

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:
LSY, Inc. dba American Investors Co.

SEC File Number:

801- **57838**

Date:

7-6-2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:	IRS Empl. Ident. No.:
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1. A (1)(2)(3)

Advisory Services and Fees

American Investors Company ("AIC") is a general securities broker-dealer, registered with the Securities and Exchange Commission ("SEC") and a member of the Financial Industry Regulatory Authority ("FINRA"), as well as a Registered Investment Adviser with the SEC.

Registered Representatives ("Reps") of AIC sell securities products for commission-based compensation. Certain Reps are also designated by AIC to act as Advisory Affiliates ("Affiliates") for investment advisory service arrangements. These Affiliates may also sell general securities for commissions.

AIC, through its Affiliates, may provide investment supervisory services or asset management of investment advisory accounts. These services may also be called by other names such as money management or investment management. Such services may include the continuous monitoring of client investment accounts on either a discretionary or a non-discretionary basis. AIC may also provide asset management services that are limited to periodic reviews and do not involve continuous management and monitoring. The frequency of these reviews is dependent upon changes in the market, changes in the client's financial situation, or other events.

Affiliates may prepare comprehensive or segmented financial plans, investment plans, and/or individual consultations regarding clients' financial affairs. The subject matter of these plans varies depending upon client objectives and the relative complexity of each client's financial situation.

Affiliates may also provide advisory services to 401(k) plans which are limited to the selection and continuous monitoring of the investments available in the plan. In these instances, the services are provided at the plan level and not offered to individual plan participants.

Affiliates may also refer clients to other Registered Investment Advisers (also referred to as third party money managers).

Other Reps may be independently registered as investment advisors to provide similar services that may be offered by AIC. Clients will be advised by the Rep if the Rep is independently registered, and will receive the Form ADV disclosure from the Rep if so independently registered, in addition to the Form ADV disclosure of AIC. For managed or supervised accounts of reps who are independent registered investment advisors, AIC will act as payee agent.

Affiliates under this registration offer their own blend of services and have their own investment philosophies.

1.A (9)

On occasion AIC, through its Affiliates, may hold seminars. These seminars may include presentations on various securities and insurance products, or on financial planning strategies. A fee may be charged to attend. The fee will not exceed \$200 per attendee.

1.D

Fees for services will be by agreement between AIC, through its Affiliates, and the client. Fees are negotiable and vary in part depending upon which Affiliate is engaged to provide

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<p>Page 2 of 12</p>	<p>services. Fees may be based on hourly rates, a percentage of assets under management (asset-based or asset management fees), or fixed fees.</p> <p><u>Asset Management Fee Structure:</u></p> <p>Fees are computed as a percentage of assets under management on either a tiered schedule or using a fixed annual percentage rate. Fees are billed in arrears and are based on asset values as of the last business day of the billing period, i.e., calendar quarter-end, month-end, or other period as agreed upon by the client. Fees will be assessed pro-rata for:</p> <ul style="list-style-type: none"> • <u>New Accounts</u> - The first period billing will be pro-rated for the partial period. • <u>Cash Flow</u> – Where applicable, additions and withdrawals of \$1,000 and above will be pro-rated for the partial period. (Additions or withdrawals of less than \$1000 will be ignored.) <p>AIC's maximum fee schedule expressed as an annual percentage is as follows:</p> <p><u>Tiered Fee Schedule</u></p> <table style="margin-left: 20px;"> <thead> <tr> <th><u>Portfolio Size</u></th> <th><u>Annual %</u></th> </tr> </thead> <tbody> <tr> <td>First \$500,000</td> <td>2.00%</td> </tr> <tr> <td>\$500,001 to \$1,000,000</td> <td>1.50%</td> </tr> <tr> <td>\$1,000,001 and above</td> <td>1.00%</td> </tr> </tbody> </table> <p><u>Fixed Percentage Fee</u> 1.5% Annual Fee</p> <p>In lieu of the tiered schedule or the fixed percentage fee, a fixed annual fee payable at agreed-upon intervals throughout the year may be charged for asset management services and/or a combination of asset management and other advisory services. The amount of the annual fixed fee will be negotiated and will be based on factors such as the scope of services provided, account values, etc. Fixed fees will be billed in arrears and may be assessed on a quarterly, monthly or other period as agreed upon by the client.</p> <p>Asset management fees will begin to accrue when the account is funded. Asset management fees are for investment advisory services only and do not include any brokerage and transaction fees or any other professional services which may be required by the client to implement the recommendations made by AIC. Upon termination by either party, the effective date of termination shall be used as the concluding date for valuation of the Account. The final charge for asset management services covers the period from the beginning of the then current billing period to the termination date, and Client agrees to pay any fee, prorated to the termination date.</p> <p>In computing the market value of securities held in client accounts for asset management fees, the securities prices will be based on valuations which may be provided by the custodian of the account and/or by Morningstar, Inc. These valuations will be relied upon by AIC. Valuations are generally based on the closing price on the exchange or other market where the security is traded or the last published redemption price provided by a mutual fund or insurance company.</p>	<u>Portfolio Size</u>	<u>Annual %</u>	First \$500,000	2.00%	\$500,001 to \$1,000,000	1.50%	\$1,000,001 and above	1.00%
<u>Portfolio Size</u>	<u>Annual %</u>								
First \$500,000	2.00%								
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Valuations are not a guarantee of the market value of the assets in the account. Clients will receive quarterly (or monthly if available) statements from the custodian valuing the investment positions of the account. For fee calculation purposes, AIC may use the portfolio value from our internal portfolio management system, which has been reconciled with custodial information. Values on statements that clients receive from account custodians may differ from the values on AIC billing statements and/or other reports due to the timing of dividend postings and/or price rounding differences. Accrued interest postings and unsettled transactions may also affect statement balances.

