

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

| OMB APPROVAL  |                   |
|---|-------------------|
| OMB Number:   | 3235-0049         |
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|  |         |         |            |                              |
|--|---------|---------|------------|------------------------------|
| Name of Investment Adviser:<br>Chapwood CustomHedge Portfolio Advisory Services, LLC |         |         |            |                              |
| Address: (Number and Street)   | (City)  | (State) | (Zip Code) | Area Code: Telephone number: |
| 15455 N. Dallas Parkway Suite 750  | Addison | TX      | 75001      | (972) 865-2225               |

**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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Applicant:  
Chapwood CustomHedge Portfolio Advisory  
Services, LLC

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

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

**Applicant:**

- |   |   |     |   |
|---|---|-----|---|
| <input checked="" type="checkbox"/> (1) | Provides investment supervisory services .....  | 100 | % |
| <input 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.)

- |    |   |                          |                                     |
|----|---|--------------------------|-------------------------------------|
|    |   | Yes                      | No                                  |
| B. | Does applicant call any of the services it checked above financial planning or some similar term? ..... | <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 type="checkbox"/> (2) Hourly charges                                     | <input type="checkbox"/> (5) Commissions       |
| <input type="checkbox"/> (3) Fixed fees (not including subscription fees)       | <input checked="" type="checkbox"/> (6) Other  |

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

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

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

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

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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 type="checkbox"/> H. United States government securities       |
| <input 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 type="checkbox"/> C. Corporate debt securities (other than commercial paper) | <input type="checkbox"/> (1) tangibles                                |
| <input type="checkbox"/> D. Commercial paper  | <input type="checkbox"/> (2) intangibles                              |
| <input type="checkbox"/> E. Certificates of deposit                                 | <input type="checkbox"/> K. Interests in partnerships investing in:   |
| <input type="checkbox"/> F. Municipal securities                                    | <input type="checkbox"/> (1) real estate                              |
| <input type="checkbox"/> G. Investment company securities:                          | <input type="checkbox"/> (2) oil and gas interests                    |
| <input type="checkbox"/> (1) variable life insurance                                | <input checked="" type="checkbox"/> (3) other (explain on Schedule F) |
| <input type="checkbox"/> (2) variable annuities                                     | <input checked="" type="checkbox"/> L. Other (explain on Schedule F)  |
| <input 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 type="checkbox"/> Cyclical                                 |
| (2) <input type="checkbox"/> Fundamental | (5) <input checked="" type="checkbox"/> Other (explain on Schedule F) |
| (3) <input 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 type="checkbox"/> Annual reports, prospectuses, filings with the Securities and Exchange Commission |
| (3) <input checked="" type="checkbox"/> Research materials prepared by others | (7) <input type="checkbox"/> Company press releases  |
| (4) <input type="checkbox"/> Corporate rating services                        | (8) <input checked="" type="checkbox"/> Other (explain on Schedule F)  |

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

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

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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 adviser or futures commission merchant | <input type="checkbox"/> (11) real estate broker or dealer                         |
| <input type="checkbox"/> (6) banking or thrift institution   | <input type="checkbox"/> (12) entity that creates or packages limited partnerships |

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

Yes No

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

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

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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.

All accounts for which Chapwood CustomHedge Portfolio Advisory Services provides investment supervisory services will be reviewed internally at least monthly by Ed Butowsky, the Managing Partner, and/or Kim Hajek, the Chief Compliance Officer. In addition, these individuals generally conduct quarterly account reviews with each client, either in person or by telephone; however, the specific frequency may vary based on the client's desires and complexity of the client's portfolio. There are no varying levels of reviews for different clients. The account reviews are triggered by time intervals. The reviews will be focused on performance of the accounts and discussions about the state of the markets and the economy, performance return and associated risk, and specific manager and fund return and risk level.

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

Clients will receive monthly statements from the account custodian, usually Crystal. These statements will provide the client with total portfolio value, the current asset allocation, manager and/or fund exposure contribution to monthly return, and the returns of assets managed by each of the individual hedge fund managers for both current and year-to-date periods.

