

## Uniform Application for Investment Adviser Registration

## Part II - Page 1

Name of Investment Adviser: <b>Heritage Capital, LLC.</b>				
Address: (Number and Street) <b>1 Bradley Road, Suite 202</b>	(City) <b>Woodbridge</b>	(State) <b>CT</b>	(Zip Code) <b>06525</b>	Area Code: Telephone number: (203) 389-3553

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 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.

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 instructions below.)

Applicant:

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

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

Yes ☐ No ☒

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

<input checked="" type="checkbox"/>	(1)	A percentage of assets under management	<input type="checkbox"/>	(4)	Subscription fees
<input type="checkbox"/>	(2)	Hourly charges	<input type="checkbox"/>	(5)	Commissions
<input type="checkbox"/>	(3)	Fixed Fees (not including subscription fees)	<input 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 type="checkbox"/>	B.	Banks or thrift institutions	<input 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)

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

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

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

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

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

- |   |  |
|---|--|
| (1) <input checked="" type="checkbox"/> Financial newspapers and magazines    | (5) <input type="checkbox"/> Timing services   |
| (2) <input type="checkbox"/> Inspections of corporate activities              | (6) <input type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases  |
| (4) <input type="checkbox"/> Corporate rating services                        | (8) <input checked="" type="checkbox"/> 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 checked="" type="checkbox"/> Long term purchases<br>(securities held at least a year) | (5) <input type="checkbox"/> Margin transactions  |
| (2) <input checked="" type="checkbox"/> Short term purchases<br>(securities sold within a year)  | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input checked="" type="checkbox"/> Trading (securities sold within 30 days)                 | (7) <input type="checkbox"/> Other (explain on Schedule F)  |
| (4) <input checked="" type="checkbox"/> Short sales  |   |

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

**5. Education and Business Standards.**

Are there any general standards of education or business experience that applicant requires of those involved in determining or giving investment advice to clients? . . . . .

Yes ☐ No ☒

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

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

- D. Is applicant or a related person a general partner in any partnership in which clients are solicited to invest? Yes ☐ No ☒

(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 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 triggering 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.

For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on an ongoing basis by the Registrant's Principal, Paul Schatz. All clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or telephonically) are encouraged to review investment objectives and account performance with the Registrant on an annual basis.

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

Clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts. Those clients to whom Registrant provides investment supervisory services will also receive a quarterly report from the Registrant summarizing account and performance.

**12. Investment or Brokerage Discretion.**

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

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

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 commissions 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 product and research services received.

**13. Additional Compensation.**

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

- |   | Yes                                 | No                                  |
|---|-------------------------------------|-------------------------------------|
| 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? ..... | <input type="checkbox"/>            | <input checked="" type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            |

(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

	Yes	No
Has applicant provided a Schedule G balance sheet? .....	<input type="checkbox"/>	<input checked="" type="checkbox"/>

Applicant:

HERITAGE CAPITAL LLC

SEC File Number:

801- 70050

Date:

