

Open Door Investment Advisors, Inc.

Comprehensive Fee-Only Financial Planning
Personal Investment Management

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Open Door Investment Advisors, Inc. is a Registered Investment Adviser.

Additional information is available at www.adviserinfo.sec.gov. Registration does not imply any level of skill or training. The information in this brochure has not been verified by any regulatory agency.

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Annually Updated

The section of this brochure will be updated annually when material changes occur. Clients will receive a summary of any material changes to our brochures within 120 days of the close of our fiscal year. We may provide other information about changes as necessary without charge.

Record of Material Changes since Inception

2013-12-14 - Updated resume.

2011-06-25 - Added examples to investment section. Simplified section numbering using the table of contents. Corrected one typographical error.

2011-04-20 - Described the fact that we do not hold client assets. Stressed that clients always have their accounts in their own name in the custody of a Nationally known brokerage firm. And they can call the brokerage firm directly for assistance.

2011-03-22 - New format. Regulations made a new ruling which requires advisers to write brochure in plain English. Formerly, everyone used the government form.

Full Brochure Availability

If you would like to receive a copy of this brochure, please contact Joseph J. Alotta, Principal, by at (630) 969-2628 or joseph.alotta@gmail.com. It is available for download at www.opendoorinvestments.com.

The SEC's web site www.adviserinfo.sec.gov, provides information about Open Door Investment Advisors, Inc. and Joseph Alotta, who is registered as representative of Open Door Investment Advisors, Inc.

Principal Owner

Joseph J. Alotta is the owner of Open Door Investment Advisors, Inc.

Description of Open Door Investment Advisors, Inc.

Open Door Investment Advisors, Inc. was started on June 26, 1996. We adhere to the legal requirements of the State of Illinois.

We offer comprehensive financial planning and investment management services.

Our compensation is solely from fees paid by clients. We do not receive commissions on any products.

Open Door Investment Advisors, Inc. is unique in that we will not lock a person in with yearly contracts and early-termination penalties. Most changes can be reversed if a person changes their mind.

We are very passionate about our policy of never pressuring a person to do anything, whatever it is. Even if it is the “right” thing. We uphold the dignity of all our clients.

We will never be harsh or judgmental. We will be open-minded and encouraging.

Types of Advisory Services

Open Door Investment Advisors, Inc. offers comprehensive financial planning services. That means that we can look at all the aspects of your finances and consider things as a whole. Because we are not paid by selling products, we focus on what is best for you.

We also manage investments which consist mainly of individual stocks in well-known companies. This is an optional service and there is no pressure to make anyone try it. Clients who want this will have accounts in their own name at a well-known brokerage firm as custodian.

Our recommendations are tailored for each client. Clients have different needs and desires and what is good for one client may not necessarily be good for another client.

Clients will be asked to approve of all major changes in their finances. A major change is something that is large compared to the whole, or something that is very different from the things that they were doing. We do not make major changes without obtaining permission beforehand.

Fees and Compensation

Open Door Investment Advisors, Inc. bases its fees by a percentage of the size of the account under management, hourly charges, and fixed fees. Fees may be subject to negotiation.

Financial Planning Services

An estimate will be given and clients are asked to agree before the work is started. Fees will vary depending on the complexity of the situation.

Hourly Charges

Standard hourly rate is \$200/hour. Basic financial planning is included in the investment management fee.

Investment Management Services

If clients want us manage their accounts, we bill in proportion to the size of the accounts. The accounts are billed monthly in advance at the rate of 85 basis points per year (or 85/100 of 1%

per year). This is \$7.08 per month per \$10,000 of investments.

The Billing of Investment Management Fees

The fee is calculated on the balance of last day of the period, billed a few days following the end of the period in advance for the next period. The fee is automatically deducted from a client's account by the brokerage firm. Brokerage firms and mutual funds have their own fees, which are not paid to Open Door Investment Advisors, Inc.

Termination of Agreement

The agreement can be terminated at any time by giving 30 days notice. Upon termination, client may be billed for work already completed. There is never a cancellation fee.

Sharing of Capital Gains

Open Door Investment Advisors, Inc. does not share in the capital gains of a client or charge performance-based fees, or share in a portion of a client's returns.