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**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 type="checkbox"/> | <input checked="" type="checkbox"/> |
| (2) amount of the securities to be bought or sold? ..... | <input type="checkbox"/> | <input checked="" 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                                 | No                       |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |
| B. directly or indirectly compensates any person for client referrals? .....  | Yes                                 | No                       |
|   | <input checked="" type="checkbox"/> | <input type="checkbox"/> |

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

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

- has custody of client funds or securities (unless applicant is registered or registering only with the Securities and Exchange Commission); or
- requires prepayment of more than \$500 in fees per client and 6 or more months in advance

Has applicant provided a Schedule G balance sheet?..... ☐ Yes ☒ No

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

|  |                              |                         |
|--|------------------------------|-------------------------|
| Applicant:<br>Chapwood CustomHedge Portfolio<br>Advisory Services, LLC | SEC File Number:<br><br>801- | Date:<br><br>04/28/2010 |
|--|------------------------------|-------------------------|

(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:<br>Chapwood CustomHedge Portfolio Advisory Services, LLC |   | IRS Empl. Ident. No.:<br>27-2197033 |
|--|---|-------------------------------------|
| Item of Form<br>(identify)   | Answer  |                                     |
| <b>Item 1D</b>   | <p><b>INVESTMENT ADVISORY SERVICES</b></p> <p>Chapwood CustomHedge Portfolio Advisory Services, LLC (“<b>Chapwood</b>”) provides non-discretionary investment advisory services (“<b>CustomHedge</b>” services) to its clients pursuant to a written advisory agreement, with respect to customized accounts in which Chapwood will recommend that investments be made indirectly (as described below) with one or more investment managers and/or in one or more investment funds in furtherance of the investment objectives of Chapwood’s clients. Chapwood’s advice will focus on “<b>Alternative Investments</b>” (<i>i.e.</i>, investments that are not one of the three traditional asset types of simple stocks, simple bonds, and cash) with a focus mostly on hedge funds and hedge fund managers. Although Chapwood generally will limit its CustomHedge services to the selection of investment managers and investment funds, from time to time, Chapwood may furnish advice about equity, fixed income and other securities in connection with a client’s decision to purchase a security.</p> <p>Currently, most customized accounts will be invested with underlying investment managers and/or in underlying investment funds through a series fund organized by Crystal Capital Partners, LLC (“<b>Crystal</b>”), as described below. The investment managers and investment funds recommended by Chapwood will be selected from a list of investment managers and investment funds that has been developed by Crystal, based on quantitative and qualitative research of such managers and funds performed by Crystal and/or its service providers. Chapwood may in the future, but is not required to, select other managers and funds not on the list developed by Crystal.</p> <p>Once a client approves the customized portfolio recommended by Chapwood, the client will invest in a series or portfolio of Crystal Capital Fund Series, LLC (the “<b>Crystal Fund</b>”), which is managed by Crystal. The Crystal Fund is a private investment fund that has several segregated series or portfolios. Each series or portfolio is a separate pool of assets constituting, in effect, a separate fund with its own investment objective and policies. The Crystal Fund will invest in Crystal Capital Master Fund, LLC (the “<b>Crystal Master Fund</b>”), which also separates its assets into segregated series or portfolios, also known as “<b>Exposures</b>”, which are targeted by the series or portfolios of the Crystal Fund. Each series or portfolio of the Crystal Fund will represent a blended exposure generally to multiple different Crystal Master Fund series or portfolios in varying percentages based upon the customized portfolio recommended by Chapwood and approved by the client. Chapwood will provide ongoing monitoring of the client’s current situation and customized portfolio and maintain regular dialogue with the client.</p> <p>Prior to any investment, clients will be provided with the Crystal Funds’s offering memorandum prepared by Crystal. In order to facilitate the investment by a client, the client will open an account with the Crystal Fund (the “<b>Crystal Account</b>”).</p> <p><b>INVESTMENT ADVISORY FEES</b></p> <p>Chapwood will generally charge an Advisory Fee ranging from 1% to 3% annually of the market value of the assets in the Client Account on the last day of the previous quarter, payable in arrears. Chapwood may negotiate fee arrangements with clients that include performance based fees on a case by case basis.</p> |                                     |

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

Applicant:  
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Advisory Services, LLC

