

Item 1 – Cover Page



Registered Investment Advisor

4233 Atlantic Boulevard
Jacksonville, Florida 32207

(904) 396-6838

www.farmandcpa.com

March 31, 2014

This Brochure provides information about the qualifications and business practices of Farmand Investment Services, Inc. If you have any questions about the contents of this Brochure, please contact Steven Farmand, Chief Compliance Officer or Jeannie Farmand at (904) 396-6838 or jeannie@farmandcpa.com. 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.

Farmand Investment Services, Inc. is a registered investment advisor. 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 about which you determine to hire or retain an Adviser.

Additional information about Farmand Investment Services, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with Farmand Investment Services, Inc. who are registered as investment adviser representatives of Farmand Investment Services, Inc.

Item 2 - Material Changes

On July 28, 2010, the United States 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 March 31, 2014, is a document prepared according to the SEC's new requirements and rules. This Brochure is an update of the previously submitted Brochure dated February 20, 2011.

This paragraph discusses specific material changes that are made to the Brochure and provide clients with a summary of such changes. There were no material changes to our investment philosophy. However, please note that the following changes became effective January 1, 2014: As you will note, our address was changed from 4237 to 4233 Atlantic Boulevard. Also, Steven Farmand was hired as Chief Compliance Officer. Also in the past, our services were only offered to clients of Farmand, Farmand & Farmand, CPA's, whereas now we are accepting clients from other CPA firms.

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.

Our Brochure may be requested, free of charge, by contacting Jeannie Farmand at (904) 396-6838 or jeannie@farmandcpa.com.

Item 3 – Table of Contents

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

Item 4 – Advisory Business

Farmand Investment Services, Inc. (“FIS”) began in 2001. Mike B. Farmand is the President and sole stockholder of FIS. FIS provides investment advisory services for a variety of clients and our current discretionary assets under management as of March 31, 2014 are \$23,329,144.00. FIS does not manage any non-discretionary accounts.

FIS assists clients in identifying their financial goals and objectives and provides clients with advice specific to their particular circumstances, which may include investment strategy and asset allocation, including tax considerations. The firm’s investment philosophy is conservative in nature and emphasizes preservation of capital, diversification, and a sensible level of risk. The firm’s investment process uses a top-down approach in utilizing macroeconomic analysis to construct the appropriate mix of our targeted asset allocation between equity, fixed income, and cash. We then select individual securities, mutual funds, or exchange-traded funds from those asset classes based on each client’s investment policy objectives, as well as the potential long-term value inherent in that particular security. The firm identifies a set of securities, across our three asset classes, from which our advisors select for investment in the client’s portfolios.

Within each asset class, in addition to receiving guidance from the client’s investment objective and risk tolerance, we select securities with the following in mind. Certain equity securities yield relatively high dividends such that they exhibit some characteristics of a fixed income security. Therefore, these certain equity securities may be classified to fixed income despite their traditional definition as an equity security. For purposes of better aligning your portfolio statements with the firm’s investment process and objectives, your portfolio statements will generally classify any security having a current yield above that of the 10-year Treasury yield as a fixed income security. Conversely, your portfolio statements will classify any security having a current yield equal to or below that of the 10-year Treasury yield as an equity security.

Clients complete an Investment Policy Statement that can provide any specific instructions or restrictions on the management of their portfolio. FIS manages the client’s portfolio based upon the client’s individual needs as exhibited in the client’s Investment Policy Statement. In addition to an Investment Policy Statement, clients must sign the firm’s Portfolio Management Agreement.

Our Investment Management Services were originally established as an added level of service to our existing CPA firm's clients financial and tax services. We have tried to stress the importance of our firm's portfolio management services and how they relate to the overall financial process. Upon our initial conference, we review with the client the basic components of their financial plan which consists of the following services:

1. Income Tax Planning
2. Retirement Planning
3. Estate Planning
4. Investment Planning
5. Insurance Planning

However it is important to note that this process serves only to supplement the individually tailored financial plan that was set up by the CPA in charge of that particular client. FIS utilizes sound investment strategies that are based on strong economic and management fundamentals of the securities or mutual funds selected for the various portfolios. Each client formulates their investment goals based on their own levels of investment risk. Initially, our wealth management clients consisted only of tax clients of Farmand, Farmand and Farmand, CPA's. However, effective January 1, 2014, we decided to accept wealth management clients from other CPA firms.

