

Uniform Application for Investment Adviser Registration

Part II - Page 1

Name of Investment Adviser: SCIENTIFIC ADVISORS, LLC				
Address: (Number and Street)	(City)	(State)	(Zip Code)	Area Code: Telephone number:
One Mount Vernon Street, Suite 206	Winchester	MA	01890	617-848-9216

**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.)

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**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	70 %
<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 checked="" type="checkbox"/>	(5)	Issues special reports about securities not included in any service described above	10 %
<input checked="" 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	10 %
<input 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	10 %
<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
<input type="checkbox"/>	<input checked="" type="checkbox"/>

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 checked="" 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 checked="" type="checkbox"/> F. Corporations or business entities other than those listed above |
| <input type="checkbox"/> C. Investment companies | <input type="checkbox"/> G. Other (describe on Schedule F) |
| <input 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 checked="" type="checkbox"/> (3) foreign issuers | <input type="checkbox"/> (2) commodities |
| <input type="checkbox"/> B. Warrants | <input type="checkbox"/> J. Futures contracts on: |
| <input checked="" type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles |
| <input checked="" 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 checked="" type="checkbox"/> F. Municipal securities | <input checked="" type="checkbox"/> (1) real estate |
| <input type="checkbox"/> G. Investment company securities: | <input checked="" type="checkbox"/> (2) oil and gas interests |
| <input type="checkbox"/> (1) variable life insurance | <input type="checkbox"/> (3) other (explain on Schedule F) |
| <input 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 checked="" type="checkbox"/> Fundamental | (5) <input 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 checked="" type="checkbox"/> Inspections of corporate activities | (6) <input checked="" type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input checked="" type="checkbox"/> Company press releases |
| (4) <input checked="" type="checkbox"/> Corporate rating services | (8) <input 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
(securities held at least a year) | (5) <input checked="" type="checkbox"/> Margin transactions |
| (2) <input checked="" type="checkbox"/> Short term purchases
(securities sold within a year) | (6) <input checked="" 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).

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Part II - Page 4

Applicant
SCIENTIFIC ADVISORS, LLC

SEC File Number
801- 62843

Date
12-30-09

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 advisor or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer |

- ☐ (6) banking or thrift institution
- ☐ (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.)

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 Managing Member and Investment Adviser Representative, Stephen Harrington. All investment advisory clients are encouraged to discuss with Registrant his/her/their/its investment objectives, needs and goals and to keep the Registrant informed of any changes regarding same. All clients are encouraged to meet, at least annually, with the Registrant to comprehensively review investment objectives and account performance.

- 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 and/or applicable mutual fund companies or partnerships. Those clients to whom Registrant provides investment advisory services will also receive a quarterly report from the Registrant summarizing account activity and performance, and annual tax reporting.

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

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:

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

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: SCIENTIFIC ADVISORS, LLC	SEC File Number: 801-62843	Date: 12-30-2009
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(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: SCIENTIFIC ADVISORS, LLC	IRS Empl. Ident. No.: 20- 0521207
Item of Form (identify)	Answer	
Item 1D	<p>As discussed below in this disclosure statement, the Registrant provides its clients (i.e. individuals, pension and profit sharing plans, trusts, charitable organizations and business entities) with investment management advisory services. Registrant does not provide financial planning.</p> <p>Investment Management and Advisory Services</p> <p>The client can engage the Registrant to design an investment portfolio and provide ongoing investment advisory services on a non-discretionary or limited discretionary fee-only basis in accordance with the client's investment objectives. The client's investment objectives will be set forth in the written investment policy statement prepared by the Registrant in conjunction with the client. Both non discretionary and limited discretionary services are fully described in the <i>Investment Advisory Agreement</i> provided to the client. Generally, for those clients for whom Registrant provides limited discretionary services, the Registrant will only have the discretion to rebalance the client's portfolio in accordance with the dynamic asset allocation design and/or perform tax loss harvesting. In the event the client determines to engage Registrant on a fee-only basis, Registrant shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by Registrant (generally between 0.50% and 2.00%). In limited circumstances, Registrant may provide limited investment consulting services on an hourly basis, generally to review other investment managers' portfolios. Hourly fees are paid after completion of the review and may be negotiable from the base rate of \$150/hour.</p> <p>Fee Schedule may be negotiable (includes annual review):</p> <p>Fee Schedule based on assets managed:</p> <p>Less than \$499,999 2.00%</p> <p>\$500,000 – \$999,999 1.50%</p> <p>\$1,000,000 – \$1,999,999 1.25%</p> <p>\$2,000,000 – \$2,999,999 1.00%</p> <p>\$3,000,000 – \$5,000,000 0.75%</p> <p>Greater than \$5,000,000 0.50%</p> <p>Registrant's annual investment management fee is pro-rated and payable quarterly, at the beginning of the quarter, based upon the market value of the assets on the last business day of the previous quarter. Registrant does not generally require an account minimum for investment management services. Registrant, in its sole discretion, may charge a lesser annual investment management fee based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, type of management services required, related accounts, account composition, negotiations with clients, etc.).</p> <p>Registrant may recommend that its clients allocate a portion of their investment assets among various exchange traded funds, mutual fund classes and/or individual securities, on a non-discretionary basis, in accordance with the</p>	

