

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

Applicant:	SEC File Number:	Date:
ORCA INVESTMENT	801- 68050	3/11/2010

(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: ORCA INVESTMENT MANAGEMENT, LLC	IRS Empl. Ident. No.: 27-1604764
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Item 1. A. (1)

Orca Investment Management, LLC (Advisor) has been a registered investment advisor since June 2007. Until December 24, 2009, Advisor's name was Cygnus Capital, LLC.

On December 31, 2009, Advisor acquired the advisory assets of KLD Investment Management, LLC (KLD) which had been a registered investment adviser since 1993. Shawn P. Willard is continuing as manager, President and a member of Advisor. Kerwin L. Doughton, who was the sole owner of KLD, is now Senior Vice President, Senior Portfolio Manager and a member of Advisor. Kimberly Friel, who was KLD's Chief Compliance Officer, is now Chief Compliance Officer and a member of Advisor. Information about each of these individuals is included in Item 6 of this Schedule F.

ADVISORY SERVICES AND FEES

Advisor offers a wide range of investment advisory services tailored to the stated investment objectives of our Clients. Except as otherwise instructed, Clients grant Advisor ongoing and continuous discretionary authority to execute its investment recommendations in accordance with Advisor's Client Investment Objectives & Suitability form and Advisory Agreement, without the Client's prior approval of each specific transaction. Under this authority, Client shall allow Advisor to purchase and sell securities and instruments in their accounts, arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on behalf of the Client in most matters necessary or incidental to the handling of the account, including monitoring certain assets. All transactions in the account shall be made in accordance with the directions and preferences provided to the Advisor by the Client. Client will execute instructions regarding Advisor's trading authority as required by each custodian.

Where appropriate Advisor may allocate a portion of a portfolio to investment management programs provided by independent third party investment managers. Factors considered in making this recommendation include account size, risk tolerance, the opinion of each Client and the investment philosophy of the third party manager. Advisor will monitor the performance of the selected manager(s). If Advisor determines that a particular selected manager is not providing adequate management services for the Client, or is not managing the Client's portfolio in a manner consistent with the Client's needs or objectives, Advisor will have the authority to remove the Client's assets from the manager and, if Advisor deems appropriate, place the Client's assets with another manager. Fees charged by the manager and expenses of executing transactions directed by the manager will be paid by the Client and are in addition to the fees payable to Advisor.

Compensation to Advisor for its services will be calculated in accordance with "Schedule B" of the Investment Advisory Agreement, which may be amended from time to time by Advisor upon 30 days prior written notice to Client. Such fees shall be paid directly to Advisor from the account by the custodian based on the value of the Client's assets. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the account. Client may be required to pay, in addition to the Advisor's fee, a proportionate share of any mutual fund's fees and charges.

In consideration for the Advisor's services, the Client will pay the Advisor a fee quarterly in advance, with payment due within 10 days from the date of the invoice. The fee will be equal to the market value of the account at the end of the previous quarter times the agreed upon rate per annum divided by four. The market value will be construed to equal the sum of the value of all assets in the account, not adjusted by any margin debit. Fees for partial quarters at the commencement or termination of this Agreement will be prorated based on the number of days the account was open during the quarter. Quarterly fee adjustments for additional assets received into the account during a quarter or partial withdrawals may also be provided and billed on the above pro rata basis. The Advisor may modify client billing rate terms prospectively with at least 30 days prior written notice.

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Standard Fee Schedule

1% on assets up to \$5,000,000

Fees on assets in excess of \$5,000,000 are negotiable.

Accounts Holding Only Fixed Income Investments: For Clients whose portfolio is invested solely in fixed income investments, Advisor may agree, in its discretion, to charge an annual fee with a fixed percentage that will typically range between 0.25% to 1.00% per annum.

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Other readily marketable securities shall be priced using a pricing service or through quotations from one or more dealers. All other assets shall be valued at fair value by the Advisor whose determination shall be conclusive.

Notwithstanding the above, fees are generally negotiable. A client agreement may be canceled at any time, by either party, for any reason, by written notice to the other party, as provided in the client agreement. Refunds for partial quarters will be refunded on a prorated basis contingent on the number of days the account was under management during the quarter. The Client has the right to terminate an agreement without penalty within five business days after entering into the agreement. In the event of withdrawal of funds or the termination of the account, customary commissions and other expenses associated with liquidating or transferring the account will be charged to the client.

From time to time, Advisor may assist with special projects, beyond what may be considered routine, which may involve lengthy research and/or communication with Client's attorney or tax advisor. Fees for such services are based on a negotiable hourly rate, due at the time of service.

All brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to Advisor. The Client bears responsibility for verifying the accuracy of fee calculations.

The Advisor is authorized, in its discretion, to aggregate purchases and sales and other transactions made for the account with purchases and sales and other transactions in the same or similar securities or instruments for other Clients of the Advisor. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price so obtained. In addition to the execution price of each security, each client may pay a transaction fee that may not be equal among clients. Factors affecting the transaction fee may not relate to volume discounts, but rather to other circumstances such as clients' decision to receive confirmations and statements electronically. The value of assets held by the broker executing the trade may also have a bearing on the amount of transaction fee charged.

The Advisor may also engage in Trade Away and Prime Broker transactions for qualified Client accounts. This is typically done to transact with dealers and market makers who are able to provide superior pricing and / or execution for specific securities. In most cases this allows for aggregation of trades which provides Clients with an overall better price execution and in many cases may lower net transaction costs. In particular, fixed income trades are highly price sensitive based on individual trade size. Dealers typically discount commissions for block orders above minimum thresholds. Per SEC regulations, these transaction channels may only be offered to accounts with a net balance above minimum thresholds and as such may not be available to all Clients.

Stock exchange regulations may in certain instances prevent the executing broker-dealer from delivering to the account

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a confirmation slip with respect to its participation in the aggregated transaction and, in such event, the Advisor will advise the Client in writing of any purchase or disposition of instruments for the account with respect to any such aggregated transaction. Advisor will direct that confirmations of any transactions effected for the account will be sent, in conformity with applicable law, to the Client.

Advisor will use its best judgment and good faith efforts in rendering services to Client. Advisor cannot warrant or guarantee any particular level of account performance, or that account will be profitable over time. Not every investment decision or recommendation made by Advisor will be profitable. Client assumes all market risk involved in the investment of account assets under the Investment Advisory Agreement and understands that investment decisions made for this account are subject to various market, currency, economic, political and business risks. Except as may otherwise be provided by law, Advisor will not be liable to Client for (a) any loss that Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by Advisor with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use; (b) any loss arising from Advisor's adherence to Client's instructions; or (c) any act or failure to act by a custodian of Client's account. Nothing in the advisory agreement shall relieve Advisor from any responsibility or liability Advisor may have under state or federal statutes.

Advisor does not have custody of the assets in the account and shall have no liability to the Client for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. The Client understands that SIPC provides only limited protection for the loss of property held by a broker-dealer.

Item 3. K. (3) & 3. L**TYPES OF INVESTMENTS**

Advisor may recommend to advisory clients investments in private placement offerings of interests in limited partnerships and limited liability companies, master limited partnerships, hedge funds, private equity and other pooled investment vehicles. Additional information about the fees related to such investments is included in the offering documents provided to prospective investors. Because these types of investments involve certain additional degrees of risk, they will only be recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Item 4. A. (5), 4. B. (8) & 4. C. (7)**METHODS OF ANALYSIS, SOURCES OF INFORMATION & STRATEGIES**

Advisor generally employs those methods of analysis, sources of information, and investment strategies indicated on Form ADV - Part II, Item 4. However, Advisor may, in its discretion, employ other methods of analysis, sources of information, and investment strategies as Advisor deems appropriate for the client's individual circumstances.

Advisor attends corporate conferences to assess the value of certain stocks. Additionally, Advisor regularly engages in personal communications with senior management of companies being considered as investments and to stay current with management decisions in companies in which Advisor has existing holdings.

Item 5.**EDUCATION AND BUSINESS STANDARDS**

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Persons associated with Advisor, involved in determining or giving investment advice to clients, are generally required to have a college degree and/or who are a professional designation such as J.D., CPA, CFP, CLU, MBA, an accepted financial planner designation or five years in the securities business.

Item 6.**EDUCATION AND BUSINESS BACKGROUND**

SHAWN PATRICK WILLARD Born: 1966. Portland State University - B.S. Degree in Finance. Employment: Manager, President and Member, Orca Investment Management, LLC - January 2010 to present; Manager, President, Sole Member of Orca Investment Management, LLC (then known as Cygnus Capital LLC) - May 2007 to December 2009; President, Rubicon Global Asset Management, LLC - April 2006 to June 2007; Registered Representative, Wedbush Morgan Securities - October 2003 - April 2006; Vice President, Needham & Company, Inc. - May 1999 - June 2003; Vice President, Black & Company, Inc. - January 1996 - May 1999.

