

Item 1 – Cover Page

Part 2A of Form ADV “Brochure”

Employee & Institution Securities Research Corporation
(EISRC)

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This Brochure provides information about the qualifications and business practices of Employee & Institution Securities Research Corporation. (“EISRC”). If you have any questions about the contents of this Brochure, please contact us at (503) 332-8473. 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.

EISRC is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information you use to determine whether to hire or retain an Adviser.

Additional information about EISRC also is available on the SEC’s website at www.adviserinfo.sec.gov

Item 2 – Material Changes

This latest brochure, issued March 29th of 2024 contains updates to assets under management and updates to remove AOS Inc. (dba Moneyblock) as a custodian option.

The previous brochure was issued March 31st 2023.

Item 2 Material Changes will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. Pursuant to the Securities Laws of Oregon, we will notify clients on a yearly basis that Form ADV Part 2 is available upon request. We may further provide other ongoing disclosure information about material changes as necessary. We will 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 Jay Shaw, Managing Director of EISRC, at (503)332-8473 or jshaw@eisrc.com.

Additional information about EISRC is also available via the SEC's website www.adviserinfo.sec.gov.

The SEC's website also provides information about any persons affiliated with EISRC who are registered, or are required to be registered, as Investment Adviser Representatives of EISRC.

Item 3 -Table of Contents

Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business.....	4
Item 5 – Fees and Compensation.....	6
Item 6 – Performance-Based Fees and Side-by-Side Management.....	7
Item 7 – Types of Clients.....	7
Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss.....	7
Item 9 – Disciplinary Information.....	15
Item 10 – Other Financial Industry Activities and Affiliations.....	15
Item 11 – Code of Ethics.....	16
Item 12 – Brokerage Practices.....	16
Item 13 – Review of Accounts	17
Item 14 – Client Referrals and Other Compensation.....	17
Item 15 – Custody.....	18
Item 16 – Investment Discretion.....	18
Item 17 – Voting Client Securities.....	18
Item 18 – Financial Information.....	18
Part 2B Brochure Supplement.....	19

Item 4 – Advisory Business

Employee & Institution Securities Research Corporation (“EISRC”) was founded in 2008. The firm is controlled and chiefly owned by the firm’s Managing Director, Mr. Jay Shaw. EISRC’s principle service is providing fee-based Investment Advisory Services. EISRC provides custom management of portfolios, according to our client’s objectives. EISRC’s investment approach is to allocate assets among a variety of investment classes with the goal of reducing risk and increasing performance. The Firm implements investment plans using a variety of instruments, including:

Exchange Traded Funds, Mutual Funds, US and Foreign Stock, Municipal Securities, CD’s, US Government Securities, Foreign Currencies and other securities to accomplish this objective. EISRC consults with its clients to determine their needs, risk tolerance, and investment objectives. When EISRC and the client have reached agreement concerning investment objectives, EISRC determines ideal asset allocations and makes recommendations for the client. The client then makes the decision whether to allow EISRC to proceed with implementing the strategy. Once the strategy is established, EISRC will only need to consult with the client if there are changes to the strategy. EISRC offers Discretionary Investment Management services, but can also manage accounts on a Non-Discretionary basis. The two Investment Management services being offered by EISRC are:

1. Index Fund Portfolios - We create and manage an age/risk appropriate portfolio of low-cost Passively Managed Index ETFs and re-balance periodically to the weightings for the model portfolio for the client. This strategy fits the broadest category of our clients, as the methodology is simple, the fees are low, and the performance should track the market (minus fees). These strategies are widely used within the retirement investing industry.

2. Active Strategy Portfolios - We create and manage a portfolio of Individual Stocks, Individual Bonds, ETFs, and a variety of securities. The major themes for this investing strategy are:

- Growth at a reasonable price - companies showing steady growth but trading at reasonable valuations
- High revenue growth / innovative / disruptive companies - companies that have the possibility of disrupting and rapidly taking market share from other established companies in their respective industries. These companies often trade at a premium due to future expectations. These companies have typically invested in technologies, automation, or processes that will give them competitive advantages.
- Deeply undervalued securities - this usually is the result of short term adverse market events/sentiment, while longer term prospects remain intact.
- Mergers, acquisitions, catalysts, trends and event-driven themes - as the economy grows, laws

evolve and capital is allocated, we may seek to position investments accordingly to capture some of this growth.

