

GUARDIAN INVESTMENT MANAGEMENT, LLC
FORM ADV PART2A
February 22, 2017

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This Brochure provides information about the qualifications and business practices of Guardian Investments. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Stephen A. Ethridge using the information above. The information in this Brochure has not been approved by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Although all of our Partners and key employees have advanced degrees and/or professional designations. Guardian's registration as an investment adviser does not imply any specific level of skill or training. More information about Guardian Investments can be found on the SEC's website at www.advisorinfo.sec.gov.

Material Changes since our last filing:

There has been no material change in our business since our last ADV filing.

DISCLOSURE STATEMENT

The Securities and Exchange Commission requires that all registered investment advisors provide certain information to all existing and potential clients. This statement conforms to those requirements.

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Advisory Business/ Overview –

Robert M. Tomasello and Donald L. Hansen formed Guardian Investment Management (GIM) in 1976 as a partnership. In January, 2015, Guardian reorganized as a Limited Liability Company under California law with Robert M. Tomasello, Donald L. Hansen and Stephen A. Ethridge as principals/owners. We have continuously offered investment advice to our clients since 1976.

Investment management is the only business and exclusive source of income for Guardian. We do not offer or sell any other type of service. We do not share in any compensation with respect to security trade commissions. We are not registered as a broker nor are we affiliated with any broker, dealer, Investment Company or other investment adviser. We do not buy or sell securities as principal with respect to security trades. Guardian Investments is owned and operated by the active Partners listed at the end of this document.

As a Fiduciary, we offer independent and unbiased investment management. Our primary focus is on preservation of capital and protection from inflation.

Our business consists of managing security accounts, each of which uses as custodian, a bank, or broker selected by the client. We hold a limited power of attorney that authorizes us to buy or sell securities. Although we do not consult with clients prior to individual security purchases and sales, occasional consultations are held to discuss general matters such as how the account managed by Guardian Investments relates to the client's other assets and requirements. Some clients impose restrictions on investment in certain securities or types of securities. Client portfolios are invested in stocks, taxable and tax-exempt bonds, and short-term instruments such as Treasury bills and money market funds. On occasion, we may invest in mutual funds, Exchange Traded Funds and other similar co-mingled investment products for smaller accounts managed as a courtesy for existing clients. A separate account is maintained for each client.

To the extent any client is a retirement plan or other employee benefit plan subject to the Employee Retirement Income Security Act of 1974, as amended ("ERISA"), and depending upon the investment management services provided by us, the Firm may be considered a "fiduciary" under ERISA.

Guardian operates under an Investment Management Agreement with each client. For new clients, following the initial execution of this agreement, it may be terminated at any time by either party on five calendar days' written notice delivered to the other without payment of penalty and without liability of either party to the other. For existing clients, this agreement can be terminated at any time.

As of December 31, 2016 our total assets under management was \$249,355,723. Included in this total is \$199,021,444 of fully discretionary assets under management.

We furnish quarterly portfolio valuations to our clients. These reviews include the current value and cost basis of each security, and the current value and allocation of the total portfolio. In addition, the custodians also issue monthly statements and copies of all confirmations to the client.

Fees and Compensation -

Individual Clients:

1% on the first \$2,000,000
7.5/10ths of 1% above \$2,000,000

Institutional Accounts:

\$1-10 million 7.5/10ths of 1 %
> \$10 million 6/10ths of 1%

Fees are negotiable, depending on the equity/bond allocation in the portfolio. We compute the fees based on the portfolio valuation as of the end of each quarter, and the fees are for the following three months, so they are paid in advance. If the investment management contract is canceled during the quarter, the client will receive a refund for the pro-rated number of days remaining during the quarter. Most of our clients' quarterly fees are deducted from the custodian account. A few clients are billed directly per their request. Clients who have chosen to have a bank custodian may also pay a custodian fee. Our fees are based only on the assets under management. The minimum account size that we accept is \$1,000,000, although smaller accounts are accepted on occasion. We do not use performance based fees.