Valuations for direct participation programs and other illiquid investments that have no active market from which a market value can be readily derived will be based on the estimated value appearing on the account statement provided by the custodian, provided that AIC is satisfied that the custodian has estimated the value in accordance with NASD Rule 2340. That rule, which has been approved by the SEC, requires that the value be based on data not more than 18 months old obtained from the annual report of the issuer, an independent valuation service or other appropriate source. AIC will confirm with the custodian that it is subject to Rule 2340. In some instances, units or shares in direct participation programs trade on relatively inactive secondary markets. The prices for such units will generally be lower on these secondary markets than the estimated values used by the custodian. In other instances, there may be no secondary market whatsoever. Because valuations of these illiquid investments will be based on the non-market estimates supplied by the custodian that may be up to 18 months old, and because these valuations will often be higher than what the interests could be sold for, the fees paid to AIC will often be higher than they otherwise would be if the assets were valued at current fair market value like other assets in the account. This potentially could create a conflict of interest in situations in which AIC might consider that it could obtain more fees recommending illiquid investment than it could recommending liquid investments.

With respect to direct participation program investments not held by the custodian, the product will be valued at cost until the sponsor or manager has provided a different opinion of value at which time that valuation will be used unless, in the opinion of AIC, the valuation is likely to be materially inaccurate based on the information available to it. A different valuation metric may be negotiated in a particular case with the consent of AIC and the client.

Fees For Other Advisory Services (Investment Plans / Planning Services / 401(k) Plan Investment Selection & Monitoring):

Hourly consultation fees and/or fixed fees may be charged for the construction of investment plans, as well as other planning services. Hourly consultation fees are negotiable but will not exceed \$350 per hour. Fixed fees will be agreed upon in advance by the Affiliate and the client. A retainer, not to exceed 50% of estimated charges, may be required for investment planning advisory services. The balance is due upon delivery of the plan/services. Fees for investment planning services will not be collected for services to be performed more than six months in advance.