Clients that are looking for customized portfolios built around themes, specific hedging requirements, or that require a high degree of custom design will usually be accommodated within the Active Strategy.

Individual clients' Investment policy statements will contain the guardrails and maximum percentages that can be invested in a particular asset class, sector, or other diversification construct. For the typical client, no individual company security at the time of purchase is to exceed 10% of the portfolio value, but this guardrail may be set higher or lower for the specific client. Typically we will not sell positions until we feel the security no longer meets our investment criteria and thus we sometimes allow positions to grow to be more than 10% of portfolio value.

The target market for this strategy is Institutional Investors, experienced Individual Investors who have very specific needs, or Individual Investors who already have their primary needs met in the Index Fund Portfolio mentioned above, through a retirement plan at work or elsewhere. For those needing a broad index-based retirement portfolio, please see the index fund portfolio mentioned in #1 above.

Additional Notes applicable to both Index Fund Portfolios and Active Strategies

EISRC monitors portfolios daily and reviews client portfolios at least every 30 business days. For both strategies, the client's Investment Policy Statement, which has been crafted in consultation with the client to fit their needs and risk tolerance, is used to put limits in place to maintain proper diversification. In addition to the customary asset classes available through investment in mutual funds and exchange traded funds (equity, fixed income, real estate, commodities), EISRC makes other types of investment strategies and vehicles available to clients for whom such investments are appropriate.

Wrap Fee Programs

EISRC does not participate in wrap fee programs.

Assets Under Management (AUM)

As of Feb 29th 2024, EISRC managed approximately \$3,188,946 in assets for 11 clients.

EISRC manages assets on a discretionary basis.

Item 5 – Fees and Compensation

Fees for Portfolio Management services are based on the amount of assets under management and the level of services required. The minimum account size for a new client relationship is \$100,000.

Annual Fee Schedule For Index Fund Portfolios

0.50% (one half of one percent) for accounts up to \$2 Million

0.40% for accounts \$2 Million and up

Annual Fee Schedule For Active Strategy Portfolios

1.0% for accounts up to \$5 million

0.90% for accounts \$5 million and up

There is one fee level over the entire account, not a blended rate. Fees for all services may be negotiable depending upon specific services required and type of investments under management.

Family and Associates of EISRC may be subject to lower minimums and fees.

The specific manner in which fees are charged by EISRC is established in a client's written agreement with EISRC. Typically, clients authorize EISRC to have the custodian debit the fees directly from their account on a daily basis. In this billing method, the annual fee is divided by the Number of days the market is open in the year and applied to the net liquidation value of the account on that trading day. Alternatively, some clients may opt to have EISRC bill its fees on a monthly basis, with one-twelfth of the annual fee being billed monthly. The amount billed is determined by the daily average balance throughout the month. Accounts initiated or terminated during a month will be charged a prorated fee. EISRC's fees are not payable in advance. EISRC's standard advisory agreement provides that the client may terminate the agreement upon notice to EISRC. EISRC's fees generally do not include 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 or other third parties, including 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 in addition to EISRC's fee. EISRC does not receive any portion of these commissions, fees and costs. Item 12 further describes the factors that EISRC considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Financial Planning Fees:

Currently all clients are under the fee arrangement (percent of assets under management) described above and thus financial planning fees do not apply. Some clients may opt to use EISRC for Financial Planning only and not ongoing Portfolio Management, in this case an hourly fee would be charged. Each contract for Financial Planning consulting services identifies the scope of services to be performed and how fees are to be charged. These fees would be based on hourly rates which range from \$75 - \$300 per hour which primarily depends on the amount and complexity of the assets we are providing a plan for.

An initial consultation is provided free of charge in order to determine if EISRC's services are appropriate for the prospective client. One hour is the minimum billing on any new client after the initial consultation. The Financial Planning contract can be canceled at any time with no penalty.

If a client who retains EISRC solely for Financial Planning services subsequently retains EISRC for Wealth Management services (Portfolio Management as well as Financial Planning) EISRC will credit up to \$6,000 of financial planning fees paid by the client for financial planning services. The credit will be applied to future Wealth Management fees incurred by the client at the rate of \$1,000 per quarter.

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

EISRC does not charge any performance-based fees (fees based on a share of capital gains on, or capital appreciation of, the assets of a client) or engage in side-by-side management.

