

Uniform Application for Investment Adviser Registration

Part II - Page 1

OMB APPROVAL

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Name of Investment Adviser:

MAGNOLIA CAPITAL MANAGEMENT, LTD.

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code Telephone Number

145 MAIN STREET

COLD SPRING

NY

10516

845 809-5259

**This part of Form ADV gives information about the investment adviser and its business for the use of clients.
The information has not been approved or verified by any governmental authority.**

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(Schedules A, B, C, D, and E are included with Part I of this Form, for the use of regulatory bodies, and are not distributed to clients.)

Potential Persons who are not to respond to the collection of information contained in this form are not
required to respond unless the form displays a currently valid OMB control number.

Applicant:
MAGNOLIA CAPITAL MANAGEMENT, LTD.

SEC File Number:
801- 65323

Date:
01/25/2010

1. A. Advisory Services and Fees. (check the applicable boxes)

For each type of service provided, state the approximate % of total advisory billings from that service. (See instruction below.)

Applicant:

- | | |
|--|---------|
| <input checked="" type="checkbox"/> (1) Provides investment supervisory services | 100 % |
| <input checked="" type="checkbox"/> (2) Manages investment advisory accounts not involving investment supervisory services | _____ % |
| <input checked="" type="checkbox"/> (3) Furnishes investment advice through consultations not included in either service described above | _____ % |
| <input checked="" type="checkbox"/> (4) Issues periodicals about securities by subscription | _____ % |
| <input checked="" type="checkbox"/> (5) Issues special reports about securities not included in any service described above | _____ % |
| <input checked="" type="checkbox"/> (6) Issues, not as part of any service described above, any charts, graphs, formulas, or other devices which client may use to evaluate securities | _____ % |
| <input checked="" type="checkbox"/> (7) On more than an occasional basis, furnishes advice to clients on matters not involving securities | _____ % |
| <input checked="" type="checkbox"/> (8) Provides a timing service | _____ % |
| <input checked="" type="checkbox"/> (9) Furnishes advice about securities in any manner not described above | _____ % |

(Percentages should be based on applicant's last fiscal year. If applicant has not completed its first fiscal year, provide estimates of advisory billings for that year and state that the percentages are estimates.)

Yes No

B. Does applicant call any of the services it checked above financial planning or some similar term?

☒ ☐

C. Applicant offers investment advisory services for: (check all that apply)

- | | |
|--|---|
| <input checked="" type="checkbox"/> (1) A percentage of assets under management | <input checked="" type="checkbox"/> (4) Subscription fees |
| <input checked="" type="checkbox"/> (2) Hourly charges | <input checked="" type="checkbox"/> (5) Commissions |
| <input checked="" type="checkbox"/> (3) Fixed fees (not including subscription fees) | <input checked="" type="checkbox"/> (6) Other |

D. For each checked box in A above, describe on Schedule F:

- the services provided, including the name of any publication or report issued by the adviser on a subscription basis or for a fee
- applicant's basic fee schedule, how fees are charged and whether its fees are negotiable
- when compensation is payable, and if compensation is payable before service is provided, how a client may get a refund or may terminate an investment advisory contract before its expiration date

2. Types of Clients -- Applicant generally provides investment advice to: (check those that apply)

- | | |
|---|--|
| <input checked="" type="checkbox"/> A. Individuals | <input checked="" type="checkbox"/> E. Trusts, estates, or charitable organizations |
| <input checked="" type="checkbox"/> B. Banks or thrift institutions | <input checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input checked="" type="checkbox"/> C. Investment companies | <input checked="" type="checkbox"/> G. Other (describe on Schedule F) |
| <input checked="" type="checkbox"/> D. Pension and profit sharing plans | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

