

Forward

Purpose of this Manual

American Investors Company (“Firm”) has established and implemented a system to supervise the activities of each registered representative and associated person that is reasonably designed to achieve compliance with applicable federal and state securities laws as well as self-regulatory organization (SRO) rules and regulations.

Establishing, maintaining, and enforcing written compliance and supervisory procedures is a cornerstone of self-regulation within the securities industry. Supervisory procedures that are reasonably designed to achieve compliance with applicable rules, and to detect and deter rule violations, enable the firm to identify and respond to regulatory concerns in a manner that can reduce the risk of disciplinary action.

Moreover, appropriately designed and implemented supervisory systems and written supervisory procedures serve as a “frontline” defense to protect investors from fraudulent trading practices and help to ensure that members are complying with rules designed to promote the transparency and integrity of the market. As a result, effective supervisory systems within member firms enhance investor confidence and, in turn, promote the fairness, liquidity, and efficiency of the market for all market participants.

Therefore, the construction of this Compliance and Supervisory Procedure Manual (“Manual”) is designed to comply with applicable FINRA rules in addition to general securities industry procedures and best practices. This Manual is intended to serve as an internal compliance guide for registered representatives of the Firm, and to provide general supervisory and procedural assistance for those who have been assigned a direct supervisory responsibility over other registered representatives while conducting a securities business.

Issuance of the Manual

Each registered representative, independent contractor and/or other associated person of the Firm, upon employment or affiliation, shall receive a current copy of this Manual with relevant updates to gain a solid knowledge of the Firm’s internal compliance and supervisory policies and procedures. Additionally, OSJ/Branch Managers (if applicable) are required to certify annually that they have received and reviewed the Manual and understand their role and responsibilities in order to comply with general industry practices and procedures in accordance with applicable rules and regulations.

Manual Updates and Amendments

In accordance with FINRA Rule 3110(b)(7), a copy of a firm's written supervisory procedures, or the relevant portions thereof, shall be kept and maintained in each OSJ and at each location where supervisory activities are conducted. The firm shall promptly amend its written supervisory procedures to reflect changes in applicable securities laws or regulations, including FINRA rules, and as changes occur in its supervisory system. The firm is responsible for promptly communicating its written supervisory procedures and amendments to all associated persons to whom such written supervisory procedures and amendments are relevant based on their activities and responsibilities.

FINRA Rule 3110.11 (Use of Electronic Media to Communicate Written Supervisory Procedures) permits a firm to satisfy its obligation to communicate its written supervisory procedures (and any amendments) using electronic media, provided that the firm complies with specific conditions, including that the written supervisory procedures have been promptly communicated to, and are readily accessible by, all associated persons to whom such supervisory procedures apply based on their activities and responsibilities.