact your financial advisor or visit the following website to obtain a copy of the wrap fee program brochure:

<https://lplfinancial.lpl.com/disclosures/lpl-financial-firm-brochure-and-program-forms-foradvisory-services.html>

An Investment Advisor Representative recommending the wrap fee program receives compensation as a result of a client’s participation in the program. The amount of this compensation may be more than what the person would receive if the client participated in other programs or paid separately for investment advice, brokerage, and other services. Therefore, IARs may have a financial incentive to recommend the wrap fee program over other programs or services.

There may be additional fees on assets held in the wrap program, such as mutual fund expenses and mark-ups, mark-downs, or spreads paid to market makers. A more detailed description of these fees and circumstances is detailed above in Item 4 above.

For more information about the Investment Advisor Representative of Fairway managing the account, client should refer to the Brochure Supplement for the Investment Advisor Representative, which client should have received along with this Brochure at the time client opened the account.

LPL performs certain administrative services for Fairway and its clients, including generation of quarterly performance reports for program accounts. Client will receive an individual quarterly performance report, which provides performance information on a time weighted basis. The

performance reports are intended to inform clients as to how their investments have performed for a period, both on an absolute basis and compared to leading investment indices.

Fairway does not accept or charge fees for performance results or side-by-side management.

### **Methods of Analysis and Investment Strategies**

- **Alternative Strategy Mutual Funds.** Certain mutual funds available in the program invest primarily in alternative investments and/or strategies. Investing in alternative investments and/or strategies may not be suitable for all investors and involves special risks, such as risks associated with commodities, real estate, leverage, selling securities short, the use of derivatives, potential adverse market forces, regulatory changes and potential illiquidity. There are special risks associated with mutual funds that invest principally in real estate securities, such as sensitivity to changes in real estate values and interest rates and price volatility because of the fund's concentration in the real estate industry.
- **Closed-End Funds.** Client should be aware that closed-end funds available within the program are not readily marketable. In an effort to provide investor liquidity, the funds may offer to repurchase a certain percentage of shares at net asset value on a periodic basis. Thus, clients may be unable to liquidate all or a portion of their shares in these types of funds.
- **Exchange-Traded Funds (ETFs).** ETFs are typically investment companies that are legally classified as open end mutual funds or UITs. However, they differ from traditional mutual funds, in particular, in that ETF shares are listed on a securities exchange. Shares can be bought and sold throughout the trading day like shares of other publicly-traded companies. ETF shares may trade at a discount or premium to their net asset value. This difference between the bid price and the ask price is often referred to as the "spread." The spread varies over time based on the ETF's trading volume and market liquidity, and is generally lower if the ETF has a lot of trading volume and market liquidity and higher if the ETF has little trading volume and market liquidity. Although many ETFs are registered as an investment company under the Investment Company Act of 1940 like traditional mutual funds, some ETFs, in particular those that invest in commodities, are not registered as an investment company.
- **Exchange-Traded Notes (ETNs).** An ETN is a senior unsecured debt obligation designed to track the total return of an underlying market index or other benchmark. ETNs may be linked to a variety of assets, for example, commodity futures, foreign currency and equities. ETNs are similar to ETFs in that they are listed on an exchange and can typically be bought or sold throughout the trading day. However, an ETN is not a mutual fund and does not have a net asset value; the ETN trades at the prevailing market price. Some of the more common risks of an ETN are as follows. The repayment of the principal, interest (if any), and the payment of any returns at maturity or upon redemption are dependent upon the ETN issuer's ability to pay. In addition, the trading price of the ETN in the secondary

market may be adversely impacted if the issuer's credit rating is downgraded. The index or asset class for performance replication in an ETN may or may not be concentrated in a specific sector, asset class or country and may therefore carry specific risks.

