

Elite Capital Management Group, LLC
Form ADV, Part II - Disclosure Document
March 2010

FORM ADV**Uniform Application for Investment Adviser Registration****Part II - Page 1****OMB APPROVAL**

OMB Number: 3235-0049

Expires: February, 2011

Estimated average burden

Hours per response.....9.402

Name of Investment Adviser:

Elite Capital Management Group, LLC

Address: (Number and Street)

(City)

(State)

(Zip Code)

Area Code: Telephone number:

Centerpoint Executive Park

Middletown

Connecticut

06457

860.635.6634

306 Industrial Park Road, Suite 108

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.****Table of Contents**

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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.

FORM ADV
Part II - Page 2

Applicant:
Elite Capital Management Group, LLC

SEC File Number:
801 - 69929

Date:
03/17/2010

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 instructions below.)

Applicant:

- | | | | | |
|-------------------------------------|-----|---|------------|---|
| <input checked="" type="checkbox"/> | (1) | Provides investment supervisory services | <u>100</u> | % |
| <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 type="checkbox"/> A. Individuals | <input 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 type="checkbox"/> C. Investment companies | <input checked="" 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).

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Part II - Page 3

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

- | | |
|--|--|
| <input 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 type="checkbox"/> (2) securities traded over-the-counter | <input 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 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 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 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 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 type="checkbox"/> Financial newspapers and magazines | (5) <input type="checkbox"/> Timing services |
| (2) <input 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 type="checkbox"/> Company press releases |
| (4) <input 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 type="checkbox"/> Margin transactions |
| (2) <input type="checkbox"/> Short term purchases (securities sold within a year) | (6) <input type="checkbox"/> Option writing, including covered options, uncovered options or spreading strategies |
| (3) <input type="checkbox"/> Trading (securities sold within 30 days) | (7) <input type="checkbox"/> Other (explain on Schedule F) |
| (4) <input type="checkbox"/> Short sales | |

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Applicant:
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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
- year of birth
- formal education after high school
- 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 |
| <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).

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Part II - Page 5

Applicant:
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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 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.

See Schedule F

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

See Schedule F

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Applicant:
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Date:
03/17/2010

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 <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (2) amount of the securities to be bought or sold? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (3) broker or dealer to be used? | Yes <input checked="" type="checkbox"/> | No <input type="checkbox"/> |
| (4) commission rates paid? | Yes <input type="checkbox"/> | No <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 ☒ No ☐
- B. directly or indirectly compensates any person for client referrals? Yes ☒ No ☐

(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 ☒

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

Elite Capital Management Group, LLC

SEC File Number:

801 - 69929

Date:

03/17/2010

(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 Part I of Form ADV:

Elite Capital Management Group, LLC

IRS Empl. Ident. No.:

02-0770121

Item of Form
(identify)

Answer

Item 1D

ADVISORY SERVICES AND FEES

Elite Capital Management Group, LLC (Elite) offers investment advisory services to clients, primarily credit unions, as described below.

Elite's flagship program is the Elite Yield Enhancement Pre-Funding Program™ which is designed to help credit unions reduce net out-of-pocket employee benefits expenditures. The Elite Yield Enhancement Pre-Funding Program™ seeks to put a portion of the client's available liquidity in investments that offer potential higher returns than traditional investments for credit unions.

At account inception, Elite prepares an Employee Benefits Cost Analysis (EBCA), which is updated annually. The EBCA ensures that there is a direct relationship between the client's investment accounts and their current and estimated future employee benefit plan obligation.

Elite manages portfolios with a "loss threshold" approach and combines a protective balanced backdrop with a goal towards increasing yields while generating moderate long-term capital appreciation. Assets are managed using multiple classes in globally diversified conservative portfolios which Elite deems appropriate for credit unions. Portfolios are constructed using a combination of mutual funds, ETFs and separate account managers. Separate account managers are selected using various factors, including management style, client risk tolerance, and the investment philosophy of the independent manager.

Compensation- Investment Supervisory Services

ASSETS UNDER MANAGEMENT

First \$5,000,000

Next \$5,000,000

\$10,000,000 +

ANNUAL FEE

0.85%

0.50%

0.30%

Fees are charged quarterly, in arrears. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty, for full refund, within 5 business days of signing the advisory contract.

