

Firm Brochure
(Part 2A and Part 2B of Form ADV)

BREAKFORTH INVESTMENT MANAGEMENT, INC.
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This brochure provides information about the qualifications and business practices of BREAKFORTH INVESTMENT MANAGEMENT, INC. If you have any questions about the contents of this brochure, please contact us at: 412-367-1315, or by email at: BIMI@PRODIGY.NET. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission, or by any state securities authority.

Registration with the Pennsylvania Security Commission does not imply that BREAKFORTH INVESTMENT MANAGEMENT, INC. or any individual providing investment advisory services on behalf of BREAKFORTH INVESTMENT MANAGEMENT, INC. possess a certain level of skill or training.

Additional information about BREAKFORTH INVESTMENT MANAGEMENT, INC. is available on the SEC's website at www.adviserinfo.sec.gov

March 29, 2015

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 412-367-1315 or by email at: BIMI@PRODIGY.NET.

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Advisory Business

Firm Description

BREAKFORTH INVESTMENT MANAGEMENT, INC., ("FIRM NAME") was founded in 1990.

BREAKFORTH INVESTMENT MANAGEMENT, INC. provides personalized confidential financial planning and investment management primarily to individuals. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance overview, investment management, education funding, retirement planning, and estate planning.

BREAKFORTH INVESTMENT MANAGEMENT, INC. is strictly a fee-only financial planning and investment management firm. The firm does not receive commissions for purchasing or selling annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. In addition, BREAKFORTH INVESTMENT MANAGEMENT, INC. advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Investment advice is provided, with the client making the final decision on investment selection. BREAKFORTH INVESTMENT MANAGEMENT, INC. does not act as a custodian of client assets. The client always maintains asset control. BREAKFORTH INVESTMENT MANAGEMENT, INC. may place trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation may be provided to the client, often in the form of a net worth statement. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

Terry E. Lyon is a 88% direct stockholder. Penelope F. Lyon is a 12% direct stockholder. As the result of their spousal relationship both are deemed to be 100% beneficial owners.

Types of Advisory Services

BREAKFORTH INVESTMENT MANAGEMENT, INC. provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice through consultations; issues special reports about securities; and may issue, charts, graphs, formulas, or other devices which clients may use to evaluate securities.

On more than an occasional basis, BREAKFORTH INVESTMENT MANAGEMENT, INC. furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that may include estate planning.

BREAKFORTH INVESTMENT MANAGEMENT, INC. does not provide a timing service.

As of March 29, 2015, BREAKFORTH INVESTMENT MANAGEMENT, INC. manages approximately \$5,951,000 in assets for approximately 23 clients. Approximately \$ 0.00 is managed on a discretionary basis, and \$5,951,000 is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in our client file. Investment policy statements may be created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Advisory Service Agreement

Most clients choose to have BREAKFORTH INVESTMENT MANAGEMENT, INC. manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, if desired, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement may include: cash flow management; insurance review; investment management (including performance reporting); education

planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

0.75% on the first \$2,000,000;

0.50% on the assets above \$2,000,000;

Fees of assets above \$5,000,000 are negotiable.

The minimum annual fee is \$0.00. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the quarter completed. The portfolio value at the completion of the prior full billing quarter is used as the basis for the fee computation, adjusted for the number of days during the billing quarter prior to termination.

Tax preparation work is beyond the scope of the Advisory Service Agreement. Eligible federal and applicable state returns are filed manually.

Retainer Agreement

In some circumstances, a *Retainer Agreement* is executed in lieu of an *Advisory Service Agreement* when it is more appropriate to work on a fixed-fee basis. The annual fee for a *Retainer Agreement* is \$6,000 and up and is negotiable.

Investment Management Agreement

An *Investment Management Agreement* may be executed when a comprehensive financial plan is not provided as part of the relationship.

The *Investment Management Agreement* fee is based on a percentage of the investable assets according to the following schedule:

0.75% on the first \$2,000,000;

0.50% on the assets above \$2,000,000;

Fees of assets above \$5,000,000 are negotiable.

The minimum annual fee is \$0.00. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Tax Preparation Agreement

Tax preparation work is beyond the scope included in the *Advisory Service Agreement* or *Retainer Agreement*.

Tax preparation work is performed separately from an *Advisory Service Agreement Investment Management Agreement* or a *Retainer Agreement* and is billed at a rate of \$175 per hour. Minimum fee for new tax preparation clients is \$200.00. Eligible federal and applicable state returns are filed manually.

Hourly Planning Engagements

BREAKFORTH INVESTMENT MANAGEMENT, INC. provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$175.00

Asset Management

Assets are invested primarily in stocks, no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. BREAKFORTH INVESTMENT MANAGEMENT, INC. does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts, futures contracts, and interests in partnerships.

Initial public offerings (IPOs) and insurance products are not available through BREAKFORTH INVESTMENT MANAGEMENT, INC.

