



# Investment Research Corporation, World Capital Brokerage Advisory Services

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## Brochure (Form ADV Part II)

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This brochure provides information about the qualifications and business practices of Investment Research Corporation. If you have any questions about the contents of this brochure, please contact us at 303-626-0634 or at [info@invresearch.com](mailto:info@invresearch.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. Registration does not imply a certain level of skill or training. Additional information about Investment Research Company also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 2018

## Material Changes

There have been no material changes since the last Form ADV Part 2 was filed.



## Table of Contents

Advisory Business, 4	Investment Discretion, 8
Balance Sheet, 8	Material Changes, 2
Brokerage Practices, 7	Methods of Analysis, Investment
Client Referrals and Other	Strategies and Risk of Loss, 5
Compensation, 7	Other Financial Industry Activities or
Code of Ethics, Participation or	Affiliations, 6
Interest in Client Transaction and	Performance Based Fees, 5
Personal Trading, 7	Review of Accounts, 7
Custody, 8	Types of Clients, 5
Disciplinary Information, 6	Voting Client Securities, 8
Fees and Compensation, 4	



## Advisory Business

Investment Research Corporation, dba. World Capital Brokerage Advisory Services ("Firm"), was founded on August 29, 1958 by Robert Brody (1925 – 2013). Timothy Taggart, a longtime employee of the Firm, is the owner of Investment Research Corporation.

The Firm provides investment supervisory services, manages investment advisory accounts not involving investment supervisory services, and financial planning.

The Firm offers advice on:

- Equity Securities
  - Exchange-Listed Securities
  - Foreign Issuers
- Corporate Debt Securities
- Certificates of Deposit
- Municipal Securities
- Investment Company Securities
  - Variable Life Insurance
  - Variable Annuities
  - Mutual Fund Shares
- United States Government Securities

Financial Planning helps clients deal with various personal financial issues through proper planning which may include items such as cash flow management, education, retirement, investment, risk management, insurance, tax, and estate planning.

Using the information provided to us (our Advisor Representatives) by the clients, our Advisor Representatives are able to try and assist the client in customizing their portfolio with the goal of improving the client's financial status. Of course clients are free to restrict what their monies are invested in and should understand that any investment restrictions placed may adversely affect their account balance.

The Firm participates in a Wrap Fee Program. There are no differences between how the Firm manages a Wrap Fee Account or another account. The Firm does receive a portion of the wrap fee for its services.

For the period ended 01/17/2018 the Firm managed \$17,964,353 on a discretionary basis and \$18,940,384 on a non-discretionary basis.

## Fees and Compensation

Clients in the Program pay a single annualized fee, based upon a percentage of the market value of all Program assets, or a flat fee, whichever the Client chooses, for participation in the Program. The Program may cost clients more or less than purchasing such services separately. The Client can choose either a \$3,000 flat fee, or a fee based on a percentage based upon the value of the Client's account for 0.5%, 1.0%, 1.5% or another percent value mutually agreed upon between the Client and Investment Advisor Representative. No fees are charged for issuing reports. The Maximum fee is 2.0% of assets under management not including program, product, custodial, mutual fund fees, servicing or any other fee imposed on the account by the third party manager or one of its affiliates. Compensation is payable quarterly, deducted from the account via third party vendors, and is billed in advance based upon the value of CLIENT'S account at the preceding



quarter-end. If the advisory contract is terminated prior to the quarter's completion, the client should ask the Investment Advisor Representative to request, in writing, for a partial refund of quarterly fees. The formula to be used when figuring the refund will be business days remaining in the quarter multiplied by that quarter's average daily fee.

No supervised person accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds. Clients may also incur brokerage fees and transaction costs as described in Brokerage Practices on page 6. Clients may terminate contracts within 5 business days of the initially entering into them without penalty.

Financial Planning – Investment Advisor Representatives may be compensated on an hourly basis, but is also permitted to offer a flat-fee arrangement. Client is billed directly and is often billed to bring his account current and to cover further estimated billing in accordance with the engagement agreement. An initial deposit may be required to begin the engagement and the Client is billed as hours accrue. Rates range from \$150 to \$250 per hour depending upon the set of tasks or circumstances about which Client wishes Investment Advisor Representative to perform or give advice. Fees are negotiable for special situations. Client is responsible for third party service or product costs, fees, or expenses incurred by Client or Investment Advisor Representative on behalf of Client. Clients may also incur brokerage fees and transaction costs as described in Brokerage Practices on page 6. If Client terminates the engagement and a residual of any advanced payment remains after an accounting for fees, expenses, hours expended on Client's behalf, this residual is returned within seven business days of the final accounting. After 48-hours, no part of the initial deposit is refundable if Client terminates, but a pro rata portion is returned if Adviser terminates the engagement.

### **Performance Based Fees**

Investment Advisor Representatives do not collect performance based fees.

### **Types of Clients**

The Firm generally provides investment advice to Individuals as well as investment companies, pension and profit sharing plans, trusts, estates, charitable organizations, and corporations or business entities.

The Firm does not impose a minimum dollar value of assets or other conditions for starting or maintaining an account.

### **Methods of Analysis, Investment Strategies and Risk of Loss**

The Firm uses a fundamental style of security analysis. Fundamental Analysis involves looking for, as an example, potential of growth, future factors such as interest rate cuts or mergers, management of a company or economic strength. The main sources of information are derived from financial newspapers and magazines, inspections of corporate activities, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases.