3. Types of Investments Applicant offers advice on the following: (check those that apply)

- | | |
|---|---|
| <p>A. Equity securities</p> <p><input type="radio"/> (1) exchange-listed securities</p> <p><input type="radio"/> (2) securities traded over-the-counter</p> <p><input type="radio"/> (3) foreign issuers</p> <p><input type="radio"/> B. Warrants</p> <p><input type="radio"/> C. Corporate debt securities
(other than commercial paper)</p> <p><input type="radio"/> D. Commercial paper</p> <p><input type="radio"/> E. Certificates of deposit</p> <p><input type="radio"/> F. Municipal securities</p> <p>G. Investment company securities:</p> <p><input type="radio"/> (1) variable life insurance</p> <p><input type="radio"/> (2) variable annuities</p> <p><input type="radio"/> (3) mutual fund shares</p> | <p><input type="radio"/> H. United States governmental securities</p> <p>I. Options contracts on:</p> <p><input type="radio"/> (1) securities</p> <p><input type="radio"/> (2) commodities</p> <p>J. Futures contracts on:</p> <p><input type="radio"/> (1) tangibles</p> <p><input type="radio"/> (2) intangibles</p> <p>K. Interests in partnerships investing in:</p> <p><input type="radio"/> (1) real estate</p> <p><input type="radio"/> (2) oil and gas interests</p> <p><input type="radio"/> (3) other (explain on Schedule F)</p> <p><input type="radio"/> L. Other (explain on Schedule F)</p> |
|---|---|

4. Methods of Analysis, Sources of Information, and Investment Strategies.

A. Applicant's security analysis methods include: (check those that apply)

- | | |
|---------------------------------------|---|
| (1) <input type="radio"/> Charting | (4) <input type="radio"/> Cyclical |
| (2) <input type="radio"/> Fundamental | (5) <input type="radio"/> Other (explain on Schedule F) |
| (3) <input type="radio"/> Technical | |

B. The main sources of information applicant uses include: (check those that apply)

- | | |
|---|---|
| (1) <input type="radio"/> Financial newspapers and magazines | (5) <input type="radio"/> Timing services |
| (2) <input type="radio"/> Inspections of corporate activities | (6) <input type="radio"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input type="radio"/> Research materials prepared by others | (7) <input type="radio"/> Company press releases |
| (4) <input type="radio"/> Corporate rating services | (8) <input type="radio"/> Other (explain on Schedule F) |

C. The investment strategies used to implement any investment advice given to clients include: (check those that apply)

- | | |
|---|---|
| (1) <input type="radio"/> Long term purchases (securities held at least a year) | (5) <input type="radio"/> Margin transactions |
| (2) <input type="radio"/> Short term purchases (securities sold within a year) | (6) <input type="radio"/> Option writing, including covered options, uncovered options, or spreading strategies |
| (3) <input type="radio"/> Trading (securities sold within 30 days) | (7) <input type="radio"/> Other (explain on Schedule F) |
| (4) <input type="radio"/> Short sales | |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

Applicant: MAGNOLIA CAPITAL MANAGEMENT, LTD.	SEC File Number: 801- 65323	Date: 01/25/2010
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5. Education and Business Standards.	Yes No
Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients?.....	<input checked="" type="radio"/> <input type="radio"/>
(If yes, describe these standards on Schedule F.)	

6. Education and Business Background.

For:

- each member of the investment committee or group that determines general investment advice to be given to clients, or
- if the applicant has no investment committee or group, each individual who determines general investment advice given to clients (if more than five, respond only for their supervisors)
- each principal executive officer of applicant or each person with similar status or performing similar functions.

On Schedule F, give the:

• name	• formal education after high school
• year of birth	• business background for the preceding five years

7. Other Business Activities. (check those that apply)

☐ A. Applicant is actively engaged in a business other than giving investment advice.

☒ B. Applicant sells products or services other than investment advice to clients.

☐ C. The principal business of applicant or its principal executive officers involves something other than providing investment advice.

(For each checked box describe the other activities, including the time spent on them, on Schedule F.)

8. Other Financial Industry Activities or Affiliations. (check those that apply)

☐ A. Applicant is registered (or has an application pending) as a securities broker-dealer.

☐ B. Applicant is registered (or has an application pending) as a futures commission merchant, commodity pool operator or commodity trading adviser.

C. Applicant has arrangements that are material to its advisory business or its clients with a related person who is a:

<input type="radio"/> (1) broker-dealer	<input checked="" type="radio"/> (7) accounting firm
<input type="radio"/> (2) investment company	<input checked="" type="radio"/> (8) law firm
<input checked="" type="radio"/> (3) other investment adviser	<input type="radio"/> (9) insurance company or agency
<input type="radio"/> (4) financial planning firm	<input type="radio"/> (10) pension consultant
<input type="radio"/> (5) commodity pool operator, commodity trading adviser or futures commission merchant	<input type="radio"/> (11) real estate broker or dealer
<input type="radio"/> (6) banking or thrift institution	<input type="radio"/> (12) entity that creates or packages limited partnerships

(For each checked box in C, on Schedule F identify the related person and describe the relationship and the arrangements.)