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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:<br>Chapwood CustomHedge Portfolio Advisory Services, LLC |  | IRS Empl. Ident. No.:<br>27-2197033 |
|--|--|-------------------------------------|
| Item of Form<br>(identify)   | Answer   |                                     |
| <b>Item 1D (continued)</b>   | <p>The amount of the Advisory Fee may be negotiated with each client on an individual basis. Fees may be negotiated based on a number of factors, including, but not limited to, the type and size of the Client Account; the extent of services desired; competitive factors and the client's investment objective, overall financial condition, goals, risk tolerance and other factors unique to a client's particular circumstances.</p> <p>If a client chooses to be billed by Chapwood, the fees will be due on or prior to the thirtieth day of the rolling quarter. If the client chooses to pay the fees directly from the Crystal Account, such fee will generally be payable on the first business day of the rolling quarter.</p> <p>Agreements between Chapwood and the clients are generally terminable by either party in writing after a period of prior notice. In the event the written advisory agreement is terminated in its entirety or with respect to any portion of the client's assets, a <i>pro rata</i> advisory fee will be charged.</p> <p>The fees described above do not include any fees or expenses charged by, or associated with the client's investment with, any investment manager, and investment fund, the Crystal Fund or Crystal Master Fund. At the Adviser's discretion, a Rebate (as described in Item 9 of this Schedule F) may be applied toward such fees for so long as the client remains a client of Chapwood.</p> |                                     |
| <b>Item 2</b>  | <p><b>TYPES OF CLIENTS</b></p> <p>Chapwood will provide CustomHedge services to clients that are high net worth individuals, banking or thrift institutions, pension and profit sharing plans, corporations and other business entities. Such clients will be required to make representations that, among other things, such clients are accredited investors as defined under Regulation D of the Securities Act of 1933 (the "<b>Securities Act</b>") and qualified purchasers within the meaning of Section 2(a)(51) of the Investment Company Act of 1940 (the "<b>Investment Company Act</b>").</p>  |                                     |
| <b>Item 3</b>  | <p><b>TYPES OF INVESTMENTS</b></p> <p>In providing CustomHedge services, Chapwood will recommend investments with investment managers and/or in investment funds that invest in a broad range of securities, with a focus on Alternative Investment (in particular, mostly hedge funds), but may also include, without limitation, the following: pooled investment vehicles (<i>e.g.</i>, mutual funds, private equity funds, real estate investment trusts and funds, offshore unit investment trusts, etc.), derivatives and commodities (<i>e.g.</i>, swaps, options, futures, forwards, etc.), indexed securities, repurchase agreements, debt securities, listed and unlisted securities, foreign currency transactions, and convertible securities.</p>   |                                     |
| <b>Item 4.A.5 &amp; 4.B.8</b>  | <p><b>METHODS OR ANALYSIS AND SOURCES OF INFORMATION</b></p> <p>Chapwood's client advisory process and manager and fund selection combines the application of Modern Portfolio Theory (MPT) and a quantitative and qualitative manager and fund review process to determine the optimal customized account for a client.</p>   |                                     |



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

|  |                          |                     |
|--|--------------------------|---------------------|
| Applicant:<br>Chapwood CustomHedge Portfolio<br>Advisory Services, LLC | SEC File Number:<br>801- | Date:<br>04/28/2010 |
|--|--------------------------|---------------------|

