



Introduction

We are sure the Securities and Exchange Commission (SEC), our regulator, was coming from a good place when it created the Customer Relationship Summary (CRS) form. They wanted to promote transparency and brevity in disclosure documents. We applauded them for their effort, especially for trying to keep it to two pages.

We believe disclosure is good. Unconfusing disclosure is even better. Well, this CRS form is a bit confusing at times. And we have to deliver it to current and potential clients as if we have authored the whole thing.

However, this is one of those cases where we don't want to take full credit for something we send to you, because this form was pre-filled by the SEC and we were not allowed to change parts of it. Some of their language was confusing because it did not apply to us, but we (and all other SEC-registered advisors) were not given a choice.

We are attaching the SEC-mandated CRS form (see below). In the spirit of clarity, though, we also authored our own version of the CRS, for which we take full credit. We encourage you to read both (we have to say this), but you know where our sentiments lie.

Customer Relationship Summary (our version)

What we do: IMA is an SEC-registered investment advisor; we provide investment advice. We do in-depth research and carefully craft a portfolio for you. We watch your money as if it was our own. That is easy for us to do, since we (Mike and Vitaliy and our families) own the same stocks as you. Yes, we eat our own cooking.

At times we may buy stock options. Our goal in the use of options is to reduce, not increase, risk to the portfolio. ([You can read more about that here.](#))

Most of our accounts are discretionary, where we are given the authority to enter buy and sell orders. (We are not allowed to disperse assets.) We have a handful of nondiscretionary accounts; these are rare, client-specific exceptions to our normal practice.

You can learn more about IMA by reading our SEC-filed ADV [forms](#), and you can [read](#) or [listen](#) to our brochure. You can also [read](#) and [listen](#) to Vitaliy's articles.

What we don't do: It is also important to point out what we do not do. We believe in specialization and following our passion – as Mike likes to put it, “Stocks-R-Us.” Financial planning, insurance, and taxes bring us as much excitement as a trip to the dentist. If you need a financial planner or an accountant, we can recommend one. We will not be receiving any compensation for that recommendation.

Our conflicts of interest: Just like any for-profit business on this planet, we have a monetary interest (we have families to feed and employees to pay). These interests, however, are aligned with yours. Our fees go up and down with your portfolio; thus our incentive is to grow your portfolio. If clients are not happy with IMA they can leave any time and thus stop paying us. Our incentive is to do the best job possible to grow our clients' accounts and provide incredible service to retain them.

We also have the incentive to grow IMA by gaining new clients. However, it is much easier to grow the firm when you retain existing clients, so that's our greatest incentive. As of July 2020 we managed a little bit under \$150 million. Paradoxical as it may sound, we don't have ambitions to manage billions (Vitaliy wrote about that [here](#)). At

some point we will put the brakes on our growth by limiting the number of accounts we accept each quarter and/or by raising the minimum account size.

Disciplinary history: Neither Mike nor Vitaliy has a criminal record. Nor have we ever been disciplined by the SEC. (Mike received an “F” from the SEC in 1992 for a registration oversight with the great state of Virginia – no clients were harmed). We have, however, been the recipients of a few occasional speeding tickets (never in a school zone).

Mike and Vitaliy are CFA charter holders and follow the CFA Institute’s ethics rules. IMA’s mantra is very simple: Do no harm. We always put your interests ahead of ours. You can look up [Vitaliy’s](#) and [Mike’s](#) profiles on the SEC website.

Fees: The only fee you will pay to IMA is the management fee that we agreed upon when you became a client. You’ll see this fee disclosed in your management agreement (happy to send you a copy, if you need it). Or you can see our management fee on your quarterly statement, which you can access on the Orion platform (go to [imausa.com](#) and click on “Client Login”). Our fees are billed quarterly based on your account value on the last day of the quarter.

Your money is custodied with a discount brokerage firm (Charles Schwab, TD Ameritrade, or Fidelity). The discount brokerage firm charges transactions costs (commissions) when we buy and sell stocks. Most discount brokers took these domestic (US) trading commissions to zero in 2020.

Account minimum: Our account minimum is \$500,000. We make occasional exceptions, usually for a client’s family. As we have mentioned, as IMA continues to grow, we will likely raise the account minimum. This will not impact existing IMA clients.

How IMA professionals make a living: We need to attract special, talented people, so we need to pay them well. We pay them salaries and year end bonuses based on their performance and the firm’s profitability.

How to contact us: If you have administrative questions about your account, you can schedule a call with Lisa Martin, IMA’s Director of Operations, [here](#), or you can call us at (303) 796-8333 x103 or email lm@imausa.com.

If you have an investment question, you have several options:

You can schedule a call with Vitaliy Katsenelson, IMA’s CEO/CIO [here](#). You can also call/email Barbara Blachowicz to schedule a call with Vitaliy – 303-796-8333 x102 / pa@imausa.com.