In addition to investment management fees, clients will pay commissions to their broker / custodian upon the purchase or sale of an investment (see Broker Practices on page 6). In most cases, investment management fees are deducted directly from clients' account by Guardian Investment and clients receive a "notification only" bill. We believe these fees are similar to those charged by many other investment counseling firms for similar services; however, comparable service may be available from other sources for lower fees.

Performance Based Fees and Side-By-Side Management -

Performance based fees are based on a share of capital gains on or capital appreciation of the client's assets. Guardian does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk than is suitable for the client.

Types of Clients –

Although most of our clients are individuals, some clients are trusts, charitable foundations, retirement plans, estates, and corporations. Minimum dollar

valuation for starting an account is \$1,000,000. Under special circumstances, smaller accounts are occasionally accepted.

Methods of Analysis, Investment Strategies and Risk of Loss –

We are long-term investors – not speculators – and our investment philosophy is conservative in nature. However, clients should recognize that investing in any type of stock or bond security poses some level of risk. In our initial discussion with potential clients we will quantify and discuss the volatility inherent in investing in more detail. Individual securities in specific and, more broadly, economic, environmental, political and market developments can result in the value of investments declining. There is no guarantee of investment return and past performance is no guarantee of future success.

Our investment approach consists of fundamental analysis, as opposed to technical or quantitative strategies. We study company financial statements and reports, industry trends and conditions, and general business conditions. Principal sources of information are (1) the company's annual report, prospectus, Form 10-K and press releases, (2) various trade publications, (3) general business periodicals, newspapers and the internet, (4) brokers' reports, and (5) meetings or phone conversations with company officers.

We manage equity (stock) investments using one of 2 investment strategies:

Core Strategy – Guardian's Core strategy for stock selection focuses on Large, multi-national companies domiciled in a G7 nation and traded on U.S. based stock exchanges either as a domestic stock listing or as a depository receipt (ADR or ADS). Guardian seeks to identify companies that use shareholder capital in a disciplined way, that have strong financial strength and attractive valuations in the market. We screen from the 2,000 largest companies traded on domestic exchanges and then apply both quantitative and qualitative filters to narrow the list to approximately 50 names from which we select the 30 to 35 most attractive holdings to use in client accounts. In addition, we seek out companies that have a market or above market dividend yield and good prospects for increasing dividend growth going forward.

Covered Call Strategy- Guardian's Covered Call Strategy is a conservative option strategy for stock investing that invests in safe, dependable large capitalization stocks that all pay a reliable and growing dividend. These stocks are selected as a 20-30 subset of stocks identified by the selection process outlined above in our "Core" stock selection strategy. For each individual stock position we then typically write (sell) a call option with a strike date 3 to 18 months in the future. We believe that this strategy can produce income at a rate of at least 5% of the portfolio's value from dividends and the premiums received from selling call options. These "covered call" positions allow for up to 10% appreciation of the underlying stock. Thus, we find that clients receive the best of both worlds, an increase in income over a traditional "long only" account and the opportunity for some capital appreciation - albeit limited by the strike price of the

option 10% higher than the price of the underlying stock at time of purchase. Furthermore, the strategy is less volatile than an account without call positions and essentially provides a modest hedge against market downturns without the comingled account aspect and expensive fees of a hedge fund.

The primary risk to sellers of covered call options is that it may limit the gains on the value of the stock before the option expires. This strategy is not tax efficient and is best-suited for tax free/deferred accounts like foundations and retirement accounts. However, for clients that wish to use this strategy for taxable accounts, we utilize Long-term Equity Anticipation (“LEAPS”) options with strike dates at least one year in the future to decrease the possibility of short-term capital gains inherent in shorter term options. Clients interested in this strategy always receive additional disclosures that extensively explain the risks and returns of employing such a strategy.

Guardian also uses covered call options to help clients diversify out of concentrated positions. For example, if a client retires from working at a publically traded company with a large holding in that company’s stock, we can usually use covered calls to earn income on all or a portion of that holding setting strike prices that the client is comfortable selling and diversifying the holding at over time.

