

**Item 1 - Cover Page**

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May 18, 2011

This Brochure provides information about the qualifications and business practices of Advanced Advisor Group. If you have any questions about the contents of this Brochure, please contact us at 763/689-9023. 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.

Advanced Advisor Group is a Registered Investment Adviser. Registration of an Investment Adviser does not imply a certain level of skill or training. The oral and written communications of an Adviser provide you with information to determine if you should hire or retain an Adviser.

Additional information about Advanced Advisor Group may be available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated May 18, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials 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 Brochure may be requested by contacting Kent Schutte, Chief Compliance Officer at 763-689-9023 or Kents@tsainvest.com. Our Brochure is also available on our web site [www.advancedadvisor.net](http://www.advancedadvisor.net), also free of charge.

Additional information about Advanced Advisor Group is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Advanced Advisor Group who are registered, or are required to be registered, as investment adviser representatives of Advanced Advisor Group.

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#### **Item 4 – Advisory Business**

Advanced Advisor Group, LLC, a Registered Investment Advisor, was founded in 2008, by Kent D. Schutte. Advanced Advisor Group continues with Mr. Schutte as the primary owner.

Advanced Advisor Group (AAG) offers investment advisory services for a fee of client assets under management. The firm furnishes investment advice through consultations. AAG may provide advice on matters not specifically involving securities transactions. We may also offer advice surrounding securities other than described above.

#### **Item 5 – Fees and Compensation**

The specific manner in which fees are charged by Advanced Advisor Group is established in a client's written agreement with the firm. Advanced Advisor Group will generally bill its fees on a quarterly basis. Clients are billed in advance each calendar quarter. Clients authorize Advanced Advisor Group to directly debit fees from client accounts. Management fees may be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter may be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees may be refunded, and any earned, unpaid fees will be due and payable.

The advisors president and investment adviser representatives sell securities and insurance products for sales commissions through their affiliated broker-dealer Advanced Advisor Group, LLC. A fee is charged for financial planning and investment advisory services. They manage client accounts for a percentage of assets under management.

### Standard Fee Schedule

	<u>Quarterly Fee</u>	<u>Annual Fee</u>
\$0.00 - \$100,000	.32%	1.28%
\$100,001 - \$210,000	.26%	1.04%
\$210,001 - \$500,000	.24%	0.96%
\$500,001 - \$1,000,000	.22%	0.88%
\$1,000,001 and Higher	.20%	0.80%
*Fixed Income and Cash Management Only	.15%	0.60%

Advanced Advisor Group fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to Advanced Advisor Group fee, and Advanced Advisor Group shall not receive any portion of these commissions, fees, and costs.

Item 12 further describes the factors that Advanced Advisor Group considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

Advanced Advisor Group does not charge any performance-based fees (fees based on a share of capital gains or capital appreciation of the assets of a client).

#### **Item 7 – Types of Clients**

Advanced Advisor Group provides investment advice to individuals, corporate pension and profit-sharing plans, business entities, charitable organizations, estate and trust programs.

### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

The Advisory Committee analyzes data for investment choices. One measure is by performance. This includes using a five star ranking system, noting that a higher star rating does not guarantee positive results. Additional items reviewed include, but are not limited to, benchmark returns, history of management team members, and expenses and fees. Technical analysis includes the use of software such as Frontier Analytics and Morningstar. Past performance is not indicative of future results. Investing in securities involves risk of loss that clients should be prepared to bear.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Advanced Advisor Group or the integrity of Advanced Advisor Group management. Advanced Advisor Group has no information applicable to this Item.

## **Item 10 – Other Financial Industry Activities and Affiliations**

Advanced Advisor Group sells products or services other than investment advice to clients such as arrangements related to a broker dealer or insurance company. Advisors are compensated through means other than collected fees for these services, typically through commission structured payment.

## **Item 11 – Code of Ethics**

Advanced Advisor Group has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Advanced Advisor Group must acknowledge the terms of the Code of Ethics annually, or as amended.