General Information on Compensation

In certain circumstances, fees, account minimums and payment terms may be negotiable depending on client's unique situation – such as the size of the aggregate related party portfolio size, family holdings, low cost basis securities, or certain passively advised investments and pre-existing relationships with clients. Certain clients may pay more or less than others depending on the amount of assets, type of portfolio, or the time involved, the degree of responsibility assumed, complexity of the engagement, special skills needed to solve problems, the application of experience and knowledge of the client's situation. Related accounts may be linked for purposes of fee calculation if all parties agree; meaning certain accounts, approved by Elite may be grouped for fee calculations.

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

Applicant:

Elite Capital Management Group, LLC

SEC File Number:

801 - 69929

Date:

03/17/2010

(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 Part I of Form ADV:

Elite Capital Management Group, LLC

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Item of Form
(identify)

Answer

All fees paid to Elite for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees will generally include a management fee, other fund expenses and a possible distribution fee. Mutual funds purchased by Elite for a client account will be executed at NAV. Clients may also incur charges for other account services provided by custodians not directly related to the execution and clearing of transactions including, but not limited to, safekeeping fees, and fees for legal or courtesy transfers of securities.

Custody - Compensation

Clients may authorize and direct the custodian to deduct asset-based fees from the client's account; in these cases, the client further directs the custodian to send a quarterly statement to the client which shows all amounts disbursed from the account.

Termination

Clients may terminate agreements within five business days after entering into the agreement if Form ADV Part II was not delivered within 48 hours before contract execution. Thereafter, either party may terminate an agreement at any time by written notice. Any pre-paid fees are pro-rated from the date that the written notice is received and returned to the client.

Privacy of Client Information

Clients receive a Privacy Notice when Elite is engaged, and annually thereafter. The Privacy Notice discloses the type of non-public, personal information Elite collects regarding a client, third parties Elite may share the information with, and Elite safeguards over client privacy. Clients may obtain a copy of Elite's Privacy Notice by contacting Matthew Butler at 860.635.6634.

Proxy Voting

Elite votes proxies for clients. Elite's utmost concern is that all decisions be made solely in the best interest of the client and that all proxies received are voted in a timely manner. Elite will act in a prudent and diligent manner intended to enhance the economic value of the assets of the client's account. Clients may request a complete copy of Elite's Proxy Voting Policy by contacting the Chief Compliance Officer, Matthew Butler at 860.635.6634.

Item 5**EDUCATION AND BUSINESS STANDARDS**

Representatives of Elite are required to have a four-year college degree, CLU/ChFC/CFP® or equivalent business experience to include business experience of 10 years or more, and to be current on all continuing education.

Item 6**EDUCATION AND BUSINESS BACKGROUND****Matthew Paul Butler**

Year of Birth: 1966

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

Applicant:

Elite Capital Management Group, LLC

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Date:

03/17/2010

(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 Part I of Form ADV:

Elite Capital Management Group, LLC

IRS Empl. Ident. No.:

02-0770121

Item of Form
(identify)

Answer

EDUCATION:

BA, Economics, Finance, Political Science

Southern CT State University

1994

ChFC - Chartered Financial Consultant designation

EMPLOYMENT:

Elite Capital Management Group, LLC

2007 – Present

President and Chief Compliance Officer

Cambridge Investment Research

2007

Registered Representative / Investment Advisor Representative

CUNA Brokerage Services

2002 – 2007

Registered Representative / Investment Advisor Representative

PROFESSIONAL DESIGNATIONS AND LICENSES:

State of Connecticut – Licensed Insurance Agent

Item 9**PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS****Code of Ethics**

Elite employees must comply with a Code of Ethics and Statement for Insider Trading. The Code contains provisions reasonably necessary to deter misconduct and conflicts of interest and to detect any violations. The Code's key provisions include:

- Statement of General Principles
- Procedures for Reporting Personal Securities Transactions and Holdings
- Code of Conduct

Any individual not in compliance with the Code of Ethics may be subject to termination. Clients may obtain a copy of Elite's Code of Ethics by contacting Matthew Butler at 860.635.6634.

Item 10**CONDITIONS FOR MANAGING ACCOUNTS**

Elite requires a minimum account value of \$5,000,000. Elite may waive conditions based on the complexities of the situation and/or the needs of the client.

Item 11A and B**REVIEW OF ACCOUNTS**

Matthew Butler, President, is responsible for overseeing all reviews. Portfolios are frequently monitored and reviewed informally, and formally reviewed each quarter. All positions held are monitored daily for real time price action, news, earnings, and other significant facts. Further sector allocations are

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:

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SEC File Number:

801 - 69929

Date:

03/17/2010

(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

reviewed on an on-going basis to ensure allocations are in-line with current strategies.