Account supervision is guided by the stated objectives of the client (growth and value, tax-efficient, balanced or income). Our investment strategy for our Growth and Value portfolios is simple enough: invest in companies that we think will grow and prosper for an extended period and stay with them until they reach their full value. In addition, we achieve diversification by investing in asset classes that range between 20 to 25 different industries. Within each industry we seek to establish a weighted position by purchasing between one and five securities. The various assets sectors of each industry are allocated based on the current economic environment and the client's individual goals. For clients with an income strategy, the firm invests in stocks, bonds, mutual funds that payout relatively high interest or dividend yields. We stratify the income potential of these securities based on a comparison to the 10-year Treasury yield.

After the investment selection and acquisition process is completed, we monitor the performance of the portfolio on a continuous basis and discuss with the client regularly to make further recommendations.

Item 5 – Fees and Compensation

FIS's standard fee schedule for investment advisory services follows. In limited circumstances and at FIS's sole discretion, fees may be negotiable.

<u>Account Value</u>	<u>Quarterly Fee</u>	<u>Total Annual Fee</u>
\$0 - \$1 million	.4125%	1.65%
\$1 - \$2 million	.3875%	1.55%
\$2 - \$3 million	.375%	1.50%
\$3 - \$4 million	.3625%	1.45%
\$4 - \$5 million	.35%	1.40%
\$5 - \$6 million	.3375%	1.35%
\$6 - \$7 million	.325%	1.30%
\$7 - \$8 million	.3125%	1.25%
\$8 million and over	.25%	1.00%

The specific manner in which fees are charged is established in the client's written Portfolio Management Agreement. Management of the account commences upon the signing of the agreement, unless otherwise agreed upon. If the agreement commences other than at the beginning of a quarter, a pro rata share will be made for the initial period the portfolio is under the advisor's management prior to the beginning of a quarter based on the amount agreed upon.

A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Fees are payable quarterly in arrears. If an agreement is terminated and a "pre-payment" is in effect, refunds will be made on a pro rata basis. Furthermore, if an agreement is terminated and an "amount due" is in effect, arrangements for the final "agreed upon" transfer of funds will also be made on a pro rata basis. In limited situations, fees are negotiable. The minimum annual fee is \$4,000.00.

Clients are invoiced after the end of each calendar quarter based upon the month end values of the client's account during the previous quarter. The value of the portfolio is determined on the nearest valuation date coinciding with or after the end of the quarter, which valuation date is defined as the last day of the month.

Additional Fees:

Initial portfolio Set –up Fees

Fees for establishing portfolio investment accounts, which includes completing Schwab Institutional forms, obtaining signatures, communicating with the Schwab Institutional National Service Team, obtaining required documentation, transferring account balances, providing copies of forms to client, designation account beneficiaries and other matters as deemed necessary are as follows:

<u>Number of Portfolio Accounts</u>	<u>Fee</u>
The first account	\$ 750.00
Two or more accounts	\$ 1,500.00 – Maximum Fee

These fees are billed upon the transfer to or deposit of assets with Schwab Institutional.

Clients may, but are not required to, grant FIS the authority to debit advisory fees directly from the clients' accounts. If the client authorizes FIS to debit fees, FIS is deemed to have custody of the client's funds. Clients will receive a statement, usually monthly but no less than quarterly, directly from their account custodian. FIS urges clients to review the information on the statement for accuracy and compare the information to any reports received directly from FIS. Please refer to Item 15 of this document for additional disclosures relating to Custody.