Balanced Strategies - Using stocks managed using either our Core or Covered Call stock strategies described above, Guardian can construct and allocate client portfolios using a combination of stocks and bonds. Typically, we maintain the stock portion of a client's total holdings with a target of 60-70% of the total value of the account. Other targets are occasionally utilized to meet specific client needs. A typical clients’ total holdings would include 25 to 35 stocks.

The bonds in a portfolio normally are intended, in part, to reduce volatility. We select high quality bonds, investment grade - U.S. Government issues, municipal bonds, and corporate bonds; with maturities ranging up to 10 years. Usually, about 30 to 40 percent of a clients’ combined accounts are invested in bonds. In addition to bonds, Guardian will invest in “bond alternatives” that include, preferred stocks, Real Estate Investment Trusts (REITs), and Master Limited Partnerships (MLPs) to improve the overall yield on this portion of a clients’ portfolio in periods of low interest rates. Assets not invested in stocks or bonds are invested in cash equivalents including CD's, money market funds and Treasury bills, in order to maximize short-term returns.

Disciplinary Information -

Guardian Investments hereby certifies that neither the firm nor any Partners or employees of the firm are presently debarred, suspended, proposed for debarment, or denied the ability to actively participate in the investment industry. Guardian Investments, LLC as a firm, and all Partners and employees of the firm, have never been convicted of, or had a civil judgment rendered against them for any reason, and are not presently indicted for, or otherwise criminally or civilly charged by any

governmental entity with commission of any offense. This certification extends for every Principal and employee of Guardian Investments for the 40 year history of our Company.

Other Financial Industry Activities or Affiliations -

Guardian Investments is an independent investment advisor, unaffiliated with any other financial institution or securities dealer or issuer. We recommend that our clients custody their assets with Charles Schwab & Co., Inc., ("Schwab") or Fidelity Investments, Inc. ("Fidelity") both qualified custodians and SEC registered broker-dealers and members of FINRA and SIPC. Although we recommend that our clients custody their investment accounts at Schwab or Fidelity, we have no affiliation with these brokers, do not supervise their custody or brokerage activities and are not subject to their supervision. Clients are free to choose alternative qualified custodians or banks for their accounts.

It is very important to address various areas of potential conflict of interest in the investment management business to reassure our clients. Potential areas to review should include: partners personal trades, use of commissions (soft dollars), use of Limited Power of attorney, and custody of assets. Transactions for clients always have priority over the personal trades of our principals and associates. Our trades at Schwab are electronically executed on the web, and the commissions are minimal. We do not use commissions to buy brokers research. Our Limited Power of Attorney does not allow us to withdraw funds form a client's account: it only allows us to buy or sell securities. One of the most important protections for our clients is the use of an independent custodian. A custodian is charged with the responsibility to keep each account separate and to only accept instructions that a client approves. The custodian also issues a monthly statement that show all of the activity in the account. Our clients should review the monthly statement to assure that the advisors reports are accurate, and that the advisor is adhering to the agreed investment objectives. Although we may refer our clients to other professionals such as attorneys or accountants for estate planning, tax or other matters, neither the Firm nor its partners or employees are affiliated with any law or accountancy firm.

Code of Ethics, Participation or interest in client transactions and personal trading-

Guardian Investments' Code of Ethics is applicable to all Partners and employees of the Company. Our full Code of Ethics is available upon request. While proper and ethical behavior is expected of every principal and employee in all aspects Guardian's following Fundamental Standards will serve as a basic guideline for our Firm:

1. Partners and employees will place the interests of our clients first at all times.

2. Partners and employees will conduct all aspects of their personal business in such a manner as to avoid any actual or potential conflict of interest or any abuse of their position of trust and responsibility.
3. Partners and employees will not take inappropriate advantage of their positions.

