

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page

Effective December 1, 2011



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This brochure provides information about the qualifications and business practices of Horizon Capital Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 406-208-0208 or at [corms@horizoncapital.us](mailto:corms@horizoncapital.us). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by an state securities authority.

Additional information about Horizon Capital Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Item 2 Material Changes

This is Horizon Capital Partners, LLC's first brochure filing and therefore we have no material changes to disclose at this time.

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Brochure Supplement – Christian G. Orms		

#### Item 4      **Advisory Business**

Horizon Capital Partners, LLC has been providing investment advice from the Billings, Montana area since October 2001. The firm is owned and operated by Chris Orms, CFA, and Manager. Orms is the only full-time investment advisory representative of the firm. Horizon Capital Partners, LLC also employs one part-time administrative employee.

Horizon Capital Partners, LLC primarily manages client investment portfolios on a discretionary (meaning we buy and sell securities for your portfolio without contacting you prior to the transaction for authorization) or a non-discretionary basis (meaning we will contact you and obtain authorization prior to the transaction). Additionally, it is our experience most clients maintain investment portfolios with other broker-dealers, custodians, or advisers and own other investments such as real estate. Therefore we generally maintain discretionary authority over the portion of the client's portfolio managed by us *and* provide investment advice on a non-discretionary basis for the *client to execute* on those investments and assets held elsewhere.

We tailor our investment advice to the individual client. Through discussions with the client we determine the client's financial goals and objectives and educate the client on the relationship between rate of return and risk tolerance (how much of a market value decline can the client accept?). Together with the client we implement an investment strategy to achieve a strategic asset allocation designed to meet the client's financial goals and objectives balanced with their risk tolerance. Also, upon client request, we can develop a unified plan considering ***all*** of the client's investments and assets – those managed by us and held elsewhere. Please see **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss** for additional information on our investment philosophies and strategies.

Clients may restrict their investments to certain securities or types of securities purchased in their portfolio.

All of Horizon Capital Partners, LLC's accounts are managed for the individual benefit of the client and governed by a client investment policy (explained further in **Item 8. Methods of Analysis, Investment Strategies, and Risk of Loss** below). We do ***not*** provide *financial planning* services. Special consideration is given, upon client request, to taxes or other special circumstances.

Horizon Capital Partners, LLC also offers strategic business valuation, merger, acquisition, and restructuring advisory services.

As of December 31, 2010 Horizon Capital Partners, LLC managed \$28,100,00.00 of assets on a discretionary basis and additionally provided investment advice on \$42,200,000.00 of assets on a non-discretionary basis.

## Item 5 Fees and Compensation

Horizon Capital Partners, LLC is compensated for its portfolio management services based upon a percentage of assets under management. Fees are negotiable.

Horizon Capital Partners, LLC's fee schedule:

<b>Assets Under Management</b>	<b>Discretionary Accounts</b>	<b>Non-Discretionary Accounts</b>
\$0 to \$5,000,000	1.00%	1.00%
\$5,000,000 to \$10,000,000	.75%	Negotiable
\$10,000,000 & up	Negotiable	Negotiable

Clients may authorize fees to be deducted from their accounts **or** clients can choose to be billed directly. Fees are computed and paid quarterly.

Fees are paid in advance and based upon the previous quarter end's market value. Investment advisory agreements can be terminated in writing by either party. Fees collected in advance, but not yet earned, will be returned to the client and based upon the date of receipt of the written notice.

Example:

Billing Period	Agreement Termination Date	# of unearned days	Fee	03/31 Market Value	Calculated Fee to be Returned [(\$1,200,000*.01)/365]*51
04/01 - 06/30	05/10	51	1.00%	\$1,200,000.00	<b>\$1,676.71</b>

Horizon Capital Partners, LLC and its representatives do **not** receive any other compensation such as commissions or "sales loads" for the sale of securities or other investment products.

**Additional fees and charges incurred:** Clients will incur transaction fees or commission charges from the broker-dealer through which the investments are purchased or sold. Mutual fund companies also charge annual management fees. Clients may also incur annual account maintenance fees from the custodian where their account is maintained.