Yes No

D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest?...

☐ ☒

(If yes, describe on Schedule F the partnerships and what they invest in.)

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

9. Participation or Interest in Client Transactions.

Applicant or a related person: (check those that apply)

- ☐ A. As principal, buys securities for itself from or sells securities it owns to any client.
- ☐ B. As broker or agent effects securities transactions for compensation for any client.
- ☐ C. As broker or agent for any person other than a client effects transactions in which client securities are sold to or bought from a brokerage customer.
- ☐ D. Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- ☒ E. Buys or sells for itself securities that it also recommends to clients.

(For each box checked, describe on Schedule F when the applicant or a related person engages in these transactions and what restrictions, internal procedures, or disclosures are used for conflicts of interest in those transactions.)

Describe, on Schedule F, your code of ethics, and state that you will provide a copy of your code of ethics to any client or prospective client upon request.

10. Conditions for Managing Accounts. Does the applicant provide investment supervisory services, manage investment advisory accounts or hold itself out as providing financial planning or some similarly termed services *and* impose a minimum dollar value of assets or other conditions for starting or maintaining an account?

Yes No

☒ ☐

(If yes, describe on Schedule F.)

11. Review of Accounts. If applicant provides investment supervisory services, manages investment advisory accounts, or holds itself out as providing financial planning or some similarly termed services:

A. Describe below the reviews and reviewers of the accounts. **For reviews**, include their frequency, different levels, and triggers factors. **For reviewers**, include the number of reviewers, their titles and functions, instructions they receive from applicant on performing reviews, and number of accounts assigned each.

All investment advisory accounts (regardless of size) are reviewed expeditiously after the end of each calendar quarter.

Reviews are conducted by the Company's Board of Directors at its quarterly board meetings.

While management keeps all advisory accounts under continuous informal review, there are no mandated triggers which would cause the board to formally review an account other than as above, unless the client were to specifically request otherwise.

Reviewers, by name, are T.J. Cunningham, III, Chairman & CEO, John K. Gifford, Vice-Chairman and Director, Peter Van Kleeck, Vice-Chairman and Director, Carol A. Powell, Vice-President and Director, Thomas J. Cunningham IV, Director and James B. Cunningham, Director. Continued on Schedule F.

B. Describe below the nature and frequency of regular reports to clients on their accounts.

-All clients received monthly statements direct from an independent third party custodian setting out the month end value of each and all securities in their account, and all activity in the account during the month, and the security type allocation of their account.

-All investment advisory clients receive quarterly management reports.

-All management reports outline investment performance against agreed benchmarks.

-The content and frequency of financial planning and/or consulting reports are tailored individually to the assignment per agreement with the client.

12. Investment or Brokerage Discretion.

A. Does applicant or any related person have authority to determine, without obtaining specific client consent, the:

- | | | |
|--|-----------------------|-----------------------|
| (1) securities to be bought or sold? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (2) amount of the securities to be bought or sold? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (3) broker or dealer to be used? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| (4) commission rates paid? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |

B. Does applicant or a related person suggest brokers to clients? ☐ Yes ☐ No

For each yes answer to A describe on Schedule F any limitations on the authority. For each yes to A(3), A(4) or B, describe on Schedule F the factors considered in selecting brokers and determining the reasonableness of their commissions. If the value of products, research and services given to the applicant or a related person is a factor, describe:

- the products, research and services
- whether clients may pay commission higher than those obtainable from other brokers in return for those products and services
- whether research is used to service all of applicant's accounts or just those accounts paying for it; and
- any procedures the applicant used during the last fiscal year to direct client transactions to a particular broker in return for products and research services received.

13. Additional Compensation.

Does the applicant or a related person have any arrangements, oral or in writing, where it:

- | | | |
|---|-----------------------|-----------------------|
| A. is paid cash by or receives some economic benefit (including commissions, equipment or non-research services) from a non-client in connection with giving advice to clients? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |
| B. directly or indirectly compensates any person for client referrals? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |

(For each yes, describe the arrangements on Schedule F.)