With regard to compliance with SEC regulations on insider trading, transactions for clients always have priority over the personal transactions of partners and associates. Personal transactions of partners/associates never operate adversely to clients' interests. Partners and associates occasionally buy or sell securities bought or sold for clients. Partners/associates are required to conduct all aspects of their personal business in such a manner to avoid any actual or potential conflict of interest. Partners/associates are prohibited from placing personal trades for securities when there are open client orders for that security. This effectively means that all trades for partners/associates take place at the end the day after all client trades have been completed. The one exception would be periods when the firm makes a series of transactions in a given security for client accounts over a period of several days. In this case, no personal trades in this security would be allowed until after all client transactions are complete. The company maintains a file (updated quarterly) on all partners' and associates' transactions involving the purchase and sale of equity securities.

Brokerage Practices -

Client accounts are usually held in custody at the major broker Charles Schwab & Co., We have made arrangements with Schwab for brokerage and custody at commission rates substantially lower (averaging under \$8 per trade) than regular "full service" brokerage accounts. Our written Investment Management Agreement with our clients grants us authority to negotiate lower commissions, and we have done so wherever possible. In a limited number of circumstances, we execute trades at a broker other than the client's custodian solely to improve pricing/execution. A few brokers voluntarily send us research reports; however, this is not a factor in our selection of custodians or allocation of trading, nor is it a factor in our negotiating lower commissions. We do not use "soft dollars" to buy research. We do most of our research ourselves and it applies to all our clients. Guardian may aggregate multiple client trades into a single transaction when it is determined that aggregation is consistent with the Firm's duty to seek best execution, consistent with the investment objectives for the client accounts participating in the trade and that aggregation would be in the best interests of the participating clients. We will purchase or sell a security as one aggregated trade through a selected broker and then allocate that trade among the clients that have selected that broker as their custodian. We then repeat that process for clients who have selected other brokers until the total transaction has been completed for all clients. Although price and transaction costs may vary from broker to broker, within each group of clients who share the same broker, average share price and transactions costs are shared on a pro rata basis. Orders are placed with the small number of retail brokers utilized by some clients first in order to ensure that a connection is made with the broker during the trading day. All other brokers are

traded on-line. The sequence in which aggregated trades are placed with each broker group varies based on the size of the order and the liquidity of the security in the marketplace.

Review of Accounts –

Client accounts are reviewed on at least a quarterly basis and any time there are major cash-flows in or out of an account. Further, major changes in a client's life (e.g., job change, retirement, death of a spouse or parent) would trigger a review of their accounts. Changes in our view of the long-term view of a given security would also result in a review of client accounts.

Custody -

All of our clients use a custodian bank or a brokerage firm as custodian. We do not serve as Trustee of any client account. We do not have custody of client's securities or cash assets. Every portfolio is managed separately to meet the specific goals of the individual client. Although most of our clients are individuals or trusts, we also offer advice to retirement accounts, tax free entities and other organizations.

Investment Discretion –

The vast majority of client accounts under our care are fully discretion – meaning that the client has given Guardian written authorization to buy and sell securities on their behalf without additional consultation between Guardian and the client. In very rare circumstances, Guardian consults with clients prior to initiating trades for that client.

Voting Client Securities –

Guardian does not vote proxies or vote on corporate reorganizations for client accounts except when required to by law – usually for retirement accounts covered by ERISA regulation and law. We do provide clients with advice on these matters when solicited.

Financial Information –

We are required in this Item to provide you with certain financial information or disclosures about Guardian's financial condition. Guardian does not require the prepayment of over \$1,200, six or more months in advance. Additionally, Guardian has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has never been the subject of a bankruptcy proceeding.

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June 1, 2014

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This Brochure provides information about the qualifications and business backgrounds of the principals and associates of Guardian Investment Management. If you have any questions about the contents of this Brochure, please contact our Chief Compliance Officer, Stephen A. Ethridge using the information above. The information in this Brochure has not been approved by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Although all of our Partners and key employees have advanced degrees and/or professional designations. Guardian's registration as an investment adviser does not imply any specific level of skill or training. More information about Guardian Investments can be found on the SEC's website at www.advisorinfo.sec.gov.