Horizon Capital Partners, LLC does not receive any portion of these transaction fees, commission charges, account management or account maintenance fees. The custodian, broker-dealer, and/or investment company keep all of these additional fees.

Please see **Item 12. Brokerage Practices** below for additional information.

For strategic business valuation, merger, acquisition, and restructuring advisory services Horizon Capital Partners, LLC negotiates a fee with the client based upon the scope and size of the project. Orms estimates the number of hours he may spend on the project and the value of the project to determine the negotiated fee.

#### **Item 6 Performance-Based Fees and Side-by-Side Management**

Horizon Capital Partners, LLC is not compensated with performance-based fees.

#### **Item 7 Types of Clients**

Horizon Capital Partners, LLC provides investment advisory services to individuals, trusts, estates, charitable organizations, corporations and small businesses.

##### **Account Opening and Maintenance Requirements:**

- We do not impose an account minimum.
- Any specific client account instructions must be provided to us in writing and will be implemented in a reasonable and orderly manner.
- Unless otherwise instructed by the client, we do not respond to rights offerings or tender offers.
- In the event a client transfers securities in kind to its Horizon Capital Partners, LLC account managed on a *discretionary* basis, we may sell any or all such securities at any time. These sales may result in capital gains to the client. Therefore clients are expected to have consulted with their tax advisors about potential tax consequences prior to transferring these securities.

#### **Item 8 Methods of Analysis, Investment Strategies and Risk of Loss**

Horizon Capital Partners, LLC's investment strategy begins with a discussion of the client's financial goals and objectives and rate of return and risk tolerance education. Orms presents various "investment policy" options to the client. These investment policies represent various model asset allocations theoretically designed to meet the client's risk and return objectives.

From the chosen investment policy Orms searches for investment opportunities within the asset classes of the policy.

Orms recommends and advises upon:

- corporate equity securities listed on exchanges and traded over the counter
- corporate bonds
- commercial paper
- United States Government securities
- warrants and options

- certificates of deposit (CD's)
- municipal (local government) securities,
- mutual funds
- real estate and oil and gas limited partnerships and publicly traded limited partnerships and
- hedge funds, venture funds, and private equity funds

In choosing investments Orms searches for companies (domestic and international) with solid business operations and management quality; strong earnings, revenue performance, cash flow, and return on capital; and overall value (is the stock price low compared to earnings per share). Orms also evaluates industry dynamics and current economic factors that positively or negatively impact a company and its security.

In choosing private partnerships, Orms evaluates the individual investment manager, specific fund mandate, ability to gain exposure to specific asset class, relative performance of the partnership within its category, associated fees, and impact of addition to portfolio on the risk vs. return opportunity.

Orms selects fixed income (individual bonds, bond funds, and preferred stocks) based upon credit quality, current and forecasted interest rates, relative currency value, cash flows and current overall economic conditions.

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**It is important to understand investing in general involves risk of loss that you should be prepared to bear.**

Along with the obvious risk of loss of principal, there are a number of significant risks associated with Horizon Capital Partner, LLC's investment approach. These risks include, but are not limited to:

●**Inflation Risk:** The investment value may not keep pace with inflation. If the after tax return on an investment is less than the rate of inflation, then the value of the investment will decline.

●**Equity Investing Risks:** Equity risk is the risk that the value of equity securities will fall due to general market or economic conditions (**market risk**), perceptions of the industry (**industry risk**), or company specific circumstances (**business risk**).

●**Fixed Income Investing Risks:** Fixed income investment value may fall due to interest rate movement (**interest rate risk**) and specific issuer's inability to pay its obligations (interest and principal payments) due to unforeseen circumstances (**credit risk**).

●**Global Investing Risks:** Orms searches to find high quality opportunities on a **global** basis. This may result in additional risks such as:

**Country Risk** The possibility that political events (war, national elections), financial problems (rising inflation, government default), or natural disasters (earthquake, poor harvest) will weaken a country's economy and cause investments in that country to decline.

**Currency Risk** The possibility that returns could be reduced for Americans investing in foreign securities because of a rise in the value of the U.S. dollar against foreign currencies. Also called exchange-rate risk.