(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:<br>Chapwood CustomHedge Portfolio Advisory Services, LLC |  | IRS Empl. Ident. No.:<br>27-2197033 |
|--|--|-------------------------------------|
| Item of Form<br>(identify)   | Answer   |                                     |
| <b>Item 4.A.5 &amp; 4.B.8<br/>(continued)</b>  | <p>MPT is a mathematical formulation of the concept of diversification in investing, with the aim of selecting a collection of investment assets that has collectively lower risk than any individual asset. Chapwood applies MPT to analyze the client's holdings relative to the client's risk/reward profile and then determines the combination of various investment managers and investment funds to complement existing investments.</p> <p>The quantitative analysis is structures with proprietary analytical tools (known as <b>"Crystal Tools"</b>) which have been designed to analyze potential investments based on historical data such as performance, standard deviation, alpha, beta, and correlation. The potential investments are analyzed individually, against peers and finally within the context of the existing portfolio.</p> <p>Chapwood may also review qualitative data, generally through Crystal Tools, to gain a better understanding of the investment manager's or fund's background, general operations, organization structure, investment philosophy, risk management, decision making process, key personnel and other important factors that provide insight into the overall health of the organization. In addition, the qualitative data may include background checks, reference checks, opinions from colleagues and other in the industry and reviews of audits and other financial data. The qualitative process also may involve the hiring of independent consultants or due diligence firms which support or supplement the analysis.</p> <p>Chapwood obtains information used to make recommendations to its clients from independent third-party sources believed to be reliable, but is accuracy and completeness are not guaranteed and have not been independently verified by Chapwood.</p> |                                     |
| <b>Item 4.C.7</b>  | <p><b>INVESTMENT STRATEGIES</b></p> <p>Although Chapwood will have non-discretionary authority, Chapwood will recommend investment managers and investment funds that employ a wide variety of investment strategies, which may include, without limitation, long term purchases (securities held at least one year), short term purchases (securities sold within a year), trading (securities sold within 30 days), short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies). Chapwood will provide advice on investment strategies that are customized to fit within the client's risk and return parameters (e.g., a client may not prefer investment strategies as they tend to be generally long term resulting in a lack of immediate liquidity for investors), and upon consideration by the client of such strategies, Chapwood will recommend investment managers and investment funds that employ such strategies.</p>   |                                     |
| <b>Item 5</b>  | <p><b>EDUCATION AND BUSINESS STANDARDS</b></p> <p>Chapwood seeks people with employment backgrounds that are compatible with the functions they are to perform – either in experience or with a bachelor's and/or advanced degree which indicates the skills and intelligence necessary for the performance of assigned tasks.</p>   |                                     |

**Schedule F of  
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|  |                          |                     |
|--|--------------------------|---------------------|
| Applicant:<br>Chapwood CustomHedge Portfolio<br>Advisory Services, LLC | SEC File Number:<br>801- | Date:<br>04/28/2010 |
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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:<br>Chapwood CustomHedge Portfolio Advisory Services, LLC |  | IRS Empl. Ident. No.:<br>27-2197033 |
|--|--|-------------------------------------|
| Item of Form<br>(identify)   | Answer   |                                     |
| <b>Item 6</b>  | <p><b>EDUCATION AND BUSINESS BACKGROUND</b></p> <p>The following persons are principal executive officers of Chapwood or employees of Chapwood who determine the general investment advice given to clients or other persons with similar status or performing similar functions.</p> <p><b><u>Edward Butowsky:</u></b>      Year of birth: 1962</p> <p><i>Experience:</i></p> <p><b>Chapwood CustomHedge Portfolio Advisory Services, LLC, March 2010 to Present</b><br/>Managing Partner and Member</p> <p><b>Chapwood Capital Investment Management, LLC, August 2005 to Present</b><br/>Managing Partner and Member</p> <p><b>HNW Alternative Investments, LLC, September 2009 to March 2010</b><br/>Managing Partner and Member</p> <p><b>Waterford Capital LLC, April 2007 to Present</b><br/>Registered Representative</p> <p><b>Bear Stearns Securities Corp, January 2003 to May 2005</b><br/>Managing Director (Sales Representative)</p> <p><b>Banc of America Securities, LLC, August 2002 to December 2002</b><br/>Managing Director (Sales Representative)</p> <p><b>Morgan Stanley DW, Inc., August 1987 to August 2002</b><br/>Senior Vice President, Investments</p> <p><i>Education:</i></p> <p>University of Pennsylvania, Wharton School of Business<br/>Executive Program through Morgan Stanley DW, Inc., 1996</p> <p>University of Texas<br/>Attended from 1982 to 1985</p> |                                     |

**Schedule F of  
Form ADV  
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04/28/2010

(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:<br>Chapwood CustomHedge Portfolio Advisory Services, LLC | IRS Empl. Ident. No.:<br>27-2197033 |
|--|-------------------------------------|