Investment strategies used to implement any investment advice given to clients include:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within 30 days)



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

Fundamental security analysis risks include:

Stock Market Risk - the value of an investment may fluctuate,

Industry and Security Risk - risk relating to an industry as a whole or a company's prospects for business success,

Management Risk - risk that the Adviser's assessment of a company's growth prospects may not be accurate,

Liquidity Risk - a given security or asset may not be readily marketable,

Small Cap Risk - small cap stocks tend to have a high exposure to market fluctuations and failure,

Mid Cap Risk - mid cap stocks tend to have a greater exposure to market fluctuations and failure.

Long Term Purchases tend to have higher exposure to Stock Market Risk, Industry and Security Risk and Management Risk.

Short Term Purchases tend to have a more moderate exposure to Stock Market Risk, Industry and Security Risk and Management Risk but may also carry an increased risk of higher taxation.

Trading securities within 30 days lowers the exposure of Stock Market Risk, Industry and Security Risk and Management Risk but may significantly expose the investor to higher taxation.

Trading frequently also may carry the additional burden of increased brokerage, ticket fees and other transaction costs and may adversely affect the investment performance.

### **Disciplinary Information**

The Firm has no disciplinary or legal proceedings or actions to report.

### **Other Financial Industry Activities or Affiliations**

World Capital Brokerage, Inc., an affiliated company of Investment Research Corporation, is registered with the Securities and Exchange Commission and Financial Regulatory Authority as a Broker-Dealer for which Timothy Taggart is the Owner, President and Chief Compliance Officer, Patricia Blum is a Vice President and a Limited Principal and Michael L. Gaughan is a Vice President, Corporate Secretary and Operations Professional.

An IAR of the Firm may also be registered with WCB as a Registered Representative. Therefore, an IAR may be able to offer a client both investment advisory and brokerage services. Before engaging with an IAR, clients should take time to consider the differences between an advisory relationship and a brokerage relationship, and the costs related with each, to determine which type of services best serves the client's investment needs and goals. Client should speak to the IAR to understand the different types of services available through the Firm and WCB.

Timothy Taggart is also the President and a member of the Investment Committee for American Growth Fund, Inc. Patricia Blum is a Vice President and Michael Gaughan is the Chief Compliance Officer and Corporate Secretary for American Growth Fund.

World Capital Brokerage, Inc. is the underwriter for American Growth Fund, Inc. The Firm has an investment advisory agreement with American Growth Fund, Inc.

The Firm does not recommend clients to affiliated companies.

The Firm does not engage in a business other than giving investment advice nor does it sell products or services other than investment advice to clients. The principal business of the Firm



and of its principal executive officers does not involve something other than providing investment advice.

American Growth Fund, Inc. uses World Capital Brokerage, Inc. as a vehicle for trading, however, currently pays no commissions to World Capital Brokerage, Inc.

The Firm, American Growth Fund, Inc. and World Capital Brokerage, Inc. are a trio of companies. World Capital Brokerage, Inc. offers shares of the American Growth Fund to retail customers as well as underwriting services to other Broker Dealer clients.

### **Code of Ethics, Participation or Interest in Client Transaction and Personal Trading**

The Firm has adopted a Code of Ethics pursuant to SEC rule 201A-1. The Code of Ethics is available at [www.invresearch.com/downloads.htm](http://www.invresearch.com/downloads.htm) or by calling 303-626-0634.

Associates of IRC are prohibited from recommending securities in which they have a material financial interest without first gaining express written consent and instructions from the Chief Compliance Officer.

All access persons are prohibited from recommending or executing a securities transaction on a day during which Firm has a pending "buy" or "sell" order in that same security until that order is executed or withdrawn.

Any such trades generally will be unwound or, if that is impractical, all profits from the trading will be disgorged to the appropriate investment company (or, alternatively, to a charitable organization).

### **Brokerage Practices**

The Firm does not recommend brokerage firms to any clients. Additionally, Advisor Representatives and Clients have no restrictions as to which brokerage firm they conduct business with. Certain regulations may require Investment Advisor Representatives who are also Registered Representatives to utilize World Capital Brokerage, Inc. as their brokerage firm.

### **Review of Accounts**

Reviews of accounts must be performed by the Investment Advisor Representative quarterly or as market warrants. These reviews must be in writing. Additionally, Investment Advisor Representatives must review the client's account with that client in person (or via an internet video web cast), over the telephone or via U.S. Mail.

Quarterly reports to clients from the Investment Advisory Representative must be in written form and include, at a minimum;

Current Quarterly Holdings, Value and Performance,  
Rolling Twelve Month Performance, and  
Quarterly Activity Report.

### **Client Referrals and Other Compensation**

The Firm does not compensate for client referrals.



## **Custody**

The Firm does not keep custody of client funds or securities. Account statements are sent quarterly and as frequently as monthly, in some cases, directly to the client from the custodian. You should carefully review these statements and contact your IAR with any questions you may have.

## **Investment Discretion**

The Firm does have authority from American Growth Fund, Inc. to determine, without first obtaining specific client consent to;

- Securities to be bought or sold,
- The amount of the securities to be bought or sold,
- The Broker-Dealer to be used, and
- Commission rates paid.

Discretionary authority can be gained by the Investment Advisor Representative by entering into a contract with the client(s) that specifically states such authority in that contract.

## **Voting Client Securities**

The firm does not have and will not accept authority to vote client securities excluding the one discretionary account mentioned immediately above. For more details regarding how your securities are voted please contact your third party vendor directly or your Investment Advisor Representative.

## **Balance Sheet**

The Firm does not require prepayment of more than \$1,200.00 in fees per client or payment of fees by clients 6 or more months in advance. Therefore, the Firm is not required to include a balance sheet.

The Firm has not been the subject of a bankruptcy petition at any time during the past ten (10) years.