Item 7 – Types of Clients

EISRC endeavors to provide portfolio management services to individuals, high-net-worth individuals, corporate pension and profit-sharing plans, foundations, endowments and state and municipal government entities. As stated in Item 5 above, the minimum account size for a new client relationship is \$100,000 but may be subject to exceptions at the discretion of EISRC.

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

Driving the strategy behind our index portfolio strategy is the efficient market hypothesis and modern portfolio theory. Our goal is to allocate assets along the efficient

frontier which, in short, means that we will take risks that make sense based on the historical expectation for return for a particular asset class or mix of asset classes.

In contrast to the index portfolio strategy, the active strategy is less focused on keeping the mix of asset classes in exact proportions to a model portfolio and is flexible in purchasing individual securities if we feel it makes sense. The active strategy is informed by our proprietary research, market trends, current events, software models, research we may subscribe to and by non-traditional sources of information such as social media, review websites and internet forums where we can get a sense of trending consumer thoughts.

Investing in securities involves risk of loss that clients should be prepared to bear.

EISRC's basic approach to portfolio management is to "optimize" the investors' allocation based on their needs and goals using a globally diverse portfolio of asset classes. Historically, equities have offered the potential for higher investment returns (and greater volatility) than cash or fixed income investments. In order for an investor to generate a higher rate of return, they must increase the proportion of equities in their portfolio and accept greater variation of results (including declines in value). As is common in the industry, EISRC recommends higher weightings in equities for younger investors and lower weightings in equities for those approaching or in retirement. EISRC will take into account the time frame and goal for the money being invested and align appropriate investments accordingly.

The primary asset classes in which EISRC invests client funds are equities and fixed income, commonly known as stocks and bonds. These are issued by companies and governments in the U.S. and abroad. The vehicles EISRC chiefly uses to invest in these asset classes are mutual funds and exchange traded funds ("ETFs"). EISRC may also invest client funds in individual stocks and bonds as part of the Active Strategy. There are risks associated with investing in equities and fixed income securities. Among those risks are the following:

Market Risk: The prices of the securities in which we invest may decline for a number of reasons. The price decline of equities, in particular, may be steep, sudden, and/or prolonged.

Interest Rate Risk: In general, the value of bonds and other debt securities falls when interest rates rise. Longer term obligations are usually more sensitive to interest rate changes than shorter term obligations. While bonds and other debt securities normally fluctuate less in price than common stocks, there have been extended periods of increases in interest rates which have caused significant declines in bond prices.

Credit Risk: The issuers of the bonds and other debt securities may not be able to make interest or principal payments. Even if these issuers are able to make interest or principal payments, they may suffer adverse changes in financial condition that would lower the credit quality of the security, leading to greater volatility in the price of the security. This risk is particularly pronounced among higher yielding bonds. We generally invest a low proportion of fixed income securities in higher yielding bonds.

Foreign Securities Risk: The securities of foreign issuers may be less liquid and more volatile than securities of comparable U.S. issuers. The U.S. dollar value of foreign securities traded in foreign currencies (and any dividends and interest earned) held by mutual funds and ETF's in which we invest may be affected favorably or unfavorably by changes in foreign currency exchange rates. An increase in the U.S. dollar relative to these other currencies will adversely affect our client's investments. Additionally, investments in foreign securities, even those publicly traded in the United States, may involve risks which are in addition to those inherent in domestic investments. Foreign companies may not be subject to the same regulatory requirements of U.S. companies, and as a consequence, there may be less publicly available information about such companies. Also, foreign companies may not be subject to uniform accounting, auditing, and financial reporting standards and requirements comparable to those applicable to U.S. companies. Foreign governments and foreign economies often are subject to more volatility than the U.S. Government and the U.S. economy.

Other general risks that investors should consider include the following:

Asset Allocation Risk: A client's performance will be affected by our ability to correctly anticipate the relative potential returns and risks of the asset classes in which we invest. For example, a client's relative investment performance would suffer if only a small portion of its assets were allocated to equities during a significant stock market advance, and their absolute investment performance would suffer if a major portion of their assets were allocated to equities during a stock market decline. Finally, since we intend to assume only prudent investment risk, there will be periods in which our clients' portfolios under-perform other portfolios that are willing to assume greater risk. It is our preference that Index Portfolio clients stay invested throughout the ups and downs of the markets, as trying to time the market is more likely to result in under performing the index when measured over periods of ten years or longer.

Mutual Fund Risks:

Costs Despite Negative Returns — Investors pay annual fees, and other expenses regardless of how the fund performs. And, depending on the timing of their investment,

investors may also have to pay taxes on any capital gains distribution they receive — even if the fund went on to perform poorly after they bought shares.