Advanced Advisor Group anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Advanced Advisor Group has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Advanced Advisor Group, its affiliates and/or clients, directly or indirectly, have a position of interest. Advanced Advisor Group employees and persons associated with Advanced Advisor Group are required to follow Advanced Advisor Group Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Advanced Advisor Group and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Advanced Advisor Group clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Advanced Advisor Group will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these

would materially not interfere with the best interest of Advanced Advisor Group clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Advanced Advisor Group and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Advanced Advisor Group obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Advanced Advisor Group will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Advanced Advisor Group clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Kent Schutte, Chief Compliance Officer.

It is Advanced Advisor Group's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Advanced Advisor Group will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

## **Item 12 – Brokerage Practices**

Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of the soft dollar benefits.

AAG has authority to select the broker dealer for custodial and execution services. AAG will choose the broker/dealer to be used based on execution and custodial services offered, cost, quality of service and industry reputation. Although AAG has the ability to select the broker dealer used; AAG will not dictate commissions and AAG does not receive product, service, compensation or research for the chosen broker dealer. AAG suggests investment adviser representatives to clients; although they are free to select any investment adviser representative they wish. AAG has two types of clients – fee paying and commission paying. For fee paying, AAG will recommend investment adviser representatives based on the skill, reputation, dependability and compatibility with the client. For commission accounts, if the client wants AAG to implement the advice, the affiliated broker dealer, Advanced Advisor Group, LLC, will be recommended. The Investment Advisor Representatives of AAG sell securities and insurance products for commissions through their affiliation.

## **Item 13 – Review of Accounts**

The Chief Compliance Officer or assigned person and/or an Investment Advisor Representative conduct periodic reviews of advisory business. A review of funds held within the accounts is conducted via an Advisory Committee meeting. Each account is reviewed individually on at least an annual basis.

## **Item 14 – Client Referrals and Other Compensation**

The Investment Advisor Representative's of the firm through the affiliated broker dealer Advanced Advisor Group, LLC sell securities products for sales commissions. Additionally, insurance products may be sold where a sales commission is earned.

### **Item 15 - Custody**

The firm does not have custody of any assets for clients.

### **Item 16 - Investment Discretion**

The firm generally has discretion over the selection and amount of securities to be bought or sold in client accounts without obtaining prior approval from the client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by the firm.

Discretionary authority will only be authorized upon full disclosure to the client. The granting of such authority will be evidenced by the client's execution of an Investment Advisory Agreement containing all applicable limitations to such authority. All discretionary trades made by the firm will be in accordance with each client's investment objectives and goals.

The firm has discretionary authority to select the broker or dealer for custodial and execution services. AAG will choose the broker/dealer to be used based on execution and custodial services offered, cost, quality of service and industry reputation. Although AAG has the ability to select the broker or dealer used; AAG will not dictate commissions or receive products, service, compensation or research from the chosen broker/dealer.

### **Item 17 - Voting Client Securities**

The firm will not vote, nor advise clients how to vote, proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. Also, AAG cannot give any advice or take any action with respect to the voting of these proxies. The client and AAG agree to this by contract.

For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for

the voting of any proxies for securities held in plan accounts. Also, AAG cannot give any advice or take any action with respect to the voting of these proxies.

### **Item 18 – Financial Information**

Registered investment advisers are required to provide you with certain financial information or disclosures about Advanced Advisor Groups' financial condition. The firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

### **Item 19 – Requirements for State-Registered Advisers**

The principal executive officers for Advanced Advisor Group, LLC are:

Kent Schutte, President, CEO and CCO, has been working with the education market providing information on Defined Benefit plans, 403(b), 457 and Social Security benefits since 1989. Mr. Schutte has earned multiple designations which expands his knowledge. Mr. Schutte earned the Certified Financial Planner in 1996, Chartered Financial Consultant in 1992, and Certified Life Underwriter in 1991. In August, 2010, Mr. Schutte earned the "Tax Exempt and Governmental Plan Consultant" designation which specifically relates to 403(b) and 457 regulations. Mr. Schutte holds his series 6, 7, 24, 51, 63 and 65 registrations.

Dorothy Fuller, Chief Financial Officer, has worked in the financial industry since 1999. Along with her responsibilities for the financials of the firm, she is also involved with compliance activities and holds Series 6, 26, 27, 51 and 63 registrations, as well as a Bachelors in Business Administration for Bellford College.

Shelley Kunde, Compliance Officer, has worked in the compliance arena of the financial services industry since 1998. Shelley holds her series 6, 7, 24, 26 and 63 registrations.