- **Leveraged and Inverse ETFs, ETNs and Mutual Funds.** Leveraged ETFs, ETNs and mutual funds, sometimes labeled "ultra" or "2x" for example, are designed to provide a multiple of the underlying index's return, typically on a daily basis. Inverse products are designed to provide the opposite of the return of the underlying index, typically on a daily basis. These products are different from and can be riskier than traditional ETFs, ETNs and mutual funds. Although these products are designed to provide returns that generally correspond to the underlying index, they may not be able to exactly replicate the performance of the index because of fund expenses and other factors. This is referred to as tracking error. Continual re-setting of returns within the product may add to the underlying costs and increase the tracking error. As a result, this may prevent these products from achieving their investment objective. In addition, compounding of the returns can produce a divergence from the underlying index over time, in particular for leveraged products. In highly volatile markets with large positive and negative swings, return distortions are magnified over time. Because of these distortions, these products should be actively monitored, as frequently as daily, and are generally not appropriate as an intermediate or long-term holding. To accomplish their objectives, these products use a range of strategies, including swaps, futures contracts and other derivatives. These products may not be diversified and can be based on commodities or currencies. These products may have higher expense ratios and be less tax-efficient than more traditional ETFs, ETNs and mutual funds.
- **Options.** Certain types of option trading are permitted in order to generate income or hedge a security held in the program account; namely, the selling (writing) of covered call options or the purchasing of put options on a security held in the program account. Client should be aware that the use of options involves additional risks. The risks of covered call writing include the potential for the market to rise sharply. In such case, the security may be called away and the program account will no longer hold the security. The risk of buying long puts is limited to the loss of the premium paid for the purchase of the put if the option is not exercised or otherwise sold by the program account.
- **Structured Products.** Structured products are securities derived from another asset, such as a security or a basket of securities, an index, a commodity, a debt issuance, or a foreign currency. Structured products frequently limit the upside participation in the reference asset. Structured products are senior unsecured debt of the issuing bank and subject to the credit risk associated with that issuer. This credit risk exists whether or not the investment held in the account offers principal protection. The creditworthiness of the issuer does not affect or enhance the likely performance of the investment other than the ability of the issuer to meet its obligations. Any payments due at maturity are dependent on the issuer's ability to pay. In addition, the trading price of the security in the secondary market, if there is one, may be adversely impacted if the issuer's credit rating is

downgraded. Some structured products offer full protection of the principal invested, others offer only partial or no protection. Investors may be sacrificing a higher yield to obtain the principal guarantee. In addition, the principal guarantee relates to nominal principal and does not offer inflation protection. An investor in a structured product never has a claim on the underlying investment, whether a security, zero coupon bond, or option. There may be little or no secondary market for the securities and information regarding independent market pricing for the securities may be limited. This is true even if the product has a ticker symbol or has been approved for listing on an exchange. Tax treatment of structured products may be different from other investments held in the account (e.g., income may be taxed as ordinary income even though payment is not received until maturity). Structured CDs that are insured by the FDIC are subject to applicable FDIC limits.

- **Hedge Funds and Managed Futures.** Hedge and managed futures funds are available for purchase in the program by clients meeting certain qualification standards. Investing in these funds involves additional risks including, but not limited to, the risk of investment loss due to the use of leveraging and other speculative investment practices and the lack of liquidity and performance volatility. In addition, these funds are not required to provide periodic pricing or valuation information to investors and may involve complex tax structures and delays in distributing important tax information. Client should be aware that these funds are not liquid as there is no secondary trading market available. At the absolute discretion of the issuer of the fund, there may be certain repurchase offers made from time to time. However, there is no guarantee that client will be able to redeem the fund during the repurchase offer.
- **Variable Annuities.** If client purchases a variable annuity that is part of the program, client will receive a prospectus and should rely solely on the disclosure contained in the prospectus with respect to the terms and conditions of the variable annuity. Client should also be aware that certain riders purchased with a variable annuity may limit the investment options and the ability to manage the subaccounts.
- **Margin Accounts.** Client should be aware that margin borrowing involves additional risks. Margin borrowing will result in increased gain if the value of the securities in the account go up, but will result in increased losses if the value of the securities in the account goes down. The custodian, acting as the client's creditor, will have the authority to liquidate all or part of the account to repay any portion of the margin loan, even if the timing would be disadvantageous to the client. For performance illustration purposes, the margin interest charge will be treated as a withdrawal and will, therefore, not negatively impact the performance figures reflected on the quarterly advisory reports.