Control - Investors typically cannot ascertain the exact make-up of a mutual fund's portfolio at any given time (since holdings were last published), nor can they directly influence which securities the mutual fund manager buys and sells or the timing of those trades.

Price Uncertainty - With an individual stock, you can obtain real-time (or close to real-time) pricing information with relative ease by checking financial websites or by calling your broker. You can also monitor how a stock's price changes from hour to hour — or even second to second. By contrast, with a mutual fund, the price at which you purchase or redeem shares will typically depend on the fund's NAV, which the fund might not calculate until many hours after you've placed your order. In general, mutual funds must calculate their NAV at least once every business day, typically after the major U.S. exchanges close.

Exchange-Traded Fund Risk: Costs despite negative returns — Investors must pay annual fees, and other expenses regardless of how the ETF performs.

Price Uncertainty: ETF shares are priced continuously and investors can buy and sell their ETF shares throughout the day at the current offering price. As a result, two investors selling ETF shares at different times on the same day may receive different prices for their shares.

Alternative Asset Classes and Price Correlation: The major underlying components of EISRC portfolios are Stocks, Bonds and Cash Equivalents. Alternative Asset Classes, such as Commodities and Metals have price movements that don't typically correlate closely with Stocks and Bonds, in normal markets these would help stabilize a portfolio, on their own these investments can have wide price fluctuations. There can also be times when the commodities market, stock market and bond markets have highly correlated downward price movements. This can occur during times of extreme market downturns, where margin-call selling drives nearly all asset class prices rapidly downward. These tend to be short lived events that become insignificant in the context of a long term investor. Another example of high correlation between these asset classes is during times of extreme liquidity and low interest rates, where nearly all asset classes can rise against the dollar due to investors' willingness to borrow money, speculate, and take on the risk of owning any asset. Therefore, attempts to smooth volatility using alternative asset classes may not always work over the short term but are a generally accepted practice and tend to work over longer periods of time. Additionally, there can be tracking errors in which the ETF or Futures price does not reflect the spot price of the underlying commodity which can make our attempt to hedge price movements less effective.

Small Cap and Micro Cap Stocks: EISRC may purchase Small Cap Stocks (defined as 300 Million to 2 Billion in Market Capitalization) or Micro Cap Stocks (defined as under 300 Million Market Capitalization) for a portion of the portfolio in an attempt to enhance the returns for its clients. Small Cap Value Stocks have shown a historically higher rate of return than larger cap stocks. However, as with most

investments that have a higher return, there can be greater risks. Generally, EISRC partially mitigates this risk by setting limits on the portion of a portfolio invested in Small Cap and Micro Cap stocks, as detailed in the client's Investment Policy Statement. EISRC believes that even conservative investors, currently in retirement, can benefit from having a small portion of their portfolio invested in these stocks or index funds holding these stocks. Small and Micro Cap Stocks often have less research analyst coverage; investors often have less visibility into the financial health of these companies, and these companies can be less stable than larger more diversified companies, thus investors have to be willing to accept higher risks when investing in these companies.

Thinly-Traded Securities: for a small portion of the securities in the Active Strategy Portfolio, the volume of shares traded may be insufficient to obtain a good sense of their current fair market value, and it may be a little more difficult to purchase or sell shares at the most desirable price. When purchasing or selling thinly-traded securities, including Corporate Bonds, Preferred Shares and Small/Micro Cap Stocks, EISRC generally uses limit orders to obtain reasonable pricing. The process of waiting for a buyer/seller to accept these limit orders can delay the construction, re-balancing and liquidation of portfolios. EISRC believes that because some of these securities are not heavily followed by other larger investment firms, there may be undiscovered opportunities and inefficiencies that can be exploited; however, investors have to be able to accept less accurate pricing, less liquidity and other risks associated with Thinly-Traded Securities. Although it is not often that we pick securities that are thinly traded, when we do it is usually because the issuing company is very stable and has more cash value per share or book value per share than the share price itself or there is a compelling catalyst for the company. In the case of corporate bonds, from major investment grade companies, the market can also have wide spreads and low trading volume thus making it necessary to use limit orders and a patient approach.