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Page 4 of 12	<p>Fees for 401(k) plan services are computed as a percentage of plan assets using a fixed annual percentage rate. Fees are billed in arrears and are based on asset values as of the last business day of the billing period, i.e., calendar quarter-end, month-end, or other period as agreed upon by the client. Fees for new plans will be assessed pro-rata for the first period billing to reflect the partial period. Cash flow will not be pro-rated. AIC's maximum fee schedule for 401(k) plan advisory services expressed as an annual percentage is 1%.</p> <p>For other advisory services, upon termination by either party, AIC agrees to refund any prepaid fee, prorated to the termination date (where applicable).</p> <p>All advisory fees may be negotiated by the Affiliate on a case-by-case basis.</p> <p>In negotiating fees, the scope of the services offered and the comparable fees for the geographic area will be considered. In no case will fees exceed the schedules and/or amounts described above.</p> <p>At times, AIC and its Affiliates may waive fees for commissions received; however, we may provide both commission and fee services.</p> <p>Payments of fees may be paid direct by the client or payment of fees may be made by the custodian holding the client's funds and securities. The following criteria will be met when payment is made by the custodian: (1) the client provides written authorization permitting the fees to be paid directly from the client's account held by the independent custodian, (2) AIC sends to the client a bill showing the amount of the fee, the value of the client's assets on which the fee was based, and the specific manner in which the fee was calculated, (3) AIC discloses to the client that it is the client's responsibility to verify the accuracy of the fee calculation and that the custodian will not determine whether the fee is properly calculated, (4) AIC sends a bill to the custodian indicating the amount of the fee to be paid by the custodian, and (5) the custodian agrees to send to the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to AIC.</p> <p>In addition to fees paid for advisory services with respect to clients' investments in mutual funds, clients may pay additional fees on certain mutual fund investments because certain mutual funds also pay advisory and/or management fees to an advisor.</p> <p>AIC may receive 12b-1 trail compensation from mutual funds or variable insurance products paying such servicing fees where such assets are custodialized by clearing firms with whom AIC maintains clearing agreements or where custodialized by trust companies as well as when assets are held directly with the mutual fund or insurance company. For mutual funds paying such servicing fees where such funds are custodialized by clearing firms with whom AIC does not maintain clearing agreements, such 12b-1 trail compensation will be retained by those clearing firms.</p> <p>Either party has the right to terminate the Agreement at any time. If a client terminates the Agreement within five business days of signing the Agreement, the client is entitled to a waiver of any pro-rated fees that would otherwise be due to AIC. After five days, AIC may bill for pro-rata fees due or, if applicable, actual time and charges. For investment/financial</p>
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advisors to whom it refers clients or with whom it acts as a co-advisor. Performance fees may only be charged to "qualified" investors under Rule 205-3 of the Investment Advisers Act, generally persons who have a net worth of at least \$1.5 million. Performance fees give an advisor an incentive to recommend more aggressive investments than otherwise would be the case in order to maximize gains and thereby its fees, thereby adding another conflict of interest beyond those that accompany other forms of compensation to an advisor.

Any controversy or claim, including, but not limited to, errors and omissions arising out of or relating to our Agreement or the breach thereof, shall be settled by arbitration in accordance with the securities arbitration rules then in affect with the Financial Industry Regulatory Authority, and judgment upon the award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. Client understands that this agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such a waiver would be void under the federal securities laws.

Arbitration is final and binding on the parties.

3.K (3)

Types of Investments

Other interests in direct participation programs would include such investments as equipment leasing, cable television, fast food franchising, agriculture, raw land, alternative energy, research/development, and leveraged buy-outs.

4.A (5)

Methods of Analysis and Investment Strategies

Some Affiliates may utilize charting, fundamental, technical, and cyclical analysis; however, the primary method of analysis used by Affiliates is to evaluate the client's investments to determine whether they correspond with his or her financial objectives. (See 4.C (7) below.) Third-party managers may employ a number of techniques and a variety of analyses, both proprietary and non-proprietary, to guide them in their investment selection process. The Form ADV of the third-party manager will provide full details on their selection process.

4.B (8)

Affiliates utilize many sources of public information to include financial news and research materials including research provided by Morningstar, Inc. Affiliates may also review information made available by our home office due diligence staff, which reviews mutual funds, direct participation programs, variable annuity products, and third party money managers' performance and background.

AIC is a member of the Alliance of Independent Broker-Dealers (AIBD), a non-profit, mutual benefit corporation. The primary purpose of the AIBD is to provide a cost effective, cooperative mechanism for review and research of investment offerings, ordinarily presented to broker-dealers on an individual basis.