Types of Clients

Open Door Investment Advisors, Inc. provides portfolio management services to mainly individuals and retirement plans. We have clients from all walks of life.

Methods of Analysis

Open Door Investment Advisors, Inc. believes in qualitative and quantitative analysis. The sources of information include SEC filings, news reports, annual reports, and internet sites.

Investment Strategies

Our firm tends to buy common stocks in companies that trade publicly on the major US exchanges. We mainly invest in conservatively managed companies with a long record of achievement, rather than in newer, unproven enterprises. Portfolios usually have many, different companies.

Recent Portfolios for Example Purposes

The Industrial Stocks Portfolio. The idea here is to find a subgroup of the S&P 500 index that has more solid companies. It consists of 30 companies in equal weights. All the companies pass the screens for various statistics. It has 10% less risk than the index and the dividend yield is 3.22%. An examples is Illinois Tool Works. Please note that we also include some companies that are more consumer-related.

The Utility Stocks Portfolio. Also 30 companies in equal weights. The idea here is that bonds are dangerous in an environment with increasing rates and we wanted to have a substitute for bonds. It has 44% less risk, (measured by the Beta), than the S&P500 index and the dividend yield is 3.93%. An example is Duke Energy.

The Foreign Stocks Portfolio. The idea here is to preserve our money by investing in countries that are fiscally responsible. It has 30 companies in equal weights. The volatility is 11% more than the S&P500 index and the dividend yield is 3.54%. An example of a stock is Nestle AG in Switzerland. They sell chocolate, coffee and sugar in every country and have 50% profit margins.

These examples are subject to change and might not be what we are doing presently.

Custody of Client Accounts

We do not hold client accounts. Clients open their own accounts, in their own names, at nationally known brokerage firms or mutual fund companies and they give us permission to make trades within their account and other convenience services.

Should something happen that we are unavailable or unable to assist clients, clients can readily call the brokerage firm directly to service their accounts.

Other Investment Items

We will hold investments that clients already own or they have asked us to buy on their behalf. Also, we may invest client's money in CDs, bonds, bill, notes, and money market funds. We view this as a place to store money when it does not make sense to buy stocks or mutual funds.

The mutual funds that we sometimes purchase may contain other types of assets. We don't usually buy mutual funds.

Slow Pace of Investment Changes

Open Door Investment Advisors, Inc. does not trade securities often. Changes are made slowly over time, and not many changes each year.

Risk of Loss

Investing in securities involves the risk of loss that clients should be prepared to bear. Financial markets have ups and downs and this will continue into the future. Each company has its own distinct set of risks that the business will continue like it has previously. Additionally, there are risks that can affect large groups of companies. There is a relationship between greater risk and greater returns and we desire to help our clients make informed decisions.

Legal and Disciplinary Information about Us

In this space, Investment Advisers are required to disclose information about any legal or disciplinary items which may call their integrity into question.

We are pleased that Open Door Investment Advisors, Inc. and Joseph J. Alotta have no items to disclose under this topic.

We never pressure our clients to do anything that doesn't feel right to them.

Other Financial Activities

Open Door Investment Advisors, Inc. does not participate in any other industry business activities.

Other Financial Affiliations

Joseph J. Alotta and Open Door Investment Advisors, Inc. is a member of the National Association of Personal Financial Advisors (NAPFA) and a Certified Financial Planner™. Mr. Alotta has earned the distinction of Certified Fund Specialist™ in 2001 though he no longer pays dues.

Code of Ethics

Open Door Investment Advisors, Inc. has adopted a Code of Ethics describing a high standard of business conduct and duty to always act in the clients' best interest.

The Code of Ethics includes rules about keeping client matters confidential, against trading on inside information, against spreading rumors, limitations on gifts, reporting entertainment perks, and rules for the personal investments of employees. All supervised employees of Open Door Investment Advisors, Inc. must agree to the Code of Ethics annually.

We will provide a copy of the Code of Ethics upon request.

Selecting Brokerage Firms

Open Door Investment Advisors, Inc. recommends or selects brokerage firm custodians based on the integrity, service, quality, and cost.

Soft Dollars

Open Door Investment Advisors, Inc. does not receive soft dollar benefits.

Periodic Reviews of Accounts

The frequency of reviews is individually determined with each client. Generally, account reviews are performed once a year by Joseph J. Alotta.