**Foreign Market Exchanges** Foreign markets may experience dramatic which may result in the inability to quickly sell foreign securities traded on that exchange (the security will become illiquid).

●**Mutual Fund Investing:** We may recommend and advise upon mutual funds. Investing in mutual funds also presents the following risk in addition to those detailed above:

●**Manager Risk** The possibility that an actively managed mutual fund's investment adviser will fail to execute the fund's investment strategy effectively resulting in the failure of the stated objectives.

●**Short Sale Strategy:**

Unless restricted by client request, Horizon Capital Partners, LLC and Orms may affect short sales in client accounts. With a short sale, the client's account will borrow shares to be sold from a broker-dealer. The account will have to purchase shares of the security and deliver the shares to the broker-dealer to "cover" the short sale. If the price of the security rises the account will incur a loss because the shares were sold earlier at a lesser price and now will be purchasing at a higher price. If the price of the security declines, the account will realize a gain because the shares were sold earlier at a higher price and purchased later a lesser price than what they were sold for.

**Margin Trading:**

**Margin trading can occur in all taxable accounts opened by the client at Schwab.**

"Margin trading" is borrowing *money* (unlike short-sales in which you borrow actual shares) from your broker-dealer to buy a stock and using your investment as collateral. Investors generally use margin to increase their purchasing power so you can own more stock without fully paying for it. Horizon Capital Partners, LLC will not buy any investments margin, we just felt it prudent to advise clients that when opening an account at Schwab you will also open a "margin" account. This allows for the purchase of a security even if funds from the sale of security have not yet arrived. And if an option strategy (see [Option Trading](#) below) is implemented a margin account is necessary.

**Option Trading:**

Horizon Capital Partners, LLC may recommend the implementation of an options trading strategy.

**Option investing involves risk and is not suitable for all investors.** Some option investing presents considerable and extensive risks, so much so, securities regulation requires investors acknowledge receipt and understanding of the Chicago Board of Options Exchanges' Characteristics and Risks of Standardized Options disclosure document prior to investing in options. Therefore we have not summarized all of the risks of option investing here but specifically note the following.

**The primary risks of option trading are:**

- 1) An option holder runs the risk of losing the entire amount paid for the option in a relatively short period of time. An option holder who neither sells his option in the secondary market nor exercises it prior to its expiration will necessarily lose the entire investment in the option.

If the price of the underlying interest does not change in the anticipated direction before the option expires to an extent sufficient to cover the cost of the option, the investor may lose all or a significant part of his investment in the option.

- 2) The writer (seller) of an uncovered call is in an extremely risky position and may incur large losses if the value of the underlying interest increases above the exercise price. The potential loss is unlimited for the writer (seller) of an uncovered call. The writer will have to purchase the underlying interest in order to satisfy the obligation of the call and the loss will be the excess of the purchase price over the exercise price of the call reduced by the premium received for selling the call.

- 3) As with writing uncovered calls, the risk of writing put options is substantial. The writer of a put option bears a risk of loss if the value of the underlying interest declines below the exercise price, and such loss could be substantial if the decline is significant. A put writer must purchase the underlying interest at the exercise price, which could be substantially greater than the current market price of the underlying interest.

Because of these significant option risks we have implemented the following options trading policies and procedures:

- The firm will recommend option investment strategies intended to hedge (protect) its clients' original investment or to generate income.
- The firm will not begin any options trading strategy without:
  - ▶ discussing the option trading strategy in full detail and ensure the client understands the risks involved,
  - ▶ the client first applying for and obtaining approval to open an options trading account from their broker-dealer, and
  - ▶ obtaining an acknowledgment of understanding and receipt of the Chicago Board of Options Exchange's Characteristics and Risks of Standardized Options disclosure document from the client

Again, Horizon Capital Partners, LLC will implement option trading strategies intended to hedge (protect) its clients investments, not in an effort to speculate upon the price movement of securities and will not use "uncovered call" or write put options and thus has eliminated the primary option investing risks noted above in 2) and 3).



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Horizon Capital Partners, LLC's main sources of information for its investment research are:

- financial newspapers and magazines,
- company data from paid providers,
- corporate rating services,
- annual reports, prospectuses, filings with the Securities and Exchange Commission and
- company monitoring: review press releases, listen to conference calls, evaluate strategic moves/activities (mergers, acquisitions, cash build up, debt payoff, etc.)