Sector Emphasis Risk: Sector emphasis risk is the risk that the securities of companies in the same or related businesses, if comprising a significant portion of a portfolio, could react negatively in some circumstances to market conditions, interest rates and economic, regulatory or financial developments and adversely affect the value of the portfolio to a greater extent than if such business comprised a lesser portion of the portfolio. EISRC may have biases toward investing in Technology, Healthcare or other industries because we have been employed in those sectors.

Natural Disaster / Epidemic Risk: Natural or environmental disasters, such as earthquakes, fires, floods, and other severe weather-related phenomena, and widespread disease, including pandemics and epidemics, have been and can be highly disruptive to economies and markets, adversely impacting individual companies, sectors, industries, markets, currencies, interest and inflation rates, credit ratings, investor sentiment, and other factors affecting the value of the portfolio investments.

Cash Positions Risk: When a portfolio's investments in cash or similar investments increase (which may

occur in response to adverse market, economic or political conditions, or when the Adviser believes there are not sufficient investment opportunities that meet a portfolio's investment criteria), the portfolio may not participate in market advances or declines to the same extent that it would if the portfolio remained more fully invested. Under such circumstances, the portfolio may not achieve its investment objective

Additional Information Concerning Methods of Analysis and Investment

Practices

EISRC seeks to identify the objectives of each of its clients and to offer customized investment strategies as set forth below:

Individually Designed Asset-Allocation Strategies – EISRC's portfolio manager identifies an asset allocation strategy that he believes will best suit a client's specific investment objectives. Using his investment knowledge, outlook and experience, in consultation with the client, he makes adjustments to a client's personal asset allocation model so that the client's investment portfolio will reflect their unique financial goals.

Active Management VS Passive Management – Managing risk can be just as important as managing return. Diversification is the practice of placing a percentage of an investment portfolio in different market sectors with low correlation to each other to help minimize risk. Within each asset class, EISRC might recommend particular funds or securities we have researched and believe are well suited to meet a client's financial and life goals. Because a client's goals may change, EISRC manages each investment portfolio to reflect significant changes in a client's life. The firm believes that the Active Strategy, which consists of an actively managed portfolio, and the Index Portfolio, which consists of a passively managed portfolio both can provide usefulness to our clients. Actively managed portfolios allow the possibility of out-performing a benchmark, but at higher operating and tax costs. They also allow us the ability to do more unique portfolio designs. Passively managed funds reduce the likelihood of under-performing a benchmark, and reduce operating and tax costs. Within the Active Strategy Portfolio, EISRC may recommend under-weighting or excluding asset classes or industries it believes are currently overvalued compared to historical prices to help mitigate the risk of loss. This approach could result in under-performance if there is continued price appreciation in sectors or industries we have excluded from the portfolio. Individual stocks and bonds may be chosen in an attempt to seize opportunities that EISRC feels have more potential reward or lower risk than the corresponding index. In some situations, in consultation with the client, EISRC may choose to construct a portfolio entirely out of individual stocks and bonds, depending on the market condition at the time and the preferences of the client. For example, if a client wanted to be overweight in a particular sector, but avoid all high-beta stocks, the advisor may not find an adequate ETF to accomplish this purpose and may choose to purchase individual stocks to

simulate a “custom” index. Investors should note that it is possible for these actively-picked positions to under-perform the index.

Dollar-Cost Averaging – When building a new portfolio for a client, EISRC may recommend that the entire portfolio is not purchased all on one day. EISRC invests these sidelined funds in short term bonds, money markets, or CD’s, while waiting for more reasonable valuations in equities. Particularly when EISRC believes the market is overvalued relative to historical prices, EISRC may suggest Dollar-Cost Averaging, which is the practice of making periodic purchases of securities using fixed dollar amounts on predetermined dates, regardless of the prevailing price of the security. It is possible that portfolios using this strategy may under-perform portfolios consisting of securities purchased all at once. EISRC does not believe it can predict the peaks or the troughs of the market, but rather, by using dollar cost averaging or, methodical purchasing strategies, the investor can at least avoid investing the entire amount during a market peak.

Monitoring Accounts and Reporting Portfolio Performance – After EISRC selects investments believed to be best suited for client personal objectives, EISRC monitors client investment portfolios to ensure consistency of investment style, philosophy and performance. EISRC will review client investment portfolios with regard to performance, risk tolerance and personal goals. Accounts are reviewed to ensure that portfolios are on track to achieve their goals. The Portfolio Manager will focus on the following items when reviewing each client’s managed accounts:

- Objectives, constraints, and allocation targets are still appropriate
- Compare asset allocation of the portfolio versus the target allocation to determine if re- balancing is necessary; if so, perform the re-balancing.
- Review portfolio to assure cash is available for scheduled income needs and stated liquidity requirements

A quarterly report is issued to each client to show:

- consolidated report showing all account positions and values
- year to date performance, Net Asset Value and change from prior period
- an invoice showing the calculation of the portfolio management fee.