Review Triggers

Other conditions that may trigger a review are changes in tax laws, new information, and changes in a client's situation.

Regular Reports

Clients receive transaction confirmation notices and regular account statements directly from the brokerage firm or custodian.

Incoming Client Referrals

Open Door Investment Advisors, Inc. receives client referrals from clients, friends and from professionals like CPAs and attorneys. We do not compensate people for these referrals. In appreciation, a card or small gift may be given.

Clients Referrals Out

Open Door Investment Advisors, Inc. does not accept referral fees or remuneration from other professionals.

Custody Account Statements

Clients should receive quarterly or monthly statements from the custodian that holds the client's account. Most have websites where people can access their accounts immediately.

Discretionary Authority for Trading

Open Door Investment Advisors, Inc. usually receives authority from the client at the outset to make decisions regarding the selection and value of securities to be bought or sold. We do this in a manner consistent with the permission given by the client.

Limited Power of Attorney

When selecting securities and determining transactions, Open Door Investment Advisors, Inc. observes the permission of the clients for which it advises.

Proxy Voting of Client Securities

Open Door Investment Advisors, Inc. does not have authority to vote proxies for clients. Clients have the responsibility for voting proxies. The firm may provide advice to clients regarding proxies and may sometimes enter their choices online.

Financial Condition of Open Door

In this space, Investment Advisers are required to disclose negative information about their financial condition. We are pleased that Open Door Investment Advisors, Inc. and Joseph J. Alotta have no items to disclose under this topic. We have not been bankrupt, and we maintain an excellent credit rating.

Business Continuity Plan

Open Door Investment Advisors, Inc. is developing a business continuity plan that provides detailed steps to manage the loss of office space, communications, services, or key people. Since we do not hold custody of client accounts, this is not important to clients.

Information Security Procedures

Open Door Investment Advisors, Inc. has security procedures to reduce the risk of confidential information falling into the wrong hands.

Privacy Notice

Open Door Investment Advisors, Inc. desires to keep confidential personal information. We collect personal information to help our clients meet their personal financial goals. We will disclose personal information to others only with our client's permission, unless it is required by law. Information will be kept for clients. If they leave, then we will keep information for several years and then destroy it. We will notify our clients in advance if our privacy policy changes. We are required to deliver this Privacy Notice to our clients annually, in writing.

Education and Business Standards

Mr. Alotta is the only investment advisor at Open Door Investment Advisors, Inc.

Professional Certifications of Mr. Alotta

Mr. Alotta is a member of the National Association of Personal Financial Advisors (NAPFA) and a Certified Financial PlannerTM. He has earned the distinction of Certified Fund SpecialistTM in 2001.

Resume of Joseph J. Alotta, Principal

Education:

2002 DePaul University, Diploma in Financial Planning

1989 Systems Engineer, EDS Corporation.

1984 New York University, MBA Finance, Cum Laude, Dean's List, Founder's Day Award

1981 New York University, BS Economics, Cum Laude, Dean's List

2013 Toastmasters International, Advanced Communications Silver.

Experience:

Mr. Alotta has over 30 years business experience in financial institutions.

He was the director of market risk management for Wachovia Bank (now part of Wells Fargo). He was responsible for all trading activities of the bank, including currencies, bonds, equities, swaps, options, derivatives, mortgages, and reported directly to the Executive Committee. His signature was required for approval of new deals and new products and his staff oversaw all quantitative measurement methods.

He was also vice president of market risk management for First Chicago (now part of JP Morgan Chase) and vice president for First Options of Chicago (now part of Goldman Sachs).

He has written two books on investing, and is a noted speaker, having spoken before the Federal Reserve Board of Governors, The Federal Reserve Bank of Chicago, The Federal Reserve Bank of Richmond, The Office of the Comptroller of the Currency, The Options Clearing Corporation and was a keynote speaker at a risk management conference in Washington, DC.

Mr. Alotta was a Military Family Life Counselor (MFLC) under a contract with the Office of the Secretary of Defense.

Disciplinary Information: None

Bankruptcy Petition: None

Other Business Activities: Mr. Alotta is presently a small business consultant with the Service Corps of Retired Executives (SCORE).