14. Balance Sheet. Applicant must provide a balance sheet for the most recent fiscal year on Schedule G if applicant:

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
 - requires prepayment of more than \$500 in fees per client and 6 or more months in advance
- | | | |
|--|-----------------------|-----------------------|
| Has applicant provided a Schedule G balance sheet? | Yes | No |
| | <input type="radio"/> | <input type="radio"/> |

Answer all items. Complete amended pages in full, circle amended items and file with execution page (page 1).

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant:	SEC File Number:	Date:
MAGNOLIA CAPITAL MANAGEMENT, LTD.	801- 65323	01/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: MAGNOLIA CAPITAL MANAGEMENT, LTD.	IRS Empl. Ident. No.: 03-0398089
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Item of Form (identify)	Answer
1D	<p>Investment management/advisory/supervisory services:</p> <ul style="list-style-type: none"> • The Company manages, on a discretionary basis, or non-discretionary basis, client investment portfolio accounts. It also advises clients on the performance of other managers/advisors which the client, in its sole discretion, may have independently employed. The Company has no authority to vote proxies on behalf of advisory clients. In addition, the Company does not accept any responsibility for assisting clients with filings for class action or other legal proceedings. Mutual funds are not generally utilized except 1-to provide exposure to specialized asset classes in certain situations, and 2-for small accounts. Mutual funds used are only "no load" funds. • Fees are negotiable and range from .5% to 1.5% per annum of the assets under administration/advice, depending on the size and complexity of the account relationship. • Fees on investment advisory/management accounts are paid quarterly in arrears based on the market value of the account on the last business day of the quarter. Fees for advising the clients on assets not administered by the Company are paid quarterly in arrears based on an agreed annual fee amount. • It is the policy of MCM that under no circumstances will it charge a variable performance fee whose level changes with the investment performance of the account. <p>Financial planning and consulting services:</p> <ul style="list-style-type: none"> • The Company assists clients in financial planning for meeting clients' overall or selected goals. In this connection, it also works with the client's accountants and lawyers, and other professional advisors which may be appropriate. The Company also advises clients on the financial structuring of specific personal investment projects which clients may be considering. • Fees for such services are negotiable and are charged on a per hour (usually \$150-250 per hour, depending on the complexity of the assignment) or on a pre-agreed fixed fee basis. Out-of-pocket expenses incurred by the Company in connection with such services are billed separately. • Fees for such services are paid at completion of the assignment unless initial estimates exceed \$5,000, in which case, fees are billed, based on work performed, monthly in arrears. <p>FEE SCHEDULE:</p> <p><u>Accounts less than \$500,000</u></p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 1

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant:	SEC File Number:	Date:
MAGNOLIA CAPITAL MANAGEMENT, LTD.	801- 65323	01/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: MAGNOLIA CAPITAL MANAGEMENT, LTD.	IRS Empl. Ident. No.: 03-0398089
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Item of Form (identify)	Answer
1D cont.	<p>Fully discretionary and simple (minimum 1.00% per annum) to non-discretionary and/or complex (maximum 1.5% per annum). Minimum annual account fee is \$500.</p> <p><u>Accounts \$500,000 to \$1,000,000</u></p> <p>Fully discretionary and simple (minimum .875% per annum) to non-discretionary and/or complex (maximum 1.375% per annum).</p> <p><u>Accounts \$1,000,001 to \$5,000,000</u></p> <p>Fully discretionary and simple (minimum .75% per annum) to non-discretionary and/or complex (maximum 1.25% per annum).</p> <p><u>Accounts over \$5,000,000</u></p> <p>Fully discretionary and simple (minimum .625% per annum) to non-discretionary and/or complex (maximum 1.00% per annum). However, the amount by which client's consolidated accounts exceed \$10,000,000 is charged at the rate of .50% per annum.</p> <p><u>ACCOUNTS INVESTED IN FIXED INCOME SECURITIES ONLY</u></p> <p><u>Less than \$500,000</u></p> <p>Fully discretionary and simple (minimum .75% per annum) to non-discretionary and/or complex (maximum 1.00% per annum). Minimum account fee is \$500.</p> <p><u>\$500,000 to \$5,000,000</u></p> <p>Fully discretionary and simple (minimum .50% per annum) to non-discretionary and/or complex (maximum .75% per annum).</p> <p><u>Over \$5,000,000</u></p> <p>Per individual agreement.</p> <p><u>Accommodation Accounts</u></p> <p>.25% per annum subject to a minimum annual fee of \$50. Generally, only available for the benefit of minor children of advisory clients who are the trustees/custodians of these accounts.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 2