The following 5 investment methodology items apply only to Active Strategy Clients):

- The Active Strategy has the flexibility to use warrants, long options/LEAPS or the selling of put options as a way to obtain stock. When these types of securities are used it is typically not as a speculation vehicle but rather as a way to get incrementally larger exposure to a particular security or because the security is being priced at a more attractive price than other securities from the same issuer; these are used within the bounds of the investment policy statement and are typically used in

small amounts. The total of these types of securities typically will not exceed 15% of portfolio value. It is important to note that some of these securities, in some cases can expire worthless, this is the reason for limiting overall exposure to such securities.

- **Portfolio Hedging Transactions** – In circumstances where customers already have exposure to markets or individual securities that appear overvalued, (compared to historical prices) EISRC may recommend the purchase of put options on these securities to reduce portfolio risk and volatility. These transactions may also be recommended when clients have unusually large positions in any individual common stock or are overly exposed to any one particular industry or asset class. For example, a Microsoft Executive, who has 80% of their net worth tied up in Microsoft stock may want to limit their exposure to Microsoft and other similar software companies, we may recommend a portfolio hedge consisting of put options. These strategies are not being suggested for most of our clients. The risk associated with a strategy like this is that it is possible that hedging transactions may not smooth volatility and limit loss to the full extent intended and that the expense of hedging may cause the portfolio to lag in performance to similar portfolios that are not hedged. The purchase price of put options being used as a portfolio hedge will not exceed 5% of the overall portfolio value unless otherwise stated in the client's Investment Policy Statement.

- **Income Generation from Options Transactions** - For securities recommended by EISRC in the Active Strategy, that have not yet reached the most ideal purchase price, EISRC may choose to write cash-secured put options instead of using buy limit orders as a way to obtain stock. This allows for income generation for the investor while waiting for the stock price to decline to the desired entry point. The downside risk associated with this strategy is similar to owning the underlying stock outright. One risk that should be noted is that while the investor is waiting for the price to decline to the point where the stock would be assigned to them, the investor misses out on the dividends they would have received if they owned the stock, and if the stock appreciates significantly without them owning it, the investor will miss out on the appreciation. The cash needed to obtain the stock is tied up until the option position is closed or the option expires worthless or the stock is assigned. Once a stock is obtained, covered call writing may be used to generate income if the stock is getting close to a price where EISRC recommends selling it. When writing options the amount of income generated will be dependent on the implied volatility of the underlying stock. The implied volatility will vary and it may not always be worth writing options in every situation due to the premium not being sufficient to compensate for the opportunity costs described above, thus covered calls are only used selectively. Although covered call writing is an effective way to generate income, it may limit the upside of the portfolio, should the underlying stock appreciate an unexpected amount in a short time.

- **Leverage**- In rare situations, and in consultation with the client, when market conditions are believed to

be favorable, EISRC may recommend up to 10% of a portfolio's value be invested in long term call options (or warrants) on specific common stocks or market indices believed to be undervalued or oversold. This will allow the investor to gain greater exposure to securities without tying up as much capital as buying the underlying security outright. EISRC may also suggest the use of call options when an investor wants to participate in future market rallies but does not want to risk the entire portfolio to do so. Although EISRC tends to only recommend such a strategy when recovering from an extreme market downturn and where the probability is favorable, it is possible that these investments will not increase portfolio performance and may increase portfolio volatility. These strategies are not being suggested for most clients. The expense of such investments may also cause the portfolio to lag similar portfolios that do not invest in call options. EISRC generally discourages the use of any form of leverage unless there is a compelling reason. EISRC also does not recommend the use of margin or short selling unless it is carefully considered. Although such strategies are rarely used, EISRC provides a variety of possibilities to accommodate specific client wishes within the Active Strategy.

- For certain clients that would like to participate in upside market returns but limit overall downside risk, EISRC may design a portfolio that has synthetic market exposure through call options while the rest of the portfolio remains in cash or cash-like instruments. An example would be a portfolio invested 95% in treasury bills and 5% in Long Term Call Options on a S&P 500 Index ETF. Risks include the possibility of EISRC not rolling call options in a timely manner, costs and over complexity - these could result in muted returns.