| Item of Form<br>(identify) | Answer  |
|----------------------------|---|
| <b>Item 6 (continued)</b>  | <p><b><u>Marilyn K. Hajek</u></b>      Year of Birth: 1964</p> <p><i>Experience:</i></p> <p><b>Chapwood CustomHedge Portfolio Advisory Services, LLC, June 2010 to Present</b><br/>Chief Compliance Officer</p> <p><b>Waterford Capital LLC, 2007 to Present</b><br/>Operations Manager and Registered Options and Securities Futures Principal</p> <p><b>Baldwin Anthony Securities, Inc., 2001 to 2007</b><br/>Vice President of Equity Trading</p> <p><b>UBS Financial Services, Inc., 1998-2001</b><br/>Operations/Compliance Manager</p> <p><b>Principal Financial Securities, Inc., 1983-1998</b><br/>Stock Receive Clerk, Cashier, Margin Clerk, Institutional Equity Sales Assistant and Equity Trader</p> <p><i>Education:</i></p> <p>Ennis High School, Ennis, Texas 1978-1982</p> <p><b><u>Kim Sams</u></b>      Year of birth: 1973</p> <p><i>Experience:</i></p> <p><b>Chapwood CustomHedge Portfolio Advisory Services, LLC, June 2010 to Present</b><br/>Chief Operating Officer</p> <p><b>Chapwood Capital Investment Management, LLC, August 2005 to Present</b><br/>President and Chief Compliance Officer</p> <p><b>Waterford Capital LLC, April 2007 to Present</b><br/>Registered Representative</p> <p><b>Bear Stearns Securities Corp., January 2003 to May 2005</b><br/>Managing Director (Sales Representative)</p> <p><b>Banc of America Securities, LLC, August 2002 to December 2002</b><br/>Managing Director (Sales Representative)</p> <p><b>Morgan Stanley DW, Inc., August 1987 to August 2002</b><br/>Associate Vice President, Investments</p> |

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

|  |                              |                         |
|--|------------------------------|-------------------------|
| Applicant:<br>Chapwood CustomHedge Portfolio<br>Advisory Services, LLC | SEC File Number:<br><br>801- | Date:<br><br>04/28/2010 |
|--|------------------------------|-------------------------|

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| Item of Form<br>(identify)   | Answer   |                                     |
|  | <p><i>Education:</i></p> <p>University of Pennsylvania, Wharton School of Business<br/>Executive Program through Morgan Stanley DW, Inc., 2001</p> <p>University of Minnesota<br/>B.A. in Finance and Communications, 1997</p>   |                                     |
| <b>Item 8.D</b>  | <p><b>OTHER FINANCIAL ACTIVITIES OR AFFILIATIONS</b></p> <p>Chapwood CustomHedge Management, LLC, an entity wholly owned by Edward Butowsky, is the general partner of Chapwood Conservative Portfolio, LP, a private investment fund that was organized as a limited partnership under the laws of Delaware on June 7, 2010 (the "Fund"). The Fund currently intends, but is not required, to invest the majority of its assets in three or more customized series of Crystal Capital Fund Series, LLC (the "Crystal Series"), which Crystal Series in turn intends to gain indirect exposure to multiple strategies and/or asset classes principally by investing the majority of its assets in other funds and with other managers. Edward Butowsky will have primary responsibility for the Fund's investment decisions. The general partner has sole and complete discretionary authority to manage the Fund's activities. The Fund's investment objective is to seek capital appreciation by investing and/or trading securities. It is open to "qualified clients" and "accredited investors" as defined in the Securities Exchange Act of 1934 and the Investment Company Act of 1940.</p> <p>Chapwood CustomHedge Portfolio Advisory Services, LLC, also owned by Edward Butowsky, will be the Investment Manager of the fund and is responsible for the overall investment management of the Fund. The Investment Manager will receive a quarterly management fee equal to 0.50% (2.00% annualized) of the closing capital account balances of the limited partners, but will not receive any placement fees or performance fees. The Investment Manager will serve as portfolio adviser to each of the Crystal Series. The Investment Manager, as the adviser, will select other funds and managers from a platform offered by Crystal Capital Fund Series, LLC. The Fund was designed with the intent of providing investors with diversified exposure to alternative investments in a single investment vehicle. The Fund will seek to achieve consistent returns with low correlation to traditional financial market indices and seeks to be diversified between 20 and 30 hedge fund managers to offset risk. The Investment Manager will seek to select funds with an emphasis on managed futures, distressed securities and credit arbitrage strategies.</p> |                                     |