Termination of Agreement

The Brochure documents are an integral part of understanding the investment management relationship. As such potential clients are provided the brochure and sample contract terms in advance of entering a contract relationship. In all cases a client shall have a period of five business days to cancel the contractual agreement without penalty.

A Client may terminate any of the aforementioned agreements at any time by notifying BREAKFORTH INVESTMENT MANAGEMENT, INC. in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, BREAKFORTH INVESTMENT MANAGEMENT, INC. will refund any unearned portion of the advance payment.

BREAKFORTH INVESTMENT MANAGEMENT, INC. may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, BREAKFORTH INVESTMENT

MANAGEMENT, INC. will refund any unearned portion of the advance payment.

Fees and Compensation

Description

BREAKFORTH INVESTMENT MANAGEMENT, INC. bases its fees on a percentage of assets under management, hourly charges, and fixed fees (not including subscription fees).

Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are negotiable.

Fee Billing

Investment management fees are billed quarterly, in advance, meaning that we invoice you during the three-month billing period that has begun. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Prior to having client accounts debited by a qualified custodian, Breakforth Investment Management, Inc. will:

- (a) Possess written authorization from the client to deduct advisory fees from the account held by a qualified custodian
- (b) Send the qualified custodian written notice of the amount of the fee to be deducted from the client's account
- (c) Send the client an itemized invoice including any formulae used to calculate the fee, and the amount of assets under management on which the fee was based.

Fees for financial plans are billed 50% in advance, with the balance due upon delivery of the financial plan.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction charges are usually small and incidental to the purchase or sale of a security. Custodians also may charge fees for special services such as wire transfers, corporate reorganizations or issuance of security certificates. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

BREAKFORTH INVESTMENT MANAGEMENT, INC., in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to BREAKFORTH INVESTMENT MANAGEMENT, INC.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

BREAKFORTH INVESTMENT MANAGEMENT, INC. reserves the right to stop work on any account that is more than 30 days overdue. In addition, BREAKFORTH INVESTMENT MANAGEMENT, INC. reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in BREAKFORTH INVESTMENT MANAGEMENT, INC.'s judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30 days.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

BREAKFORTH INVESTMENT MANAGEMENT, INC. does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

Description

BREAKFORTH INVESTMENT MANAGEMENT, INC. generally provides investment advice to individuals.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$0.00 of assets under management, which equates to an annual fee of \$0.00.

When an account falls below \$0.00 in value, the minimum annual fee of \$0.00 is charged. Depending upon circumstances, BREAKFORTH INVESTMENT MANAGEMENT, INC. will sign an *Hourly Agreement* with the client if assets have diminished significantly below \$15,000.

BREAKFORTH INVESTMENT MANAGEMENT, INC. has the discretion to waive the account minimum. Other exceptions will apply to employees of BREAKFORTH INVESTMENT MANAGEMENT, INC. and their relatives, or relatives of existing clients.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that BREAKFORTH INVESTMENT MANAGEMENT, INC. may use include Morningstar, Value Line, The Chartist, Personal Finance, Manifest Investing, Better Investing, and the World Wide Web.

Investment Strategies

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then add individual stocks, actively-managed money market, balanced, and stock funds where there are greater opportunities to make a difference. Portfolios are diversified to control the risk associated with traditional markets. Diversification may include aspects of exposure to global markets, companies of various sizes, and various industries.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, and over, under or equal weighting.

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

BREAKFORTH INVESTMENT MANAGEMENT, INC. is registered as an Investment Advisor with the State of Pennsylvania.

Affiliations

BREAKFORTH INVESTMENT MANAGEMENT, INC. has no arrangements that are material to its advisory business or its clients. Terry E. Lyon is currently a general partner in three investment clubs. Currently one client is also a general partner in one of these partnerships. BREAKFORTH INVESTMENT MANAGEMENT, INC. and its associated person Terry E. Lyon, does not recommend investments in investment clubs as a core part of the financial plan. In no case will a client's investment in an investment club(s) be considered an asset under management of BREAKFORTH INVESTMENT MANAGEMENT, INC. or its associated person(s)

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

Code of Ethics

The employees of BREAKFORTH INVESTMENT MANAGEMENT, INC. have committed to a Code of Ethics common to all Certified Financial Planner licensees the Code is available for review by clients and prospective clients upon request. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

BREAKFORTH INVESTMENT MANAGEMENT, INC. and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the BREAKFORTH INVESTMENT MANAGEMENT, INC. *Compliance Manual*.

Personal Trading

The Chief Compliance Officer of BREAKFORTH INVESTMENT MANAGEMENT, INC. is Terry E. Lyon. He reviews all employee trades each quarter. His trades are also reviewed by Terry E. Lyon as this is a single

person company. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small stock, mutual fund, or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

BREAKFORTH INVESTMENT MANAGEMENT, INC. does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. BREAKFORTH INVESTMENT MANAGEMENT, INC. recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

BREAKFORTH INVESTMENT MANAGEMENT, INC. recommends discount brokerage firms and trust companies (qualified custodians), such as Scottrade and Charles Schwab.