Reviews could also occur at the time of new deposits, material changes in client's financial information, changes in economic cycles, at Mr. Butler's discretion, or as often as the client may direct. Reviews entail analyzing securities, sensitivity to overall markets, economic changes, investment results, asset allocation, and technical erosion or strength, etc., to ensure the investment strategy and expectations are structured to continue to meet clients' objectives.

Elite encourages frequent client contact, but will seek out contact no less than annually. Clients are obligated to promptly notify Elite of any changes in the client's financial status to ensure that investment strategies continue to meet the client's changing needs.

Clients receive holding and activity reports at least quarterly from qualified custodians. Elite may prepare reports or communications related to investment advisory services provided or as may be requested by clients.

Item 12A and B

INVESTMENT OR BROKERAGE DISCRETION

Elite generally manages client accounts on a discretionary basis. When Elite has limited power of attorney to act on a discretionary basis on behalf of clients, Elite has the authority, without obtaining specific client consent, to determine the securities to be bought or sold and the amount of the securities bought or sold. Clients may choose to open non-discretionary accounts with Elite. In those cases, client approval will be obtained before any security is bought or sold.

Reasonable restrictions may be placed on accounts. (i.e. no tobacco stocks, no defense stocks, etc.) All such restrictions shall be documented in writing. Modification of the restrictions must also be made in writing. Elite reserves the right to refuse to open an account or terminate an account if it believes that the restrictions placed on it are excessive.

Brokerage

Clients may come to Elite with an existing brokerage relationship and direct Elite to execute their trades through that broker/dealer. Clients normally negotiate commissions directly with their broker/dealer. Elite will not seek better execution services or prices from other brokers/dealers and as a result, client could pay higher commissions, other transaction costs, greater spreads, or receive less favorable net prices on transactions for client's account than would otherwise be the case.

If a client does not have an existing relationship with a broker/dealer, Elite may suggest the use of and request the client to authorize discretion on an account established through a variety of brokerage firms.

Elite may recommend/require that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Elite may

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

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1. Full name of applicant exactly as stated in Item 1A of Part I of Form ADV:

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Item of Form
(identify)

Answer

recommend/require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Elite is independently owned and operated and not affiliated with Schwab.

Schwab provides Elite with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon Elite committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Elite client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to Elite other products and services that benefit Elite but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Elite's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist Elite in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Elite's fees from its clients' accounts; and (v) assist with back-office functions, record keeping and client reporting.

Schwab Institutional also offers other services intended to help Elite manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to [Advisor Firm]. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of Elite personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, Elite may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of

**Schedule F of
Form ADV**

Continuation Sheet for Form ADV Part II

Applicant:

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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:

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IRS Empl. Ident. No.:

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Item of Form
(identify)

Answer

interest.

Aggregation and Allocation

Oftentimes, a trade is aggregated for multiple accounts. If the order is filled at different prices during the day, the prices are averaged for the day so that all participating accounts receive the same price. If an order has not been filled completely so that there are not enough shares to allocate among all the clients equally, shares will be allocated in good faith, based on the following considerations: amount of cash in the account, existing asset allocation and industry exposure, risk profile, and type of security.

As a matter of policy, Elite's allocation procedure must be fair and equitable to all clients with no particular group or client(s) being favored or disfavored over any other clients.

Item 13A

ADDITIONAL COMPENSATION

As Elite will recommend certain broker/dealers to clients, Elite may receive some non-monetary economic benefit, which it would not otherwise receive if not for those referrals. Elite generally trades on the Pershing platform. While there is no direct linkage between the investment advice given and use of the Pershing platform, economic benefits are received. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements, access to a trading desk serving Pershing platform participants exclusively, access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts, ability to have investment advisory fees deducted directly from client account, access for a fee, to an electronic communications network for client order entry and account information, receipt of compliance publications, and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors.

Item 13A

ADDITIONAL COMPENSATION - REFERRALS

From time to time Elite may pay for client referrals. Such referral agreements and the related activities will be in compliance with Rule 206(4)-3 under the Advisers Act. Rule 206(4)-3 specifies certain standards that must be met by an investment adviser prior to the payment of a cash fee directly or indirectly, for a client solicitation or referral. All fee sharing arrangements will be disclosed to the client and Elite's fee will remain the same regardless of whether a fee is paid.

(End of Schedule F)