1/16/2009

(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 Part I of Form ADV: HERITAGE CAPITAL, LLC.	IRS Empl. Ident. No.:						
Item of Form (identify)	Answer						
Item 1D	<p>As discussed below in this disclosure statement, Heritage Capital, LLC (the "Registrant" or "Heritage Capital") generally provides its clients with discretionary investment management services. Registrant does not provide financial planning, estate planning, insurance planning, or investment or non-investment related consulting services.</p> <p><b>INVESTMENT MANAGEMENT</b></p> <p>In the event the client determines to engage the Registrant to provide investment management services, Registrant shall do so on a fee basis. Registrant shall generally allocate the investment management assets of its clients, on an active discretionary basis, among various mutual funds, exchange traded funds, and/or investment subdivisions of variable investment products, in accordance with Registrant's proprietary asset management programs, whereby Registrant shall exchange and/or transfer funds owned by the client among different asset categories within the same (or different) fund family(ies), in accordance with the investment objective(s) of the client.</p> <p>Registrant generally allocates the investment management assets of its client accounts, on a discretionary basis, among one or more of its proprietary asset management programs. Certain of Registrant's proprietary programs have been designed to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is specifically applicable to Registrant's management of client assets:</p> <ol style="list-style-type: none"> <li>1. Initial Interview – at the opening of the account, the Registrant, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;</li> <li>2. Individual Treatment – the client's account is managed on the basis of the client's financial situation and investment objectives;</li> <li>3. Quarterly Notice – at least quarterly the Registrant shall notify the client to advise the Registrant whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account;</li> <li>4. Annual Contact – at least annually, the Registrant shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account.</li> <li>5. Consultation Available – the Registrant shall be reasonably available to consult with the client relative to the status of the client's account;</li> <li>6. Quarterly Statement – the client shall be provided with a quarterly report for the account for the preceding period;</li> <li>7. Ability to Impose Restrictions – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct the Registrant not to purchase certain mutual funds;</li> <li>8. No Pooling – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;</li> <li>9. Separate Account - a separate account is maintained for the client with the Custodian; and</li> <li>10. Ownership – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).</li> </ol> <p>Registrant's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.</p> <p>Registrant also provides advisory services to the sponsors of "participant-directed" retirement plans established by the sponsors pursuant to Section 404(c) of ERISA. Section 404(c) permits a Plan participant to exercise control over the assets contained in his/her retirement account. Registrant provides the Plan sponsors with advice relative to the investment alternatives available for plan participants to choose from. Among the investment alternatives that each plan sponsor may designate for their participants to choose from may include the below referenced investment programs and/or unaffiliated mutual funds or sub accounts. In addition, if requested by the sponsor, the Registrant shall provide plan participants with general impersonal informational seminars and/or materials which describe or explain the various investment options available to them under the Plan.</p> <p>The Registrant shall charge an annual investment management fee, debited quarterly in arrears, based upon a percentage of the market value of the assets being managed by Registrant. The investment management fee charged shall vary depending upon the market value of assets under management (generally between 1.75% and 2% on the initial \$1 million, and negotiable for additional assets in excess of \$1 million) and the investment program selected, as follows:</p> <table border="1" data-bbox="427 1921 1055 2024"> <thead> <tr> <th><u>Assets Under Management</u></th> <th><u>Annual Fee</u></th> </tr> </thead> <tbody> <tr> <td>&lt;\$1,000,000</td> <td>2.00%</td> </tr> <tr> <td>&gt;\$1,000,000</td> <td>Negotiable</td> </tr> </tbody> </table>	<u>Assets Under Management</u>	<u>Annual Fee</u>	<\$1,000,000	2.00%	>\$1,000,000	Negotiable
<u>Assets Under Management</u>	<u>Annual Fee</u>						
<\$1,000,000	2.00%						
>\$1,000,000	Negotiable						

*Menu Of Investment Services*

**Investment Management Philosophy**

Heritage Capital's (HC) investment management philosophy is focused on capital preservation as well as appreciation through the use of strict risk management strategies designed to protect client assets.

Our active investment management strategy seeks to reposition assets as the financial markets change, rather than buy and hold, which exposes assets to undue vulnerability and volatility.

**I. Relative Strength Sector Program**

HC's proprietary computer models select one to four top performing market sectors that offer the highest potential reward each week from a large universe. Capital appreciation far outweighs preservation in this actively traded strategy using exchange traded sector funds and the Rydex sector funds as well as sector funds within variable annuities from Jefferson National, Security Benefit Life and Nationwide's MarketFlex.

**II. Diversified Growth Program**

This is a risk managed index strategy devoted to going long (buying) and short (short selling) the S&P 500 (SPY), S&P 400 (MDY), Russell 2000 (IWM) and NASDAQ 100 (QQQQ) or Rydex mutual funds that track the various indices. Heritage Capital's proprietary computer models calculate daily the number of stocks in uptrends, under accumulation and the rates of acceleration in each to generate the buy, sell and short sell signals in the above mentioned instruments. Trades are held from a few weeks to a few months.

**III. Emerging Markets Program**

HC's proprietary computer models select one to three top performing emerging markets that offer the highest potential reward each week from a universe of exchange traded funds (ETFs). Capital appreciation far outweighs preservation in this actively traded, aggressive strategy using ETFs.

**IV. Developed Markets Program**

HC's proprietary computer models select one to three top performing developed markets outside of the U.S. that offer the highest potential reward each week from a universe of exchange traded funds (ETFs). Capital appreciation far outweighs preservation in this actively traded strategy using ETFs.