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 EISRC or the integrity of EISRC's management. EISRC has no legal or disciplinary information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

As a financial advisory firm, EISRC is involved in financial planning and advising clients on financial matters that do not always directly involve advice on securities. These financial planning only services are expected to comprise less than 10% of staff time. In most cases, EISRC provides both financial planning and investment advice to clients. However, from time to time, EISRC could provide only financial planning services to clients. In most cases, EISRC recommends that its clients establish a custodial and brokerage account with one of three financial institutions that provide access to no-load mutual funds and the normal range of stocks, exchange traded funds and bonds at discounted brokerage costs. These institutions are Interactive Brokers LLC and

Altruist LLC. By agreement with EISRC, these institutions also provide EISRC with electronic access to the client's account, access to the trading desk, and other services in connection with EISRC's management of the account assets. Clients who wish to utilize the services of another custodian/broker are free to do so, and are not required to retain Interactive Brokers LLC or Altruist LLC. However, when a client selects another custodian broker, EISRC cannot assure the client that they will receive comparable services or pay comparable fees and commissions in connection with its account management. From time to time, EISRC may develop financial planning software and asset allocation models for use by other industry professionals.

Item 11 – Code of Ethics

EISRC invests client assets primarily in exchange traded funds and mutual funds. EISRC may also recommend securities issued by specific companies. EISRC believes that its managers should be willing to commit their own funds to the investments they recommend to clients and that it is better for managers to invest in the same companies that they are recommending for clients rather than in different securities. Therefore, when EISRC managers invest client assets, they frequently commit their own funds to the same investments. EISRC also recognizes that potential conflicts of interest can arise from the personal investment activities of its principals and employees. In addition to its basic philosophical commitment always to place the interest of its clients above the personal interests of its principals and employees, EISRC has addressed potential conflict of interest issues decisively in its Personal Investment Policy and Code of Ethics (The "EISRC Code of Ethics"). The EISRC Code of Ethics governs the personal investment activities of EISRC's principals and employees and includes ethical policies and procedures that have been recommended by investment industry organizations and their advisers. The Code of Ethics also addresses other aspects of business conduct, legal compliance, and the responsibilities of investment fiduciaries. EISRC will furnish its Code of Ethics to any client or prospective client upon request. The EISRC Code of Ethics reflects EISRC's commitment to always put the interests of its clients first. EISRC also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by EISRC or any person associated with EISRC.

Item 12 – Brokerage Practices

In most cases, EISRC recommends that its clients establish a custodial and brokerage account with one of three financial institutions that provide access to no-load mutual funds and the normal range of stocks, exchange traded funds and bonds at discounted brokerage costs. These institutions include: Interactive Brokers LLC and Altruist LLC, and by agreement with EISRC these institutions also provide EISRC with electronic access to the client's account, access to the trading desk, and other services in connection with EISRC's management of the account assets. Clients who wish to utilize the services of another custodian/broker are free to do so, and are not required to retain Interactive Brokers LLC or Altruist LLC. However, when a client selects another custodian broker, EISRC cannot assure the client that it

will receive comparable services or pay comparable fees and commissions in connection with its account management. EISRC periodically reviews and evaluates the range and quality of services provided by brokerages, the cost of such services, and its clients' needs for such services. EISRC considers at least the following factors: execution capabilities and efficiency, clearance, settlement, reputation, financial strength and stability, error resolution, fees, and other factors of that nature. In certain cases, a broker may be paid a commission in excess of that which another broker might have charged for effecting the same transaction, in recognition of these and other factors.

For EISRC client accounts maintained in their custody, Interactive Brokers LLC and Altruist LLC generally do not charge separately for custody services but are compensated by account holders through commissions and other transaction-related fees, asset-based fees for securities trades that are executed through them or from interest on uninvested funds.

Item 13 – Review of Accounts

EISRC reviews all client accounts periodically. Jay Shaw has primary responsibility for the client relationship and reviews client accounts.

Reviews of client accounts are conducted to:

- 1) ascertain if the client's situation has changed;
- 2) invest available funds or liquidate as instructed by client, re-balancing as necessary to keep the account within the parameters of the Investment Policy; and
- 3) change asset allocation if deemed necessary by the Investment Advisor in consultation with the client.