If you have a question about a specific stock in your portfolio, you can also call or email Brendan Snow, IMA’s research analyst, at (303) 796-8333 x101 or bcs@imausa.com. (Brendan will not be able to answer questions about your account.)

You can also email questions to be included in the Q&A section of our seasonal letter to clients. Send them to me: vk@imausa.com.



June 26, 2020
Investment Management Associates, Inc.
Form CRS: Customer Relationship Summary

Introduction	<p>Investment Management Associates, Inc. (“IMA”) is registered with the Securities and Exchange Commission as an investment adviser. Brokerage and investment advisory services and fees differ, and it is important for you to understand these differences. Free and simple tools are available to research firms and financial professionals at Investor.gov/CRS, which also provides educational materials about broker-dealers, investment advisers, and investing.</p>
Relationships and Services	<p>What investment services and advice can you provide me? We offer investment management services to individuals, corporations and family offices. Our investment recommendations are based on the investment strategy selected by the client and include individual stocks, options and fixed income.</p> <p>Monitoring As part of our investment management services we monitor and advise on clients’ investment portfolios on an ongoing basis.</p> <p>Investment Authority We manage advisory accounts on a non-discretionary and discretionary basis. Once we determine a client’s profile, income need, and investment plan, we execute the day-to-day transactions with or without prior consent, depending on the client’s agreement with our Firm.</p> <p>Account Minimums and Other Requirements We generally accept clients with a minimum of \$500,000 of investible assets in each household. Accounts below this minimum may be negotiable and accepted on an individual basis at IMA’s discretion.</p> <p>More detailed information about IMA’s services is available on Part 2 of our Form ADV.</p> <p style="text-align: center;"><i>Conversation Starters to ask our financial professionals</i></p> <ul style="list-style-type: none">• <i>Given my financial situation, should I choose an investment advisory service? Why or why not?</i>• <i>How will you choose investments to recommend to me?</i>• <i>What is your relevant experience, including your licenses, education and other qualifications? What do these qualifications mean?</i>
Fees, Costs, Conflicts, and Standard of Conduct	<p>What fees will I pay? IMA charges clients a maximum annual investment management fee of 1.5% that is based on assets under management. Fees are charged quarterly in advance and are based on the market value of the account on the last business day of the preceding calendar quarter. IMA doesn't charge any other fees and accounts over \$1 million pay a tiered fee. Our fees generally increase as client accounts grow, so we have an incentive to encourage our clients to increase the amount of assets in the accounts that are under our management.</p> <p style="text-align: center;">Additional information about our fees are included in Item 5 of Part 2 of our Form ADV.</p> <p>In addition to IMA’s investment management fee, clients bear transaction fees when we buy or sell investments. Clients also pay fees to the broker-dealer that maintains each account (called “custody” fees).</p>

You will pay fees and costs whether you make or lose money on your investments. Fees and costs will reduce any amount of money you make on your investments over time. Please make sure you understand what fees and costs you are paying.

Conversation Starter to ask our financial professionals

- *Help me understand how these fees and costs might affect my investments. If I give you \$10,000 to invest, how much will go to fees and costs, and how much will be invested for me?*

What are your legal obligations to me when acting as my investment adviser? How else does your firm make money and what conflicts of interest do you have?

When we act as your investment adviser, we have to act in your best interest and not put our interest ahead of yours. At the same time, the way we make money creates some conflicts with your interests. You should understand and ask us about these conflicts because they can affect the investment advice we provide to you. Here is an example to help you understand what this means.

- We manage accounts for multiple clients, and we allocate our time based on each client’s needs. Our firm earns more as we expand our client base and grow our assets under management, and we seek to balance our staffing with the individualized needs of each client.

Conversation Starter to ask our financial professionals

- *How might your conflicts of interest affect me, and how will you address them?*

More detailed information about conflicts of interest between IMA and its clients is available on [Part 2 of Form ADV](#),

How do your financial professionals make money?

IMA’s financial professionals receive a salary and may receive a discretionary bonus. Compensation is set with the intention of attracting and retaining highly qualified professionals. Compensation is based on a variety of factors, including the number and value of accounts under management, the performance of those accounts, and client retention.

Disciplinary History

Do your financial professionals have legal or disciplinary history?

No, IMA and its financial professionals have not been subject to any legal or disciplinary events. You can research IMA and our financial professionals using the free and simple search tool available at www.investor.gov/crs.

Conversation Starter to ask our financial professionals

- *As a financial professional, do you have any disciplinary history? For what type of conduct?*

Additional Information

Updated copies of this form, and additional information about IMA, can be found at www.imausa.com. If you would like additional, up-to-date information or a copy of this disclosure, please call us at (303)796-8333.

Conversation Starter to ask our financial professionals

- *Who is my primary contact person? Is he or she a representative of an investment-adviser or a broker-dealer? Who can I talk to if I have concerns about how this person is treating me?*