***It is important to note that no methodology or investment strategy is guaranteed to be successful or profitable. Investing in securities involves the risk of loss that clients should be prepared to bear.***

## **Voting Client Securities**

Fairway Investment Group does not accept authority to vote client securities. Clients retain the right to vote all proxies that are solicited for securities held in the account. Clients will receive proxies or other solicitations from the custodian of assets. If clients have questions regarding the solicitation, they should contact Fairway or the contact person that the issuer identifies in the proxy materials. In addition, Fairway does not accept authority to take action with respect to legal proceedings relating to securities held in the account.

## Item 7 – Client Information Provided to Portfolio Managers

In the Fairway Investment Group Wrap program, Fairway is responsible for account management; there is no separate portfolio manager involved. Fairway and its IARs will obtain the necessary financial data from the client and assists the client in setting an appropriate investment objective for the account. Fairway and the IAR obtains this information by having the client complete an advisory agreement and other documentation. Clients are encouraged to contact the Fairway or the IAR if there have been any changes in the client's financial situation or investment objectives or if they wish to impose any reasonable restrictions on the management of the account or reasonably modify existing restrictions. Client should be aware that the investment objective selected for the program is an overall objective for the entire account and may be inconsistent with a particular holding and the account's performance at any time. Client should further be aware that achievement of the stated investment objective is a long-term goal for the account.

Fairway Investment Group's policy requires an annual client meeting (one review every 12 months) to determine if there have been any changes in the client's financial situation, investment objectives, or restrictions. In addition, the meeting should incorporate the account performance, appropriateness of the account, and any other information determined pertinent to the client situation. The annual meeting may occur by phone, in person, via e-mail, or via video conference and documentation will be maintained to evidence that at a minimum the following topics were reviewed:

- The client's financial status
- Risk Tolerance
- Time Horizon
- Investment Objective and Goals
- Asset Allocation and/or Account Holdings

Additionally, on an annual basis, IARs should review the performance of the client's advisory account and investment objectives.

Item 8 – Client Contact with Portfolio Managers

Client should contact Investment Advisor Representative at any time with questions regarding program account.

Item 9 – Additional Information

9A. Neither Fairway Investment Group, LLC, nor any of its employees has had any criminal or civil action against it/them.

9B. Neither Fairway Investment Group, LLC, nor any of its employees, has any administrative proceeding before the SEC or any federal or state regulatory agency.

9C. Neither Fairway Investment Group, LLC, nor any of its employees, has had any proceeding before a Self-regulatory organization (SRO).

While Fairway's only business activity is acting as an investment advisor, Fairway is a wholly owned subsidiary of MEA Financial Services which also owns Paradigm Equities, Inc., a FINRA and SIPC member broker/dealer. Fairway's Manager/Executive Director is also the Executive Director of MEA Financial Services. Fairway's Manager/Executive Director does not transact, but may solicit investment advisory business on behalf of Fairway Investment Group.

Investment Advisor Representatives are also Registered Representatives of Paradigm Equities Inc., an SEC registered and FINRA/SIPC member broker/dealer and affiliate under common control under of MEA Financial Services. Clients may choose to engage an Investment Advisor Representative in their capacity as a Registered Representative of the unaffiliated LPL Financial broker/dealer, to implement investment recommendations on a commission basis.

Representatives of our firm are insurance agents/brokers. They may offer insurance products and receive customary fees as a result of insurance sales. A conflict of interest may arise as these insurance sales may create an incentive to recommend products based on the compensation that the Investment Advisor Representative may earn and may be perceived that it may not necessarily be in the best interests of the client. Such potential conflicts of interest are subject to review by the Chief Compliance Officer.