KERWIN L. DOUGHTON, Born: 1938. Oregon State University, B.S. Degree in Business & Technology. Employment: Senior Vice President, Senior Portfolio Manager, Member, Orca Investment Management, LLC - January 2010 to present; Owner and Sole Member of KLD Investment Management, LLC - 1993 thru 2009.

KIMBERLY FRIEL, Born: 1964. Oregon State University, B.S. Degree in Business Administration, Marketing Management. Chief Compliance Officer (CCO) and Member of Orca Investment Management, LLC - January 2010 to present; Chief Compliance Officer (CCO) for KLD Investment Management, LLC - February 2006 to December 2009. Office Manager for First United Methodist Church, Roseburg, OR, - January 2005 to January 2006.

ROGER K. THOMAS, Born 1958. Western Michigan University, B.B.A. Degree in Accounting. University of Texas at Austin, M.B.A. Degree in Finance & Real Estate. Portfolio Manager, Orca Investment Management, LLC - February 2010 to present; Managing Member, Progressive Investments, LLC - March 2008 to present; Chief Investment Officer/Portfolio Manager, Granite Investment Advisors, LLC - September 2000 to March 2008.

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

The Advisor has adopted a code of ethics. All supervised persons are required to adhere to the code of ethics provisions, as well as, all access persons are subject to reporting requirements.

The code states no employee may knowingly:

- Trade on the basis of material, non-public information;
- Tip material, non-public information to others who trade based upon such information;
- Recommend the purchase or sale of securities based on material, non-public information;
- Provide assistance to a person trading on the basis of material, non-public information;
- Trade in securities of an issuer involved in a tender offer while in possession of material, nonpublic information; or
- Misappropriate material, non-public information in a manner that breaches a fiduciary duty owed to someone.

To supervise compliance with its code of ethics, Advisor requires that anyone associated with the firm who has access to information regarding client investment recommendations or transactions must provide an annual securities holdings report and quarterly transaction reports to the firm's Chief Compliance Officer. Advisor requires such access persons to also receive approval from the Chief Compliance Officer prior to investing in any IPOs or private placements (limited

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offerings). Advisor requires that all individuals must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices. Any individual who fails to abide by the firm's code of ethics may be subject to discipline.

In addition to the above, the code of ethics generally outlines proper conduct related to all services provided to Clients. The code contains specific provisions which require all employees to read the code and promptly report any internal violations. Furthermore, the Advisor's chief compliance officer regularly evaluates employee performance to ensure compliance with the code of ethics. A complete copy of the code of ethics is available to any Client or prospective Client upon request to the Chief Compliance Officer at Advisor's principal address.

Item 9. E.

Advisor or individuals associated with Advisor may buy and sell some of the same securities for its own account that Advisor buys and sells for its Clients. Advisor has a Personal Investment Policy intended to regulate personal transactions in such a manner that Adviser's primary obligation of loyalty to its clients is satisfied. In all instances, where appropriate the Advisor will purchase a security for all of its existing accounts for which the investment is appropriate either before or simultaneous with purchasing any of the securities for its own account and, likewise, when it determines that securities should be sold, where appropriate will cause these securities to be sold from all of its advisory accounts prior to or simultaneous with permitting the selling of the securities from its accounts. In some cases Advisor, or individuals associated with advisor, may buy or sell securities for its own account for reasons not related to the strategies adopted by the Advisor's Clients. Employee accounts, managed by Advisor and paying management fees, are included in the allocation mix and are treated the same as any other client. Under the Advisor's Allocation Policy, in the case of partial fills, employee accounts may receive allocations before other client accounts. However, neither the Advisor nor its employees are permitted to trade for their own accounts on the same day in the same security with respect to which Advisor receives from a Client an unsolicited order to buy or sell.

Item 12. A.**INVESTMENT DISCRETION**

Generally, the Advisor has the authority to determine, without obtaining specific Client consent, the securities bought or sold and the amount of securities bought or sold. The only restrictions on the above discretionary authority are those set by the Client on a case by case basis. The Advisor makes it a practice to question Clients to determine if there are any limitations to the Advisor's discretionary authority on the above matters. Any limitations on this discretionary authority shall be included in the client agreement. Clients may change or amend these limitations at any time. Such amendments shall be submitted in writing.

In making decisions regarding the purchase and sale of securities, the Advisor ensures all Clients have equal access to investment opportunities and that no Client benefits more than other Clients as a result of Advisor's trading decisions. Advisor employs various methodologies which identify unusual trading patterns, analyze comparative performance and compare allocation of investment opportunities. These methodologies are designed to ensure no conflicts of interest, favoritism or misallocation of investments occur.