Fees paid to FIS are exclusive of brokerage commissions, transaction fees, and other direct or indirect costs and expenses incurred by the client. Clients may incur certain charges imposed by custodians, brokers and other third parties that may include custodial fees, transaction fees, short term redemption fees, mark-ups/mark-downs, dealer spreads, wire-transfer fees, electronic fund fees, taxes or other costs associated with the account. Mutual funds, exchange-traded funds (ETFs) and other investment company securities charge internal management fees, which are disclosed in a fund's prospectus. FIS does not receive any portion of these commissions, fees or additional expenses paid by the client. Item 12 further discussed FIS's brokerage practices, including the process for selecting and recommending broker/dealers and determining the reasonableness of the commissions and other fees charged to the client.

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

FIS does not charge any clients a performance-based fee.

Item 7 – Types of Clients

FIS provides Investment Advisory Services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of a client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, FIS develops a client's personal investment policy and creates and manages a portfolio based on that policy. FIS provides this service for individuals, families, small businesses, trusts and retirement accounts who wish preservation of capital, diversification and sensible risk.

The minimum account size for new clients is \$1 million, although FIS reserves the right to waive this minimum investment at its discretion.

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

FIS provides Investment Advisory Services by managing portfolio accounts of clients on a discretionary basis. Our firm's philosophy is conservative and emphasizes high quality growth and value-oriented stocks and various fixed income securities. Our firm enters into a portfolio management agreement that includes an investment policy for each account, specifying the level of risk in relation to the client's targeted rate of return.

FIS uses the information gathered from the client in the Investment Policy Statement to recommend a specific asset allocation and investment strategy. Implementation of the investment strategy may include an individual stock portfolio, a mutual fund/ETF portfolio, or some combination of both security types. FIS uses fundamental analysis and concepts derived from modern portfolio theory to construct diversified portfolios using a low-cost, passive, asset allocation strategy.

Once the initial asset allocation process is complete for a particular client, the firm monitors the performance of each portfolio and rebalances that portfolio when deemed necessary, based on continuing economic analysis. In particular, FIS considers three separate but related aspects in managing client assets:

1. Allocation of investments into several asset classes to achieve diversification and enhance returns while minimizing positive correlation among those various asset classes.
2. Annual tax planning in order to minimize and optimize prior and current year tax liabilities across all of the client's accounts. In conducting this planning, the firm considers unrealized and realized gains and losses as well as ongoing tax implications inherent in current holdings.
3. Behavioral aspects of the firm and each client's accounts to remain aligned with the client's risk tolerance and investment objective(s).

Investing in securities involves risk of loss that clients should be prepared to bear. FIS uses its best judgment and good faith efforts in providing advisory services to clients. FIS cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment decision or recommendation made by FIS will be profitable. Investments in securities are subject to various market, currency, inflation, economic, political and business risks. FIS attempts to minimize these risks by recommending diversified portfolios constructed to meet the specific goals and objectives of each client.

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 FIS or the integrity of FIS's management. FIS has no disciplinary events to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Mike B. Farmand is a Shareholder of Farmand, Farmand & Farmand, P.A., a CPA firm specializing in income tax, accounting, business and personal consulting. Employees of FIS have duties both related to FIS and to Farmand, Farmand & Farmand, P.A. FIS refers clients in need of accounting services to Farmand, Farmand & Farmand, P.A. and, likewise, Farmand, Farmand & Farmand, P.A. refers clients needing investment advisory services to FIS. The services of each entity are provided under separate written agreements and performed for separate and typical compensation.

Mr. Farmand owns and operates other businesses, usually operating entities unrelated to the securities industry such as retail/office space or rental establishments that may be joint ventures with others. However, Mr. Farmand does not recommend these investments as part of the advisory services offered by FIS. These arrangements are outside of the scope of the advisory services offered to any clients.

Mr. Farmand is on the Board of Advisors of a local regional bank as well as several non-profit organizations. Mr. Farmand's outside business activity does not materially affect FIS's business.

Item 11 – Code of Ethics

FIS has adopted a Code of Ethics, which establishes rules of conduct for all its personnel. The Code is based upon the principle that we owe a fiduciary duty to our clients to conduct their affairs in such a manner as to avoid (1) serving our own personal interests ahead of clients, (2) taking inappropriate advantage of our position with the firm and (3) actual or potential conflicts of interests or any abuse of their position of trust and responsibility.