Key employees of Guardian are listed below. Guardian has made a specific effort to build a multi-generational team in order to ensure the continuity of the Firm so that clients will always have a reliable and continuing sources of investment advice.

Principals -

Robert M. Tomasello— Bob – is a native San Franciscan. After graduating from St. Ignatius College Prep and the University of San Francisco, Bob joined Bank of America as an investment officer. His experience at B of A was invaluable in founding Guardian Investment Management in 1976. Bob brings over 40 years of investing experience to Guardian. Bob's civic activity includes an active role as Chairman of the Board of California Pacific Medical Center's (CPMC) Foundation. He spends 3 to 4 hours a week on this service to the broader San Francisco Bay Community. He is the past Chairman of the Corporate Board of CPMC, past President of the Olympic Club Foundation, past Regent of St. Ignatius College Preparatory, and past Vice President of The Guardsmen. Bob earned a MBA degree from Golden Gate University. Bob is Guardian's President.

Stephen A. Ethridge – Steve – Prior to joining Guardian, Steve was a principal at the San Francisco-based Registered Investment Adviser Stewart and Patten Co., LLC for two decades. During his tenure at Stewart and Patten assets under management at the Firm rose from \$265 million to \$725 million. Before that he spent time at BTR Capital Management, Bank of California and helped to found Spare, Kaplan, Bischel and Associates (now SKBA Capital Management). He is a long time member of the CFA Society of San Francisco and the CFA Institute. Steve has also taken on leadership

roles with the U.S. Navy and in technology startups. He served 24 years as a U.S. Navy Supply Corps Officer – 7 on active duty and 17 as a Selective Reservist. He retired in 2005 as a highly decorated Captain. He helped to found and served as the initial CFO of Military.com / Military Advantage, which was later sold to Monster.com, also he was a founder and served as a board member of VestMatch, a digital collaborative investing platform to help people and groups meet a common financial goals. He currently serves on the Advisory Boards of the HR start-up Zyn Careers, the socially responsible Robo-Adviser platform Earthly and Pure Mist Distillation, LLC.

Steve is a native of Vicksburg, Mississippi and holds a B.P.A. from the University of Mississippi and an MBA from the University of Colorado. He currently serves as Chairman of the Business Advisory Board at the University Of Mississippi School Of Business and as a Trustee of the Fraternal Care Trust for the Franciscan Friars in California. Steve is Guardian's Chief Compliance Officer.

Donald L. Hansen– Don – graduated from the University of Iowa in 1961 and spent 4 years as an officer in the U. S. Navy. After leaving active duty, Don spent 4 years with Dean Witter, before joining Bank Of America as an Investment Officer and founder of their Investment Counselling Department. Don brings over 50 years of investment experience to Guardian, and is a member of the CFA Institute and the CFA Society of San Francisco.

ASSOCIATES –

Denise Doley - Denise brings a wonderful blend of business acumen, operational excellence and commitment to customer service in all that she does. Her experience includes work as a Financial Advisor at Credit Suisse and as an analyst involved in valuation work in both early stage venture companies and within the hotel and lodging industry. To prepare for her career in financial services, Denise studied Business Economics at the University of California, Santa Barbara, Universite d'Aix Marseille and the Stockholm School of Economics, and she earned an MBA (Finance emphasis) degree from the Johnson Graduate School of Management at Cornell University in 2000.

Anthony Schmitz, CFA - Tony began his career at NERA Economic Consulting/Oliver Wyman Group, where he served as market design and financial strategy lead for large utilities and energy companies. After NERA, he worked in NRG Energy's San Francisco based renewable energy division, driving investment due diligence, tax-equity financing and portfolio management efforts for distributed generation solar and battery projects. Before joining Guardian, Tony co-founded the first-of-its-kind, automated investment advisory startup Earthly which offers online socially responsible and impact-related portfolio management and financial planning services. Tony holds a MS degree in Economics and BS degree in Nuclear Engineering from the Georgia Institute of Technology and has earned the prestigious Chartered Financial Analyst designation.