A review to determine need for rebalancing is performed every month on accounts for which custodians provide daily information. Index Portfolio Accounts are then rebalanced twice yearly and Active Strategy Accounts are rebalanced on a dynamic basis. The investment advisor attempts to contact each client quarterly to see if the client's needs have changed and review other items.

Investment advisory clients receive written quarterly reports detailing their investment policy statement summary (if it has changed), holdings and valuation, performance, transactions, and fees. Clients also receive written or electronic statements prepared by custodians either monthly or quarterly.

Financial Planning Account Reviews: For ongoing financial planning client services, review discussions are conducted on an as-needed basis or as stipulated in the contract. The review may include retirement updates or other financial issues.

Item 14 – Client Referrals and Other Compensation

EISRC does not participate in client referral programs from its custodians at this time. EISRC does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Item 15 – Custody

Clients should receive at least quarterly statements from the broker dealer, bank, or other qualified custodian that holds and maintains client's investment assets. EISRC urges you to carefully review such statements and compare such official custodial records to the account reports that we may provide to you. Our reports may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. EISRC is deemed to have custody based solely on the ability to obtain payment of its advisory fees upon presentation of a bill to the client's custodian or on the ability for the custodian to directly debit the advisory fee automatically on a daily basis from the client account to credit to the advisor.

Item 16 – Investment Discretion

EISRC offers both discretionary and non discretionary asset management. For non discretionary accounts, before any account transactions are executed, EISRC receives a signature and/or email from the client(s). For discretionary accounts, after the Discretionary Investment Advisory Agreement is signed by the client, we do not need to receive signature or authorization for each individual transaction as long as it fits within the strategy outlined in the client's Investment Policy Statement.

Item 17 – Voting Client Securities

EISRC's advisory agreement does not authorize EISRC to vote client proxies. Clients will receive their proxies and other solicitations directly from custodians (or the investment company itself) and will retain responsibility for voting proxies for securities held in their portfolios. EISRC will provide clients with certain recommended guidelines for voting their proxies upon request, and EISRC may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

There are no financial conditions that are reasonably likely to impair EISRC's ability to meet its contractual commitments to clients. We do not require or solicit prepayment of fees six- months or more in advance of the services performed; therefore, there is no requirement to include any company fiscal year financial information in this section. EISRC has not been the subject of a bankruptcy petition at any time.

Part 2B of Form ADV “Brochure Supplement”

This brochure supplement provides information about Jay Shaw that supplements the EISRC brochure. You should have received a copy of that brochure. Please call 503-332-8473 if you did not receive EISRC’s brochure or if you have any questions about the contents of this supplement.

Additional information about Jay Shaw is available on the SEC's website at www.adviserinfo.sec.gov. It may be necessary to query under the advisor’s full name: Jaswant Irwin Shaw.

Item 2 – Educational Background and Business Experience

Your Financial Adviser: Jay Shaw

Year of Birth: 1976

Education: Willamette University, Bachelor of Science; Biology, 1999

Business Background:

Jay Shaw is President, Majority Owner and Investment Advisor Representative of EISRC. The company was founded in 2008 and began business as an Investment Advisory firm in 2013. Jay has also held software engineering/architecture leadership positions at Kaiser Permanente, UnitedHealth Group, Thomson Reuters (Sabrix) and Siemens AG all of which involved Insurance, Compliance and Financial subject matter expertise. Jay is a Morgan Stanley Financial Advisor training program Alum (2000). Jay began investing in and researching securities in 1996 for his own account.

Item 3 – Disciplinary Information

Mr. Jay Shaw does not have, nor has he ever had, any disciplinary disclosure.

Item 4 – Other Business Activities

Jay Shaw may hold positions outside of EISRC to leverage his expertise in software engineering, software architecture and/or the health care insurance industry.

Item 5 – Additional Compensation

Jay Shaw does not receive any additional compensation for providing advisory services beyond that received as a result of his capacity as President and Investment Advisor Representative of EISRC.

Item 6 – Supervision

Jay Shaw is the majority owner and sole investment adviser representative of EISRC. Jay Shaw can be reached at 503-332-8473. Mr. Shaw is not supervised by another individual and does not supervise other individuals.

Item 7 – Requirements for State Registered Advisers

Jay Shaw does not have, or has ever had, any reportable arbitration claims, has not been found liable in a reportable civil, self-regulatory organization or administrative proceeding, and has not been the subject of a bankruptcy petition.