The AIBD conducts limited evaluations of certain third party managers (who themselves are registered investment advisers) on behalf of AIC. Such evaluations involve:

- An initial review of the third party manager's ADV Part II and Schedule F to ascertain, among other things, how the third party manager represents that it conducts its advisory business including the investment strategies it employs and

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4.C (7)

AIC's selling agreements with the sponsors of these programs typically provide for the payment of due diligence and/or marketing allowances directly to the broker-dealer. These fees are over and above any selling compensation received by AIC in connection with the sales of these products and any advisory fees that may be associated with the investment. AIC may assign a portion of these fees to the AIBD for its services, typically 50 basis points, or ½%. To the extent that AIC receives due diligence and/or marketing allowances in excess of the amount assigned to the AIBD, such excess is typically shared with the selling representative or recommending advisor affiliate.

The client is under no obligation to purchase products recommended by us or to purchase products through us.

Some of our Affiliates offer financial planning. By its nature, financial planning looks to the long term. After Affiliates evaluate the client's short-term cash needs and emergency fund, they design investment strategies to help the client achieve his or her financial goals. Some Affiliates offering planning services and may also design insurance strategies. These insurance strategies may be limited to life, health and disability, and may or may not include casualty insurance (e.g. homeowner's, auto, liability, etc.). Clients who are not offered insurance strategies, or given limited types of insurance advice through the Affiliate, should seek this advice from outside insurance firms.

5.

Education and Business Standards

AIC requires Affiliates to successfully complete the standard securities industry licensing examinations for the type of investment advice offered by the Affiliate unless exempt due to grandfathering provisions or professional designations.

6.

Education and Business Background

Larry Chaiya Lee DOB 9/6/34

Education:

Taiwan Provincial College of Agriculture, Taiwan

BS/Pathology (1956)

UCLA, Los Angeles, CA

Colleges studies

Business:

American Investors Company, San Ramon, CA, Chairman of the Board/Owner

7/66 – present

Clarence Yee DOB 9/29/34

Education:

UC Berkeley, CA

College studies

Business:

American Investors Company, San Ramon, CA, President/Owner

8/72 – present

Nicholas Cowles Cochran DOB 2/13/47

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8.C(9)	Affiliates of our firm may be licensed with several life, disability, and other insurance companies. We may recommend insurance products offered by these companies. If our clients purchase these products through us, we receive the normal commissions. Thus a conflict of interest may exist between our interests and those of our advisory clients. The client is under no obligation to purchase products we recommend, or to purchase products either through us or through these insurance agents, brokers or companies.	
8.C(11)	Affiliates may be independently licensed as real estate agents or brokers and may recommend the purchase of real estate or trust deeds and/or make referrals to unaffiliated real estate brokers. If clients purchase properties or trust deeds, the Affiliates may receive a commission or finder's fees. Thus a conflict of interest may exist between the interests of our Affiliates and those of our advisory clients. The client is under no obligation to purchase real estate or deeds of trust through Affiliates or the real estate brokers they recommend.	
	<u>Participation or Interest in Client Transactions</u>	
9.A	AIC, as broker-dealer, may from time to time buy securities into its own account, and as principal will sell to clients as riskless principal transactions. These clients may be advisory clients of our firm. When a principal trade occurs, the capacity in which we are acting will be disclosed to the client on trade confirmations.	
9.B	As Reps, the Affiliates of AIC will be compensated for effecting securities transactions on the normal commission schedule, which schedule may be discounted at the Rep's discretion.	
9.C	For a brokerage or advisory client, AIC may arrange a purchase or sale of a direct participation interest such as a limited partnership interest to another advisory or brokerage client but only in a situation in which there is no reasonably liquid secondary market on which the security can be readily bought and sold,	
9.E	At times AIC and/or its Affiliates may take positions in the same securities as clients and will try to avoid conflicts with clients. The Advisor and its Affiliates will generally be "last-in" and last-out" for the trading day when trading occurs in close proximity to client trades. We will not violate the advisor's fiduciary responsibilities to our clients. Scalping (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality, e.g., a thinly traded stock, disclosure will be made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict, i.e., a purchase or sale which is minimal in relation to the total outstanding market value and trading volume, and that would have negligible effect on the market price, would not be disclosed at the time of trading.	
	AIC has adopted a Code of Ethics in compliance with SEC Rule 204A-1. The purpose of the Code is to emphasize our obligations to our clients as provided in our investment advisory agreements. The Code provides for protection of client confidential information and review of personal transactions of employees and associates who have access to nonpublic information regarding clients' purchase or sale of securities, who are involved in making securities recommendations to clients or who have access to such recommendations that are nonpublic (i.e., "access persons") to better assure that we meet our obligations to our clients.	

Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant: LSY, Inc. dba American Investors Co.	SEC File Number: 801- 57838	Date: 7-6-2010
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:	IRS Empl. Ident. No.:
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Item of Form (identify)	Answer
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Page 11 of 12	<p>A copy of the Code of Ethics will be provided on request.</p> <p>AIC may aggregate trades and execute block trades. Individual investment advice and treatment will be accorded to each advisory client consistent with client's investment objectives. No Advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on a average, reduce the cost of execution, and AIC and/or its Affiliates will not aggregate clients' orders if in a particular instance we believe that aggregation would cause clients' cost of execution to be increased. AIC and/or its Affiliates may participate in block trades with clients and may also participate on a pro rata basis for partial fills, but only if clients receive fair and equitable treatment.</p>
10.	<p><u>Conditions for Managing Accounts</u></p> <p>AIC does not require account minimums to establish accounts. Third-party managers may require account minimums as described in their disclosure documents.</p> <p>AIC does not allow its affiliates to vote proxies on behalf of clients. All proxies will be sent directly to the client's address of record as listed on the account. If a client supervised/managed account is subject to the Employee Retirement Security Act of 1974 ("ERISA"), decisions on voting of proxies for the securities in the portfolio will be made by the trustee of the client's account or a named fiduciary of the client's account other than AIC.</p>
12.A	<p><u>Investment Authority</u></p> <p>Affiliates supervising or managing portfolios may have discretion over client trading activity. If this is the case, the Affiliate will obtain the client's permission on the Investment Advisory Agreement.</p> <p>AIC will not have authority to withdraw funds or take custody of client funds or securities with the exception of having authorization to deduct advisory fees or other expenses from the client's account.</p>
12.B	<p><u>Brokerage Recommendations</u></p> <p>Because AIC is a registered broker-dealer, if our clients freely choose to implement commissionable trades through us, we are the broker-dealer.</p> <p>We perform due diligence on a variety of investment offerings including direct participation programs and insurance products. Only those investments that meet minimum requirements of high standards will be on the "approved product list " and be offered for sale to clients by our Reps.</p> <p>For supervised or managed accounts, our Affiliates may recommend, and our clients may choose to implement supervised or managed account strategies through our clearing broker, National Financial Services, LLC (NFS). On NFS' advisory platform, Affiliates may use load-waived funds, no-load funds and other securities. Advisory clients will pay ticket charges for</p>

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**Schedule F of
Form ADV
Continuation Sheet for Form ADV Part II**

Applicant:
LSY, Inc. dba American Investors Co.

SEC File Number:
801- **57838**

Date:
7-6-2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:		IRS Empl. Ident. No.:
Item of Form (identify)	Answer	
Page 12 of 12	load-waived funds, no-load funds and other securities. NFS provide clients with account statements.	
13.A	<p>Additionally, our Affiliates may recommend, and our clients may choose to implement supervised or managed account strategies through a discount broker or custodian. The selection is made based on the discount rates and execution services available to the client. Clients may pay transactions fees or ticket charges to these brokers or custodians for the purchase of no-load funds and other securities. These firms provide clients with account statements. We are not registered representatives of these outside brokers or custodians, and do not receive any commissions or fees from recommending these services.</p> <p>AIC as broker-dealer may receive additional compensation from mutual fund companies. All allowable compensation is disclosed in the mutual fund prospectus. Commission rates are set by each fund, and clients do not pay-up for the additional compensation. AIC may also receive additional compensation on stocks, bonds, direct participation programs, and insurance, as may be applicable in the normal course of running a securities brokerage business. AIC does not enter into soft dollar arrangements.</p>	
13.B	<p>AIC or its Affiliates may pay a portion or percentage of investment advisory fees received from advisory clients to other individuals/entities for referring advisory clients to AIC or Affiliate. All solicitor agreements are in compliance with the Investment Advisors Act of 1940, Section 275.206(4)-3. All clients referred by solicitors will be given full written disclosures describing the terms and fee arrangements between AIC and the solicitor prior to or at the time of entering into the advisory agreement.</p>	

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