**V. Short-Term Gold Program**

Heritage Capital's Gold Managed Account Program is a risk managed sector mutual fund program designed to participate in intermediate-term rallies in the PHLX Gold/Silver Index (XAU) using the Rydex Precious Metals Fund while avoiding intermediate-term price declines in the safety of money market funds. Capital preservation and appreciation are equally weighted in this actively managed strategy, but volatility and drawdowns are significantly below historical levels through the use of tight and stringent stop losses on all positions. This program is non-correlated to the U.S. stock market.

**VI. High Yield Bond Program**

HC's intermediate-term momentum model buys, sells and shorts appropriate High Yield mutual funds from Rydex, Profunds and Direxion. Capital appreciation equals capital preservation along with dividends in this semi-active strategy designed to participate in the High Yield bond market with lower risk. Strict stop loss protection is a key element of this strategy.

**VII. Spectrum Program**

Our version of an asset allocation strategy, this program combines four of our most non-correlated strategies into one simplified plan, High Yield Bond, Short-Term Gold, Relative Strength Sector and Diversified Growth for the widest diversification possible in our universe. Each of the four programs account for 25% of the overall Spectrum portfolio.

**VIII. Global Asset Allocation Program**

Based on the time-tested and highly successful Yale endowment model, this top down, actively managed, quantitative strategy offers diversified exposure to the global financial system across multiple asset classes. Primarily using exchange traded funds (ETFs), the world is broken down into U.S. equities, international equities, fixed income, commodities, currencies and real estate for weekly portfolio rebalances.

This long only program seeks to outperform the overall market with lower volatility and drawdowns from the use of non emotional, diligently researched, multi factor alpha signals and strict position limits. With low correlation to the U.S. stock market, capital preservation and appreciation have equal weights.

By reducing position limits, this strategy can be employed with lower overall risk, which is more in line with our other conservative programs.

Registrant's annual investment management fee shall be pro-rated and paid quarterly, in arrears in January, April, July and October, based upon the market value of the assets on the last day of the quarter. Registrant, in its sole discretion,



	<p>may charge a lesser management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, historical relationship, related accounts, account composition, negotiations with client, accounts referred to adviser by another professional, etc.)</p> <p>Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets. The Investment Advisory Agreement between the Registrant and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. Registrant's investment management fee shall be prorated through the date of termination, and any refund that may be due shall be promptly forwarded to the client.</p> <p>All investment management accounts will be maintained at an independent custodian, or at the specific mutual fund or insurance company that issued the mutual fund or variable life/annuity product. In addition to the Investment Advisory Agreement, the client may be required to execute a separate agreement with the specific custodian, mutual fund, and/or insurance company. Both Registrant's Investment Advisory Agreement and custodial agreement, may authorize the designated custodian to debit the account for the amount of the Registrant's management fee and to directly remit that management fee to the Registrant in accordance with required SEC procedures.</p> <p>Registrant may engage unaffiliated investment advisers as sub advisers to assist the Registrant with its management of client assets.</p> <p>Factors which the Registrant considers in recommending a broker-dealer and/or custodian to clients include financial strength, reputation, execution, pricing, historical relationship and service. Certain broker-dealers/custodians enable Registrant to obtain many no-load mutual funds without transaction charges and other no-load and load waived funds at nominal transaction charges. The brokerage commissions and/or transaction fees charged by the broker-dealers/custodians for client accounts are exclusive of, and in addition to, Registrant's investment advisory fee. Although the commissions and/or transaction fees that may be paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions and/or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment advisory fee. In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).</p> <p>Certain investment opportunities that become available to Registrant's clients may be limited. For example, various mutual funds may, from time to time, limit the number of shares available for purchase by mutual fund asset allocators, such as the Registrant. In order to meet its fiduciary duties to all of its clients, the Registrant will endeavor to allocate investment opportunities among all clients on a fair and equitable basis. However, except as otherwise provided by federal or state securities laws, Registrant shall not be liable for an adverse decision by a mutual fund or insurance company to unilaterally restrict and/or prohibit asset allocation activities such as those of the Registrant.</p> <p><b>MISCELLANEOUS</b></p> <p>In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. The client is free to accept or reject any recommendation made by the Registrant. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.</p> <p>Registrant's clients are advised to promptly notify the Registrant if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Registrant's management services.</p> <p>Neither the Registrant nor the client may assign the Investment Advisory Agreement without the prior written consent of the other party. Transactions that do not result in a change of actual control or management of the Registrant shall not be considered an assignment.</p> <p>A copy of Registrant's written disclosure statement as set forth on Part II of Form ADV shall be provided to each client prior to or contemporaneously with the execution of the Investment Advisory Agreement. Any client who has not received a copy of Registrant's written disclosure statement at least forty-eight (48) hours prior to executing the Investment Advisory Agreement shall have five (5) business days subsequent to executing the agreement to terminate the Registrant's services without penalty.</p> <p>In addition to providing the above investment management services, the Registrant may also provide sub-advisory services to other investment advisers.</p> <p>The Registrant's investment strategies use a variety of analysis including technical, charting, cyclical and quantitative modeling. Information to drive the analysis comes mainly from third party data sources available to the general public.</p> <p>Paul Brian Schatz: Born 1966 Education: University of Rochester, graduated in 1988 with a BA in Political Science. Employment:</p>
Items 4A(5), 4B(8)	
Item 6	