#### **Item 9      Disciplinary Information**

Horizon Capital Partners, LLC has no legal or disciplinary events to disclose.

#### **Item 10    Other Financial Industry Activities and Affiliations**

Horizon Capital Partners, LLC is not involved or affiliated with any other financial industries or activities. We do not recommend or select other investment advisers for clients.

#### **Item 11    Code of Ethics**

Horizon Capital Partners, LLC has adopted a **Code of Ethics** that sets forth, including but not limited to:

1. Standards governing business conduct and resolution of conflicts of interest which reflect our fiduciary obligations to clients and obligations to comply with all applicable securities regulation.
2. Employee, associated person, and representative personal security transaction reporting and review for impropriety or breach of fiduciary duty.

Our **Code of Ethics** is available to our clients and prospective clients upon request.

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Orms may solicit Horizon Capital Partners, LLC clients to invest in securities Orms has a material financial interest. The solicitation presents a conflict of interest between Orms and the client because Orms may personally benefit financially from the transaction. Orms will receive additional compensation by participating in the profits of the recommended company. Therefore it could be viewed Orms' solicitation to invest in the security may not necessarily be in the client's best interest but in Orms' best interest.

Horizon Capital Partners, LLC and Orms, as fiduciaries, must act in the best interests of their clients which includes, among other things:

- ▶ placing client interests first,
- ▶ disclosing the material facts of transactions, and
- ▶ disclosing all conflicts of interest prior to recommending a transaction.

Horizon Capital Partners, LLC has implemented procedures to address this conflict of interest presented if Orms solicits Horizon Capital Partners, LLC's clients to invest in securities Orms may have a material financial interest including, but not limited to:

- Only accredited investors will be solicited.
- Clients will be provided a reasonable amount of time to review the material facts of the investment and **are strongly encouraged to seek advice from other counsel/parties** necessary to make a logical decision to invest in the security - prior to obtaining client consent to the transaction and affecting the investment.
- Orms will disclose the specific conflict of interest the transaction presents to the client verbally and in writing, ensure the client understands the conflict presented and obtain consent prior to affecting the transaction.

Investment into the security will be separate from the portfolio managed by Horizon Capital Partners, LLC and is NOT intended to meet any investment objective of the managed portfolio. Solicitation to invest in the security is intended to present an investment opportunity for the investor separate and apart from the client's managed portfolio. The investment will NOT appear on any managed portfolio reports provided by Horizon Capital Partners, LLC or the custodian.

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Horizon Capital Partners, LLC and its owners, representatives and employees may invest in the same securities we recommend to our clients. We may buy or sell securities for client accounts at or about the same time we buy or sell securities for our own accounts. This occurs because we believe in our own advice and the investment objectives of the client are often the same as the investment objectives of the firm, representative, or employee.

Investing in securities our clients also invest in presents a potential conflict of interest because we obviously want the value of those securities to rise to benefit our own accounts. Theoretically, if we had substantially more assets under management, we might be inclined to recommend our clients purchase securities we already hold in an effort to increase the price of the security.

We believe this potential conflict of interest is reduced or eliminated because the securities we invest in and recommend to our clients are widely held and publicly traded. As such, the orders that Horizon Capital Partners, LLC typically places for its clients are simply too small to move the prices of securities more than a few cents, at most. Even then, the price movement would only be temporary. Therefore the possibility of a security price rising solely as a result of our clients' purchasing the security is basically zero.

If we execute trades for our client accounts and our own accounts in the same trading session we will execute trades for our own accounts after client trades are completed.

We also require our owners, employees and representatives report their personal security holdings and transactions in accordance with our Code of Ethics and securities regulation. We review these statements and securities transactions and compare to clients' securities transactions to ensure trades for our own accounts were placed after client trades were completed.