Neither Fairway Investment Group nor any of the management persons are registered or has a registration pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

Fairway Investment Group does not utilize nor select third-party investment advisers. All assets are managed by Fairway Investment Group.



Fairway Investment Group maintains a Code of Ethics, which serves to establish a standard of business conduct for all employees that are based upon fundamental principles of openness, integrity, honesty and trust.

The Code of Ethics includes guidelines regarding personal securities transactions of its employees and Investment Advisor Representatives. The Code of Ethics permits employees and Investment Advisor Representatives or related persons to invest for their own personal accounts in the same or different securities that an Investment Advisor Representative may purchase for clients in program accounts. This presents a potential conflict of interest because trading by an employee or Investment Advisor Representatives in a personal securities account in the same or different security on or about the same time as trading by a client could potentially disadvantage the client. Fairway Investment Group addresses this conflict of interest by requiring in its Code of Ethics that employees and Investment Advisor Representatives report certain personal securities transactions and holdings to the Chief Compliance Officer for review.

An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, thereby preventing an employee from benefiting from transactions placed on behalf of advisory accounts.

Neither Fairway Investment Group nor its Investment Advisor Representatives or related persons recommends to clients or buy or sells for client's account, securities for which they have a material financial interest.

For those clients to whom Fairway Investment Group provides investment supervisory services, account reviews are conducted on an ongoing basis by Cody Collier, the Chief Compliance Officer. All Fairway Investment Group clients are advised that it remains their responsibility to advise Fairway Investment Group of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with their Investment Advisor Representative on an annual basis.



Cody Collier, the Chief Compliance Officer, may also conduct account reviews based on the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and by client request.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker/dealer, custodian and/or program sponsor for the client accounts. Fairway Investment Group may also provide a written periodic report summarizing account activity and performance.

### **Other Compensation**

Fairway and its Investment Advisor Representatives may receive additional non-cash compensation from product sponsors. However, such compensation may not be tied to the sales of any products. Compensation may include such items as gifts valued at less than \$100 annually, an occasional dinner or ticket to a sporting event, or reimbursement in connection with educational meetings or marketing or advertising initiatives. Product sponsors may also pay for education or training events that may be attended by Advisor's employees and Investment Advisor Representatives.

Fairway Investment Group does not receive or accept compensation of any form for client referrals.

There are no other economic benefits provided by someone who is not a client for providing investment advice.

Fairway Investment Group does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.

There are no financial conditions that are reasonably likely to impair the firm's ability to meet contractual commitments to clients. At no time has Fairway Investment Group been the subject of a bankruptcy petition.

### **Brokerage Practices**

In the Fairway Investment Group Wrap program, Fairway requires that clients direct LPL Financial as the sole and exclusive broker-dealer to execute transactions in the account. LPL Financial is not paid a commission for executing transactions. Because Investment Advisor Representatives of Fairway are licensed with LPL Financial, this presents a conflict of interest. Clients should understand that not all advisors require their clients to direct brokerage. By directing brokerage to LPL Financial, clients may be unable to achieve the most favorable execution of client transactions. Therefore, directed brokerage may cost clients more money.

Fairway may receive support services and/or products from LPL Financial, which assist Fairway to better monitor and service program accounts maintained at LPL Financial. These support services and/or products may be received without cost, at a discount, and/or at another negotiated rate, and may include the following:

- investment-related research
- pricing information and market data
- software and other technology that provide access to client account data
- compliance and/or practice management-related publications
- consulting services
- attendance at conferences, meetings, and other educational and/or social events
- marketing support
- computer hardware and/or software
- other products used by Fairway in furtherance of its investment advisory business operations

Clients do not pay more for services as a result of this arrangement. There is no corresponding commitment made by the Fairway to LPL Financial or any other entity to invest any specific amount or percentage of client assets in any specific securities as a result of the arrangement.