	<p>Assistant trader for Cowen &amp; Co. 03/92 to 07/93</p> <p>Vice President of Beneficial Capital Management Corp. 08/93 to 08/97</p> <p>Vice President &amp; Chief Investment Officer Beneficial Capital, Inc. 08/97 to 11/02</p> <p>Registered Representative Du Pasquier &amp; Co. 03/01 to 11/02</p> <p>President Trend Fund LLC 11/02 to 04/03</p> <p>Portfolio Manager TRI Asset Management 08/06 to 04/08</p> <p>President, Heritage Capital, LLC 06/03 to Present</p>
Item 9E	<p>It is the expressed policy of Heritage Capital that no person employed by Heritage Capital may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.</p> <p>Heritage Capital or individuals associated with Heritage Capital may buy or sell securities identical to those recommended to customers for their personal accounts. Additionally, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.</p> <p>As these situations represent a conflict of interest, Heritage Capital has established the following restrictions in order to ensure its fiduciary responsibilities:</p> <ol style="list-style-type: none"> <li>1) A director, officer or employee of Heritage Capital shall not buy or sell securities for their personal portfolio(s) where their decision is substantially derived, in whole or in part, by reason of his or her employment unless the information is also available to the investing public on reasonable inquiry. No person of Heritage Capital shall prefer his or her own interest to that of the advisory client.</li> <li>2) Heritage Capital maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations. These holdings are reviewed on a regular basis by an appropriate officer/individual of Heritage Capital.</li> <li>3) All clients are fully informed that certain individuals may receive separate compensation when effecting transactions during the implementation process.</li> <li>4) Heritage Capital emphasizes the unrestricted right of the client to decline to implement any advice rendered, except in situations where Heritage Capital is granted discretionary authority of the client's account.</li> <li>5) Heritage Capital emphasizes the unrestricted right of the client to select and choose any broker or dealer and/or insurance company (s)he wishes.</li> <li>6) Heritage Capital requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.</li> <li>7) Any individual not in observance of the above may be subject to termination.</li> </ol> <p>Please see the response set forth on this Schedule F to Item 1D relating to Registrant's account minimums.</p>
Item 10	<p>The Registrant's Code of Ethics contains sections on employee securities transactions, insider trading prohibitions, restricted securities and general conduct. A copy of the Code of Ethics is available upon request to clients and prospective clients.</p> <p>For discretionary clients, Heritage Capital requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold.</p> <p>Any limitations on this discretionary authority shall be included in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be submitted in writing.</p>
Items 12A and 12B	<p>As Heritage Capital does not have the discretionary authority to determine the broker dealer, clients must direct Heritage Capital as to the broker dealer to be used. Under these circumstances, it should be understood that Heritage Capital will not have authority to negotiate commissions, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to other clients.</p> <p>For clients in need of brokerage or custodial services, Heritage Capital may recommend the use of Ceros Financial Services, Millennium Trust Company, Rydex or Pershing to a client in need of assistance, provided they can meet their fiduciary obligation of best execution. However, a client is not under any obligation to effect trades through any recommended broker. All clients are free to select any broker dealer of his or her choice.</p> <p>Many clients, when undertaking an advisory relationship, already have a pre-established relationship with a broker</p>

[illegible]