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant:	SEC File Number:	Date:
MAGNOLIA CAPITAL MANAGEMENT, LTD.	801- 65323	01/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: MAGNOLIA CAPITAL MANAGEMENT, LTD.	IRS Empl. Ident. No.: 03-0398089
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Item of Form (identify)	Answer
5	<p>When the client wishes MCM to evaluate and advise them on the performance of other managers the client may utilize, the charge is set annually by negotiation and is usually based on the number of managers to be evaluated, the frequency of the evaluation, and the size and complexity of the accounts. In general, the periodic fee would be .25% of the assets in the managed account at the beginning of the assignment with a minimum fee of \$500 per account and a maximum fee of \$2,500 per account.</p> <p>When the client wishes MCM to undertake a comprehensive financial plan for the client (which may entail working with the client's tax and legal advisors), fees are usually assessed on a per hour basis, depending on the complexity of the assignment, plus out-of-pocket expenses.</p> <p>When the client wishes MCM to undertake a project specific consulting service (such as advice on business investment, investments in real property, etc.) fees are usually agreed in advance of the assignment on a flat fee basis, although hourly fees can also be arranged. The company does not generally work on a contingent fee basis or charge success fees.</p> <p>All principals of the firm have advanced education degrees and/or professional qualifications and/or substantial experience in investment management.</p>
6	<p><u>Name - Title - Yr/Birth - Education - Business Background</u></p> <p>T.J. Cunningham, III, Chairman & CEO, 1942, B.A. Cornell, MBA Stanford, Retired Chairman & CEO Premier National Bank; 2001-2006 Consultant to M&T Bank; 2001-Present Director of M&T Bank Corporation and M&T Bank; Trustee of Open Space Institute; and Trustee and Vice-President of Boscobel Resotration, Inc.</p> <p>Carol A. Powell, Vice-President, 1954, B.S. Syracuse, Self-employed CPA/PFS (licensed in NYS), President, Harper Capital Management, Ltd. Investment Advisory Firm</p> <p>John K. Gifford, Vice-Chairman, 1945, B.A. St. Lawrence, J.D. NYU, Sr. Partner, Van DeWater & Van DeWater, attorneys</p> <p>James B. Cunningham, Director, 1964, B.S. Union College, M.S. Union College, Self-employed computer applications analyst and programmer, Brown Trout Systems, LLC</p> <p>Thomas J. Cunningham, IV, Director, 1968, B.A. Williams College, MBA Cornell University, 1999-2004 Fairchild Publications, Inc, Senior Editor; 2005- 2006 Founder and CEO, Streetwise Brand Development; 2006-Credit Analyst, Union State Bank; 2007-</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 3

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant:	SEC File Number:	Date:
MAGNOLIA CAPITAL MANAGEMENT, LTD.	801- 65323	01/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: MAGNOLIA CAPITAL MANAGEMENT, LTD.	IRS Empl. Ident. No.: 03-0398089
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Item of Form (identify)	Answer
7	<p>2009 - Chief Financial Officer, Thom Browne, Inc., NYC, NY; 2009 - Present, CEO Streetwise Brand Development</p> <p>Peter Van Kleeck, Director, 1934, B.S. Vermont College, Retired President & CEO Premier National Bank and predecessors</p> <p>The Company also provides broad financial planning and financial consulting services. Financial planning usually involves assisting the client in developing a personal asset and liability structure appropriate to meeting their personal goals including, for example, education expenses, major purchases, retirement or estate objectives. Financial consulting services usually involve assisting the client in evaluating and the financial structuring of significant personal investment opportunities. Currently, all clients are receiving investment advisory services and the company has spent only modest time on these separate services.</p>
8C	<p>3-OTHER INVESTMENT ADVISOR:</p> <p>Director and shareholder Carol A. Powell maintains a separate investment advisor firm Harper Capital Management, Ltd. Company may refer smaller clients to Harper Capital Management, Ltd. and HCM may refer larger clients to MCM. No referral fees are paid in either direction. The Company does not share in any revenue.</p> <p>7-ACCOUNTING FIRM:</p> <p>Director and shareholder Carol A. Powell maintains a CPA practice. Company may refer clients to her practice and/or she may refer her clients to the company. No referral fees are paid in either direction. Clients are billed separately by the CPA firm for services rendered by the CPA firm. The Company does not share in any such revenue.</p> <p>8-LAW FIRM:</p> <p>Director and shareholder John K. Gifford is the managing partner of the law firm of Van DeWater & Van DeWater, LLP. Company may refer clients to his law firm and/or his law firm may refer clients to the company. No referral fees are paid in either direction. Clients are billed separately by the law firm for services rendered by the law firm. The Company does not share in any such revenue.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 4