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Advisory Services, LLC

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| Item of Form<br>(identify)   | Answer   |                                     |
| <b>Item 9</b>  | <p><b>PARTICIPATION IN CLIENT TRANSACTIONS</b></p> <p>Chapwood has implemented a policy to monitor personal securities transactions of its supervised persons. This investment policy is part of Chapwood's overall Code of Ethics, which serves to establish a standard of business conduct for all of Chapwood's supervised persons. Notwithstanding the foregoing, Chapwood, its employees and/or related persons may purchase or sell for themselves similar or different securities as are recommended to its clients, and Chapwood may recommend the purchase and sale of the same or different securities for different clients at different times, which could result in a client purchasing or selling a security for which Chapwood, its employees and/or related persons have purchased or sold or Chapwood has recommended the purchase or sale of for another client.</p> <p>Additionally, a non-Chapwood account of Managing Partner, Edward Butowsky, and separate accounts managed by an affiliate of Chapwood, Chapwood Capital Investment Management, LLC, are invested in Crystal's investment vehicles (including Crystal Fund) that may invest in the same investment managers and/or investment funds as Chapwood's clients.</p> <p>Mr. Butowsky and his affiliates may be entitled to receive referral compensation fees for clients referred to the Crystal Fund. Rather than being paid to Mr. Butowsky or his affiliates, such amounts will be used to either offset or rebate fees (the "<b>Rebate</b>") otherwise payable by the client, for so long as the client remains a client of Chapwood.</p> <p>Clients may obtain a complete copy of the Code of Ethics free of charge by submitting a written request to Chapwood CustomHedge Portfolio Advisory Services, LLC, 15455 N. Dallas Parkway Suite 750, Addison, TX, 75001.</p> |                                     |
| <b>Item 10</b>   | <p><b>CONDITIONS FOR MANAGING ACCOUNTS</b></p> <p>The minimum amount to establish or maintain a Client Account with Chapwood will be \$500,000, subject to Chapwood's discretion to accept lesser amounts. Additionally, Chapwood will generally require each client to make representations that such client is an accredited investor as defined under Regulation D of the Securities Act of 1933 and a qualified purchaser as defined under Section 2(a)(51) of the Investment Company Act, and other representations concerning, among other things, such client's eligibility and sophistication as an investor and the client's awareness of the inherent risks and ability to bear the risk of loss of their entire investment. Chapwood reserves the right to reject any application in whole or in part at its discretion.</p>  |                                     |

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| <b>Item 12.A and 12.B</b>  | <p><b>INVESTMENT OR BROKERAGE DISCRETION</b></p> <p>Chapwood will not have investment discretion over the selection of investments and generally will not suggest broker-dealers to its clients. Additionally, Chapwood's clients or the investment managers and/or funds with whom their assets have been invested will retain discretion over the selection of broker-dealers to be used and the commission rates to be paid. In the case of investment managers and/or funds with whom a client's assets have been invested, the investment manager and/or fund may direct the execution of the clients' transactions to brokerage firms and dealers that in turn provide such investment managers and/or funds or their affiliates with investment research information or other services ("soft dollar" benefits) that such investment managers and/or funds or their affiliates would otherwise have to purchase with their own funds. Investment managers and/or funds thus may have a conflict between their interest in reducing the amounts they expend on research and related services and their duties to investment managers and/or funds generally have broad discretion with regard to the brokers and dealers to which they direct their clients' transactions and the commission rates and dealer spreads that such clients pay to those firms. Such "soft dollar" benefits may cause an investment manager and/or fund to execute a transaction with a specific broker, bank or dealer even though it may not offer the lowest transaction fees, which could result in higher fees being charged to its clients.</p> |                                     |
| <b>Item 13.A</b>   | <p><b>ADDITIONAL COMPENSATION – REBATE</b></p> <p>See Item 9 of this Schedule F for disclosure regarding the Rebate.</p>  |                                     |
| <b>Item 13.B</b>   | <p><b>ADDITIONAL COMPENSATION – CLIENT REFERRALS</b></p> <p>Chapwood will engage solicitors that will market Chapwood's CustomHedge services to the prospective client's existing investment adviser, wealth management firm, broker-dealer, certified public accountant or attorney, who, if so desired, will in turn suggest CustomHedge services to their clients, and directly to prospective clients. The solicitors marketing CustomHedge services will receive compensation based on a certain percentage of net profits from the total revenue, including advisory and performance fees (subject to certain restrictions in the solicitation agreements between Chapwood and the solicitors), earned by Chapwood from Client Accounts that are in the solicitors' respective selling group territories. Such payments will be made in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940 (the "<b>Advisers Act</b>") and the rules set forth by the respective state jurisdictions. It is important to note that the fees payable to such solicitors will be paid solely from the fees earned by Chapwood hereunder, and will not result in any additional charge to the client.</p>  |                                     |