Fairway may aggregate transactions in equity and fixed income securities for a client with other clients to improve the quality of execution. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the client account will be deemed to have purchased or sold its proportionate share of the securities involved at the average price obtained. Fairway may determine not to aggregate transactions, for example, based on the size of the trades, the number of client accounts, the timing of the trades, the liquidity of the securities and the discretionary or non-discretionary nature of the trades. If Fairway does not aggregate orders, some clients purchasing securities around the same time may receive a less favorable price than other clients. This means that this practice of not aggregating may cost clients more money.

#### Item 10 – Requirements for State Registered Advisers

While Fairway's only business activity is acting as a registered investment advisor, Fairway's principal managers' business activities involve something other than activities and services through Fairway Investment Group. All managers are licensed insurance agents as well as registered securities principals. As such, all managers/principals are responsible for supervision of daily activities of both MEA Financial Services, an insurance agency, and Paradigm Equities, Inc., a registered broker/dealer. Fairway Investment Group and Paradigm Equities, Inc., a registered broker dealer, are affiliates under common control of MEA Financial Services, a licensed insurance agency. All Investment Advisor Representatives of Fairway are licensed insurance agents as well as registered securities agents. While acting in these capacities, commissions are paid either directly or indirectly to Fairway for selling these products.

**Cody E. Collier**

*Born 1989*

Chief Compliance Officer – Fairway Investment Group, LLC. - 02/2018 - Present

Chief Operations Officer – Paradigm Equities, Inc. - 01/2016 – Present

Senior Manager, Investment Products and Services – MEA Financial Services - 01/2016 – Present

Cody has four years of investment experience in the financial services industry. He received his Bachelor of Science from Michigan State University. Cody holds the following industry licenses: Series 7, 66, 24, & 51.

**Jason T. Diotte**

*Born 1973*

Field Services Manager – Paradigm Equities, Inc. - 01/2016 - Present

Registered Representative – Paradigm Equities, Inc. - 01/2016 - Present

Director of Advisory Services – Fairway Investment Group – 02/2018 - Present

Jason has been in the financial services industry over 15 years. He has a BA in Religious Studies from the University of Iowa. Jason holds his Life, Accident and Series 7, 24, 63 and 66 Licenses

Jason serves in a business development capacity and providing advisory services

**Bruce M. Reaume**

*Born 1969*

Manager/Executive Director – Fairway Investment Group – 01/2016 – Present

Executive Director – MEA Financial Services – 01/2016 – Present

President – Paradigm Equities, Inc. – 01/2011 - Present

Bruce has worked in the financial services industry since 1998. Bruce has been working for MEA Financial Services since 2002. He holds the Series 7, 63, 24 and 53 licenses and has a BAA in Economics from Central Michigan University.

**Michelle A. Shipman**

*Born 1970*

Secretary - Fairway Investment Group - 10/2017 - Present

Financial and Operations Principal - Paradigm Equities, Inc. - 3/2006 - Present

Supervisor of Administrative Operations - MEA Financial Services - 9/2005 – Present

Michelle has 17 years of experience in the insurance industry. She received her Bachelor of Arts Degree in Marketing from Michigan State University and holds the Property and Casualty, Life, Variable, Accident and Health, and Series 28 licenses.

Fairway Investment Group is a wholly owned subsidiary of MEA Financial Services. MEA Financial Services also has another subsidiary, Paradigm Equities, Inc., an introducing broker/dealer. Michelle Shipman is the Financial Operations Professional for Paradigm Equities. She is also listed on the corporate charter for Fairway Investment Group as the Secretary. When necessary, she will take minutes in meetings that concern Fairway Investment Group, and do other clerical work for Fairway Investment Group. Michelle does solicit business on behalf of Paradigm Equities, Inc.

No supervisors or executive officers of Fairway Investment Group have been involved in any arbitration or other dishonest or illegal practice.

All individuals that render investment advisory services on behalf of the Registrant must have obtained, at a minimum, FINRA Series 6, 63/65 or 7/66 licenses. In addition, Registrant and all individuals are required to meet the registration and/or licensing standards for the state(s) in which they do business.