FIS employees can utilize the same advisory services that the advisor manages for client accounts and follow a similar investment style used for client portfolios. Investment decisions are made solely by the advisor and not by the employee and, therefore, many transactions in employee accounts will be similar to those made in client accounts. Access persons may also initiate securities transactions for their personal accounts on their own and separate from the employee accounts managed by the advisor. In such situations, investment decisions are made without prior knowledge of client transactions initiated by the advisor.

Access persons are required to submit quarterly transaction reports and annual holdings reports for all personal investments pertaining to covered securities. The reports are reviewed in order to identify and address any conflicts of interest. Furthermore, all supervised persons have a duty to report any violations of the Code of Ethics to the Chief Compliance Officer.

FIS will provide a complete copy of the Code of Ethics to any client or potential client upon request.

Item 12 – Brokerage Practices

In that FIS provides Investment Advisory Services, FIS has the discretionary authority to determine the securities and amounts to be bought and sold. Any restriction on this authority must be provided to FIS in writing and included in the Investment Policy Statement.

FIS continually reviews the services of the custodians/brokers it recommends to clients to assess whether those services are reasonable in light of the amount of fees and commissions paid by the client.

FIS recommends clients maintain accounts at Charles Schwab. The reason for preferring Charles Schwab is their discounted commission rates, availability of no-load mutual funds, electronic trading, daily transaction downloads, and dedicated service team. Not all advisors require the use of a particular custodian or broker/dealer. FIS receives no fees or compensation for recommending Charles Schwab, but may receive other benefits as described in Item 14.

Clients may direct FIS to use the services of a specific broker/dealer. However, FIS may decline to accept an account if the client's request is inconsistent with FIS's investment approach. If FIS accepts an account subject to client direction, FIS may not be able to attain best execution of client transactions. Directed transactions could result in additional costs to the client.

Item 13 – Review of Accounts

Portfolios are reviewed on a continuous basis. Portfolio management accounts are reviewed in their entirety initially upon engagement and quarterly, semiannually or annually based on the client's needs. Periodic reviews of accounts are conducted as needed to accommodate unusual price movements and any investment objective change by a client. Portfolio reviews and any necessary rebalancing are conducted quarterly. Additional reviews may occur more frequently due to such factors as inflows to or outflows from an account, significant market movements, or other factors as deemed necessary.

FIS conducts quarterly reviews of each client portfolio to verify that the client's asset allocation remains in line with their target allocation. FIS recommends clients meet with Mike Farmand annually to discuss any changes and updates to their financial situation and to ensure the asset allocation and investment strategy continues to be appropriate for the client.

Portfolio management account reports are prepared and delivered on a quarterly basis. Clients also receive statements directly from their account custodian generally on a monthly basis, but no less frequently than quarterly. Additional reports may be available upon request.

Item 14 – Client Referrals and Other Compensation

FIS has access to free or discounted research materials from broker-dealers and/or third-party providers in exchange for having client assets custodied at Charles Schwab. Charles Schwab may provide free industry information that does not qualify as research, such as newsletter or other publications pertaining to compliance, marketing, practice management, etc. In addition, events such as workshops or conferences may be available at reduced cost or no cost. These benefits are not provided on the basis of client transactions. Under no circumstances do any clients pay additional fees or commissions in order to obtain these products or services.

Item 15 – Custody

FIS is deemed to have custody of client funds to the extent that FIS directly debits fees from client accounts. Debiting of fees is done pursuant to authorization provided by each client. FIS sends each client a series of quarterly reports, including holdings and an advisory fee invoice. Usually monthly but no less frequently than quarterly, clients will receive account statements directly from their account custodian. Custodial statements include account holdings, market values and any activity that occurred during the period, including purchases and sales, additions and withdrawals, income, dividends and capital gains. FIS urges clients to compare information contained in the reports provided by FIS with the account statements received directly from the account custodian. Differences in portfolio value may occur due to various factors, including but not limited to: (1) unsettled trades; (2) accrued income; (3) pricing of securities; and (4) dividends earned but not received.