**Schedule F of
Form ADV
Continuation Sheet for Form ADV
Part II**

Applicant:	SEC File Number:	Date:
MAGNOLIA CAPITAL MANAGEMENT, LTD.	801- 65323	01/25/2010

(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

1. Full name of applicant exactly as stated in Item 1A of Form ADV: MAGNOLIA CAPITAL MANAGEMENT, LTD.	IRS Empl. Ident. No.: 03-0398089
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Item of Form (identify)	Answer
9	<p>Applicant or related person purchases and/or sales will always be executed after or simultaneously with any similar transaction for clients.</p> <p>An outline of our Code of Ethics is as follows: 1-Statement of General Policy; 2-Definitions; 3-Standards of Business Conduct; 4-Prohibition Against Insider Trading; 5-Personal Securities Transactions; 6-Gifts and Entertainment; 7-Protecting the Confidentiality of Client Information; 8-Service as a Director; 9-Compliance Procedures; 10- Certification; 11-Records; and 12-Reporting Violations and Sanctions.</p> <p>A copy of the Code of Ethics will be provided to any client or prospective client upon request.</p>
10	<p>Although exceptions may be made on a case-by-case basis, the general policy is not to accept investment advisory or management relationships totaling less than \$500,000 or individual account balances totaling less than \$100,000 unless total family relationship balances are more than \$1,000,000. There is no minimum size for financial planning or consulting services.</p>
11	<p>Asset allocation models are established for each advisory client in consultation with the client which reflect the client's investment objectives, risk profile, etc. In addition to assessing the performance of the client's accounts, both overall and by individual holding, the reviews also consider the continued appropriateness of the asset allocation model in light of any changes in the client's objectives/circumstances.</p> <p>Reviews also consider the client's individual securities holdings relative to the company's then current "recommended" security list and assess the desirability of any specific disposals and/or purchases relative to that client's portfolio.</p>
12A	<p>INVESTMENT OR BROKERAGE DISCRETION:</p> <p>The Company will generally have authority to determine, without obtaining specific client consent the securities to be bought or sold; the broker or dealer to be used; and the commission rates paid according to the terms of an investment management contract which is individually executed for each client. Generally the investment management agreements allow the company full discretion in such matters, although partial or non-discretionary services are also offered.</p>
12B	<p>Except at the instructions of the client, no individual security (excluding issues of U.S. Government or related entities) or mutual fund (excluding broadly based asset class mutual funds eg. bond funds, index funds) will exceed 10% of the total value of the account relationship on date of purchase. Any security or mutual fund purchase which exceeds 5% of the total account relationship value on date of purchase will require</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 5

**Schedule F of
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(Do not use this Schedule as a continuation sheet for Form ADV Part I or any other schedules.)

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Item of Form (identify)	Answer
	<p>pproval of two officers of the Company. All trades are immediately advised to the client in writing.</p> <p>The Company's policy is to utilize the services of institutional or "discount" brokers who are selected based upon price, execution quality and record keeping scope and reliability. Fidelity Institutional Brokerage Services is the company's current prime broker. Business is not directed to brokers based upon their provision of research or other "soft" services to the Company, although clients may direct the Company to use certain brokers, and the Company may use brokers other than Fidelity where there is a distinctive execution advantage (usually in negotiated markets - eg. fixed income securities).</p> <p>MCM's policy is to aggregate client transactions where possible and when advantageous to clients. In these instances clients participating in any aggregated transactions will receive an average share price and transaction costs will be shared equally and on a pro-rata basis. MCM's policy prohibits any allocation of trades in a manner that MCM's proprietary accounts, affiliated accounts, or any particular client(s) or group of clients receive more favorable treatment than other client accounts.</p>

Complete amended pages in full, circle amended items and file with execution page (page 1). PAGE 6