BREAKFORTH INVESTMENT MANAGEMENT, INC. DOES NOT receive fees or commissions from any of these arrangements.

Best Execution

BREAKFORTH INVESTMENT MANAGEMENT, INC. reviews the execution of trades at each custodian each year. The review is documented in the BREAKFORTH INVESTMENT MANAGEMENT, INC. *Compliance Manual*. Trading fees charged by the custodians is also reviewed on a quarterly basis. BREAKFORTH INVESTMENT MANAGEMENT, INC. does not receive any portion of the trading fees.

Soft Dollars

BREAKFORTH INVESTMENT MANAGEMENT, INC. does not receive any benefits that would be considered "Soft Dollar Allowances".

The selection of Scottrade, Charles Schwab & Company, or any custodian a client may choose is not affected by "Soft Dollar Allowances".

Order Aggregation

Most trades are stocks, mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Review of Accounts

Periodic Reviews

Account reviews are performed quarterly by advisors Terry E. Lyon, President. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. *Advisory Service Agreement* clients, *Investment Management* clients, and *Retainer Agreement* clients receive written quarterly updates. The written updates may include a portfolio statement, and a summary of recommendations to move further along the path towards meeting client objectives.

Client Referrals and Other Compensation

Incoming Referrals

BREAKFORTH INVESTMENT MANAGEMENT, INC. has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

Referrals Out

BREAKFORTH INVESTMENT MANAGEMENT, INC. does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

None

Custody

SEC “Custody”

BREAKFORTH INVESTMENT MANAGEMENT, INC. does not engage in activities that may be considered to have custody.

Account Statements

All assets are held at qualified custodians, which mean the custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by BREAKFORTH INVESTMENT MANAGEMENT, INC.

Net Worth Statements

Clients may request a net worth statement. Net worth statements may contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Investment Discretion

Discretionary Authority for Trading

BREAKFORTH INVESTMENT MANAGEMENT, INC. does not accept discretionary authority to manage securities accounts on behalf of clients.

BREAKFORTH INVESTMENT MANAGEMENT, INC. consults with the client prior to each trade to obtain concurrence.

The client approves the custodian to be used and the commission rates paid to the custodian. BREAKFORTH INVESTMENT MANAGEMENT, INC. does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Voting Client Securities

Proxy Votes

BREAKFORTH INVESTMENT MANAGEMENT, INC. does not vote proxies on securities. Clients are expected to vote their own proxies.

When assistance on voting proxies is requested, BREAKFORTH INVESTMENT MANAGEMENT, INC. will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

Financial Information

Financial Condition

BREAKFORTH INVESTMENT MANAGEMENT, INC. does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because BREAKFORTH INVESTMENT MANAGEMENT, INC. does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, and six months or more in advance.

Requirements for State-Registered Advisers

Brochure Supplement (Part 2B of Form ADV)

Please see the Brochure Supplement (Part 2B Form ADV) at the end of this document which covers this information.

Business Continuity Plan

General

BREAKFORTH INVESTMENT MANAGEMENT, INC. has an informal Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications

line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within thirty days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

BREAKFORTH INVESTMENT MANAGEMENT, INC. has not signed a Business Continuation Agreement with another financial advisory firm to support BREAKFORTH INVESTMENT MANAGEMENT, INC. in the event of Terry E. Lyon's serious disability or death.

Information Security Program

Information Security

BREAKFORTH INVESTMENT MANAGEMENT, INC. maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

BREAKFORTH INVESTMENT MANAGEMENT, INC. is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including

financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

BREAKFORTH INVESTMENT MANAGEMENT, INC. requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
 - Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
 - Successful completion of the 10-hour CFP® Certification Exam.
 - Three-year qualifying full-time work experience.
 - Successfully pass the Candidate Fitness Standards and background check.
-

TERRY E. LYON, Certified Financial Planner (CFP)

Educational Background: BS-Accounting

- Date of birth: January 16, 1945
- State University of New York at Albany (1967).

Business Experience:

- BREAKFORTH INVESTMENT MANAGEMENT, INC.(1990 to present)
- PPG INDUSTRIES, INC. (1969 TO 2001) Various financial and accounting positions including payroll and benefits and tax administration positions.
- Thacher Glass Manufacturing (1967 TO 1969) Cost accountant

Disciplinary Information: None

Other Business Activities: None

Additional Compensation: None

Supervision:

Terry E. Lyon is the only employee of BREAKFORTH INVESTMENT MANAGEMENT, INC. he is responsible for the day to day activities as well as the supervision activities.

SUPERVISOR'S contact information:
412-367-1315 BIMI@PRODIGY.NET

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None