Item 16 – Investment Discretion

Clients grant FIS discretion over their account by providing authorization in the portfolio management agreement. This discretionary authority authorizes FIS to buy, sell or otherwise trade in any stocks, bonds or other securities. Investment discretion is limited only by specific instructions; guidelines and/or mandates provided by clients in writing and to which FIS agrees.

Item 17 – Voting Client Securities

FIS does not have any authority to and does not vote proxies on behalf of advisory clients. FIS will have no obligation to render advice or take any action with respect to any securities subject to any legal proceedings, such as class action lawsuits or bankruptcy. Clients will receive all proxies and other solicitations directly from their account custodian.

Item 18 – Financial Information

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

Brochure Supplement – Mike B. Farmand

This Brochure Supplement provides information about Mike B. Farmand that supplements the Farmand Investment Services, Inc. Brochure, which is attached to this document. Please contact Jeannie Farmand, Chief Compliance Officer if you have any questions about the contents of this supplement.

Additional information about Mike B. Farmand is available at www.adviserinfo.sec.gov.

Farmand Investment Services, Inc.
4233 Atlantic Boulevard
Jacksonville, Florida 32207
(904) 396-6838

March 31, 2014

Educational Background and Business Experience

Mike B. Farmand, CPA/PFS

Year of Birth: 1951

(Information about the qualifications required to use the CPA and PFS designations follow this document.)

Major in Political Science, Minor in Economics, Mercer University, 1973

Masters of Business Administration (concentration in Accounting), University of North Florida, 1975

City of Jacksonville, 1976

Comptroller for a multi-marketing Firm, 1977

Farmand, Farmand & Farmand, P.A., Partner/Shareholder, 1977 to present

Farmand Investment Services, Inc., President, 2001 to present

Disciplinary Information

There are no disciplinary actions to disclose.

Other Business Activities

Mike Farmand is a Shareholder of Farmand, Farmand & Farmand, P.A., a CPA firm that specializes in accounting, tax and business consulting.

Additional Compensation

Mike Farmand does not receive compensation or other economic benefit from any third party in connection with the advisory services offered to clients.

Supervision

Mike Farmand is the President of Farmand Investment Services, Inc. and is responsible for all Advisory functions.

CPA - Certified Public Accountant

Prerequisites/Experience Required: Candidate must meet the following requirements:

- Complete 150 semester hours of education
- Pass the Uniform CPA Exam
- Complete at least two years professional work experience in public accounting
- Satisfy continuing education requirements (varies by state)

PFS - Personal Financial Specialist

Prerequisites/Experience Required: Candidate must meet the following requirements:

- Obtain and maintain the CPA License
- Be a member in good standing of the AICPA
- Complete the PFP education program
- Complete two years of relevant work experience
- Pass the PFP Examination
- Complete 60 hours of continuing education every three years

Steven Michael Farmand

903 Point La Vista Rd. N.
Jacksonville, FL 32207

(904) 396-0253
SFarmand1@yahoo.com

Education

The Bolles School, anticipated graduation: May, 2003
7400 San Jose Boulevard, Jacksonville, FL 32217

Awards and Special Recognition

Runner-up in Mr. Bolles Contest (10)
Freshman Class President (9)
Student Council Representative (9, 10)
Recognized by the Florida Times Union as the Weekly Student off the Field

School Activities

Football (9, 10, 11, 12)
Basketball (9, 10) – Manager
Varsity Wrestling (11, 12)
Chosen by Bolles School to speak at Food Drive Campaign (11)
Acted as Tour Guide for new students from the Bolles Middle School (12)
Coached Powder Puff Football (9, 10)

Community Involvement

Defiance (9, 10, 11, 12)
Young Life (9, 10, 11, 12)
Fellowship of Christian Athletes (9, 10, 11, 12)
Backyard Missions 2001 and 2002 (Habijax)
Coach and Assistant Coach – YMCA Youth Basketball League
Volunteer Community Work – over 250 hours

Work Experience

Worked several summers at Farmand, Farmand and Farmand, P. A.
Worked for Bolles – Coached Lower School Flag Football
Bolles Day Camp – Camp Counselor

Special Interests and Hobbies

Drawing
Sculpture
Sports (Football, Basketball, Tennis)