Occasionally, Advisor may invest client accounts in initial public (IPOs) and follow-on offerings (FOs). The allocation of such investments are made on the basis of matching clients' investment objective and risk tolerance. In addition, allocations are made to each account based on the desired percentage of the account the security should occupy. In the case of partial fills, Advisor will check the after market to see if security can still be purchased at a reasonable price for those accounts that were under allocated. Those accounts who received shares will be moved to the bottom of the allocation list for the next offering.

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Item 12. B.**BROKERAGE DISCRETION & RECOMMENDATIONS**

Except to the extent that the Client directs otherwise, the Advisor may use its discretion in selecting or recommending the broker-dealer. Advisor may also have discretion over the commission rates to be paid. The Client is not obligated to effect transactions through any broker-dealer recommended by Advisor. Advisor may, but is not required to, accept clients who instruct Advisor to execute all transactions through a particular broker. If the Client directs their trades to a certain broker, Client may forgo benefits from saving on execution costs. In recommending broker-dealers, Advisor will generally seek "best execution." In recommending a broker-dealer the Advisor will comply with its fiduciary duty to obtain best execution with the Securities Exchange Act of 1934 and will take into account such relevant factors as (a) price, (b) the broker-dealer's facilities, reliability and financial responsibility, (c) the ability of the broker-dealer to effect transactions, particularly with regard to such aspects as timing, order size and execution of order, (d) the research and related brokerage services provided by such broker or dealer to the Advisor, notwithstanding that the account may not be the direct or exclusive beneficiary of such services, (e) cost of execution and (f) any other factors the Advisor considers to be relevant.

Recommending a broker dealer may create a conflict of interest. Advisor participates in Institutional Services Programs offered to independent investment advisers by various registered broker-dealers. Advisor will typically recommend these custodians to clients in need of brokerage and custodial services. Advisor is independently owned and operated, and is not affiliated with these custodians. As part of the Institutional programs, the broker dealers normally provides Advisor with access to its institutional trading and operations services, which are typically not available to retail investors. These services generally are available to independent investment advisers, at no charge to them so long as at least a minimum balance of Advisors clients account assets are maintained at the broker dealer. These services include brokerage, custody, research, and access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. For Advisor client accounts maintained in its custody, the broker-dealers generally do not charge separately for custody. Clients may pay commissions higher than those obtainable from other brokers in return for such products and services. The broker-dealer is compensated by account holders either (i) through a quarterly fee based on a percentage of the account value, or (ii) through commissions or other transaction-related fees for securities trades that are executed through the broker-dealer or that settle into the client accounts held with the broker-dealer.

The Institutional brokerage programs will generally be recommended to advisory clients for the execution of mutual fund, equity, and other securities transactions. Advisor regularly reviews these programs to ensure that its recommendation is consistent with its fiduciary duty. These trading platforms are essential to Advisor service arrangements and capabilities, and Advisor may not accept clients who direct the use of other brokers. As part of these programs, Advisor receives benefits that it would not receive if it did not offer investment advice (See Item 13.A. of this Schedule F).

Item 13. A.

Certain broker-dealers make available to Advisor products and services that benefit Advisor but may not directly benefit its Clients' accounts. Some of these other products and services assist Advisor in managing and administering Client's accounts. These include software and other technology that provide access to Client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of Advisor's fees from its Clients' accounts; and assist with back-office support, record keeping and client reporting. Many of these services generally may be used to service all or a substantial number of Advisor's accounts, including accounts not maintained at any one particular broker-dealer.

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The various broker-dealers also make available to Advisor other services intended to help Advisor manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance, and marketing. In addition, the broker-dealers may make available, arrange and/or pay for these types of services to Advisor by independent third parties. The broker-dealers 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 Advisor. While as a fiduciary, Advisor endeavors to act in its Clients' best interests, Advisor's recommendation that clients maintain their assets in accounts at these broker-dealers may be based in part on the benefit to Advisor of the availability of some of the foregoing products and services, and not solely on the nature, cost or quality of custody or brokerage services provided by these broker-dealers, which may create a potential conflict of interest.

OTHER MATTERS

Class Actions, Bankruptcies and Other Legal Proceedings: Clients should note that Advisor will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held or previously were held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct Advisor to transmit copies of class action notices to the client or a third party. Upon such direction, Advisor will make commercially reasonable efforts to forward such notices in a timely manner.

Proxy Voting: Advisor will not advise clients how to vote proxies, is not authorized to receive and vote proxies on securities held in the account, or receive annual reports. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

Client Agreement: In the event of any discrepancy or conflict between the information contained in this Schedule F and the client agreement, the client agreement shall control.