investment objectives of the client. Prior to rendering investment advisory services, the Registrant ascertains, in conjunction with the client, the client's financial situation, risk tolerance, and investment objective(s). The Registrant then prepares an Investment Policy Statement for the client.

To the extent that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that direct the Registrant to use a specific broker-dealer/custodian), Registrant recommends that investment accounts be maintained at various broker-dealers and/or custodians. 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, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Both Registrant's *Investment Advisory Agreement* and the custodial/clearing agreement authorize the custodian to debit the account for the amount of the Registrant's investment management fee and to directly remit that management fee to the Registrant in accordance with required procedures established by the United States Securities and Exchange Commission; **specifically, if advisory fees are withdrawn directly from client's accounts a copy of Registrant's invoice to the custodian or trustee is sent at the same time that a copy is sent to the client; the custodian sends quarterly statements to client showing all disbursements for the custodian account, including the amount of the advisory fees; and, client provides written authorization via this agreement permitting Registrant to be paid directly for their accounts held by the custodian or trustee.** 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 and debited through the date of termination, and any remaining balance shall promptly be refunded to the client.

Currently, Registrant, recommends that certain clients allocate investment assets among the Registrant's proprietary asset allocation models, which periodically adjusts the asset weighting between various exchange traded funds, mutual funds and/or individual securities. As part of its overall investment management program, Registrant through his own asset allocation management software may provide periodic rebalancing of each client's investment assets for the purpose of maintaining the assets in accordance with the client's previously designated percentage (%) asset allocations for the various broker-dealer custodians account and as market conditions dictate.

Neither the Registrant nor its Associated Persons will receive any portion of the commissions and/or transaction fees charged to the client by a broker-dealer custodian. However, in return for effecting securities transactions through a designated broker-dealer/custodian, Registrant *may* receive certain investment research products and/or services which assist the Registrant in its investment decision-making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934. The brokerage commissions and/or transaction fees charged by a designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee. Although the commissions 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. Although the investment research products and/or services that *may* be obtained by Registrant will generally be used to service all of Registrant's clients, a brokerage commission paid by a specific

	<p>client may be used to pay for research that is not used in managing that specific client's account. The brokerage commissions and/or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee.</p> <p>With respect to its non-discretionary asset management services, Registrant generally maintains ongoing responsibility to make recommendations, based upon the needs of the client, as to the specific mutual funds or other securities the account may purchase or sell, and, if such recommendation is accepted by the client, Registrant may be responsible for arranging or effecting the purchase or sale.</p> <p>Disclosure and Assignment</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 retains absolute discretion over all investment implementation decisions and 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, and/or revising Registrant's previous recommendations and/or services.</p> <p>A copy of Registrant's written disclosure statement as set forth on Part II of Registrant's Form ADV is provided to each client prior to, or contemporaneously with, the execution of any agreement. Any client who has not received a copy of Registrant's written disclosure statement at least forty-eight (48) hours prior to executing any agreement shall have five (5) business days subsequent to executing the agreement to terminate Registrant's services without penalty.</p> <p>Neither the Registrant nor the client may assign any 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>The investment management agreement may be terminated, without penalty, upon at least 5 days written notice by either client or Registrant. Transactions in progress will be completed in the normal course of business. Upon termination, client shall receive a pro-rata refund of that portion of any prepaid advisory fees that have yet to be earned by Advisor. Such refund will be calculated from the date of receipt of the written termination notice or other agreed upon date.</p>
Item 5	All individuals that give investment advice on behalf of the Registrant must have earned a college degree and/or have substantive investment-related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations.
Item 7A & B	Registrant's Principal(s) also provide trading models, asset selection infrastructure and license software for the same to other Registered Investment Advisors, Pooled Trusts and other investment professionals.
Item 6	<p>Stephen Harrington</p> <p>Born: 1961</p> <p>Educational Background:</p> <p>NASAA Series 65 examination</p> <p>Bachelor of Science Degree - Physics and Math – University of Massachusetts, Lowell, Massachusetts - 1983</p> <p>Doctor of Philosophy - Physics – Boston University, Boston, Massachusetts -</p>

	<p>1997</p> <p>Business Background:</p> <p>2004 – Present, Scientific Advisors, LLC, Winchester, MA – Principal/RIA</p> <p>2000 - 2003, Fidelity Investments/Geode Capital, Boston, MA – Portfolio Manager/Analyst</p> <p>1999 – 2000, Batterymarch Financial Management, Boston, MA – Portfolio Manager</p> <p>1997 - 1999, D.E. Shaw & Co., New York, NY – Analyst</p>
Item 9E	<p>Registrant has implemented an investment policy relative to personal securities transactions. This investment policy is part of Registrant’s overall Code of Ethics which serves to establish a standard of business conduct for all of Registrant’s Associated Persons that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request to clients and prospective clients.</p> <p>In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.</p> <p>Registrant has established this Code of Ethics. As an investment adviser, the Registrant has an undivided duty of loyalty to act solely in the best interests of its clients, an obligation which includes the responsibility to make full and fair disclosure of all material facts, especially where the Registrant’s interests may conflict with those of its clients. In carrying on its daily affairs, the Registrant and all Registrant Associated Persons, shall act in a fair, lawful and ethical manner, in accordance with the rules and regulations imposed by the Registrant’s governing regulatory authority.</p>
Items 12A and 12B	<p>Please see the previous response set forth on this Schedule F to Item 1D. In addition, Registrant’s general policies relative to the execution of client securities brokerage transactions are as follows:</p> <p><u>Execution of Brokerage Transactions (when applicable).</u> If requested, Registrant will arrange for the execution of securities brokerage transactions for the account through broker-dealers that Registrant reasonably believes will provide “best execution”. In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer’s services including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.</p> <p>Consistent with obtaining best execution, transactions for a client’s account may be effected through broker-dealers in return for research products and/or services which assist Registrant in its investment decision making process. Such research generally will be used to service all of Registrant’s clients, but brokerage commissions paid by client may be used to pay for research that is not used in managing the client’s account. The account may pay to a broker-dealer a commission greater than another qualified broker-dealer might charge to effect the same transaction where Registrant determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.</p> <p>Transactions for each client account will be effected independently. Registrant will not purchase or sell the same securities for several clients at the same time (also known as “batching” orders). The client may direct Registrant to use a particular broker-dealer (subject to the Registrant’s right to decline and/or terminate the engagement) to execute some or all transactions for the client’s account. In such event, the client will negotiate terms and arrangements for the</p>

	<p>account with that broker-dealer, and the Registrant will not seek better execution services or prices from other broker-dealers. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.</p> <p>In the event that transactions for client accounts are effected through a broker-dealer that refers investment management clients to the Registrant, the potential for conflict of interest may arise.</p> <p><u>Proxy Voting Policy.</u> The Registrant does not vote client proxies. Therefore, although the Registrant may provide investment advisory services relative to client investment assets, the Registrant's clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. The Registrant and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.</p> <p><u>Initial Public Offering (IPO) Policy.</u> On occasion, Registrant, through its clearing/custodial firm relationships, may have limited access to IPO shares. Except with respect to the limited exception noted below, Registrant does not purchase and/or recommend for purchase IPOs for its individual client accounts. The exception to the above policy is for those individual clients of Registrant who, on a completely unsolicited basis, contact the Registrant to request that Registrant purchase a specific IPO for his/her/their/its account, to the extent same has been made available to Registrant. In the event of any such unsolicited request(s), Registrant, after first determining that the client(s) is <i>qualified</i> for such specific IPO (i.e., suitable for the client(s) relative to the client's(s') investment objective(s), financial situation(s) and current asset allocation(s)), <i>may</i> (to the extent possible under the circumstances) purchase such IPO on a pro-rata basis with other unsolicited client requests. To the extent possible and applicable under the circumstances, Registrant will allocate unsolicited individual client IPO share purchases among <i>qualified</i> individual clients on a rotational basis. To the extent possible and applicable under the circumstances, the Registrant will use reasonable efforts to allocate available IPO shares on a fair and equitable basis in accordance with the terms and conditions of the aforementioned policy.</p>
Items 13B	<p>Registrant has a investment management sub-advisory agreement with Fusion Analytics Investment Partners LLC, IARD/CRD #139321, (FUSION) a New York based registered investment adviser through whom Registrant's services are offered. The sub-advisory agreement calls for a split of the assets under management fee with Registrant and Registrant.</p>