## **Item 12 Brokerage Practices**

### **The Custodian and Brokers We Use**

Horizon Capital Partners, LLC does not maintain custody of your assets we manage although we may be deemed to have custody of your assets for regulatory purposes if you give us authority to withdraw assets (advisory fees) from your account (see [Item 15 – Custody](#), below). Your assets must be maintained in an account at a "qualified custodian", generally a broker-dealer or bank. When requested by a client or prospective client, Horizon Capital Partners, LLC will recommend Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. Horizon Capital Partners, LLC is independently owned and operated and is not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities as we instruct them to.

While we recommend you use Schwab, you decide whether to do so and will open your account with Schwab or a custodian/broker-dealer of your choice by entering into an account agreement. We do not open the account for you, although we may assist you in doing so.

If your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see "**Your Brokerage and Custody Costs**"), but please note, such transactions are rare.

### **How We Select Brokers/Custodians**

We seek to recommend a custodian/broker-dealer who will hold your assets and

execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody); promptness of execution reports and accuracy of confirmations and statements provided to clients
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds [corporate, municipal, U.S. Government Treasuries and Agency], mutual funds, exchange-traded funds [ETFs], etc.)
- Availability and value of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior services to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see "Products and Services Available to Us From Schwab")

### **Your Brokerage and Custody Costs**

For our clients' account maintained at Schwab, Schwab generally does not charge separately for custody services but is compensated by charging the client commissions or other fees on trades that it executes or that settle into the Schwab account. The commission rate Schwab charges our clients is contingent upon the total amount of assets *the client* maintains at Schwab and whether or not the client chooses to receive trade confirmations and account statements electronically. We will discuss and disclose exact commission charges directly with each client prior to entering into an advisory services agreement. Commission rates charged our clients by Schwab is in no way connected to the number or nature of trades affected in our client accounts or total amount of assets our clients collectively maintain at Schwab.

In addition to commissions, Schwab charges our clients a flat dollar amount as a "prime broker" or "trade away" fee for each trade that we have executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into your Schwab account. These fees are in addition to the commissions the client pays the executing broker-dealer. Because of this, in order to minimize our clients' trading costs, we execute most trades for your account through Schwab. We have determined having Schwab execute most trades is consistent with our duty to seek "best execution" of our clients' trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see **"How we Select Brokers/Custodians"**).

## **Products and Services Available to Us From Schwab**

Schwab Advisor Services™ (formerly Schwab Institutional®) is Schwab's business serving independent investment advisory firms like us. Schwab Advisor Services™ provides us and our clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we do not have to request them) and at no charge to us. Following is a more detailed description of Schwab's support services:

**Services That Benefit You.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services That May Not Directly Benefit You.** Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

**Services That Generally Benefit Only Us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel. We access and use Schwab's compliance publications and resources and publications on practice

management and business succession to a considerable extent. We have accessed and used only minimally or not at all the other services noted above.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. Schwab has indicated we will not have to pay for Schwab's services so long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody. This \$10 million minimum may give us an incentive to recommend our clients maintain an account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on our clients' interest in receiving the best value in custody services and the most favorable execution of transactions. We believe our recommendation of Schwab as custodian and broker is in the best interests of our clients. Our recommendation is primarily supported by the scope, quality, and price of Schwab's services (see "*How We Select Brokers/Custodians*") and not Schwab's services that benefit us. Our clients currently maintain a collective amount of assets at Schwab well in excess of \$10 million therefore we also believe we currently have no incentive to recommend our clients maintain their assets at Schwab other than for the client's benefit only. It is also important to remember our clients may choose any custodian or broker-dealer they wish.

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### **Brokerage for Client Referrals**

Horizon Capital Partners, LLC does not receive client referrals from any broker-dealer or custodian.

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### **Directed Brokerage**

If a broker-dealer recommendation is *requested by the client*, we will recommend Schwab as the broker-dealer for the reasons described in "**How We Select Brokers/Custodians**" above. We do not request or require our clients to use any particular broker-dealer. It is ultimately the client's decision where to open or maintain their broker-dealer account.

Horizon Capital Partners, LLC is independently owned and operated and is not affiliated with Schwab. We believe our recommendation of Schwab as broker-dealer is in the best interests of our clients. Our recommendation is primarily supported by the scope, quality, and price of Schwab's services (again see "**How We Select Brokers/Custodians**" above) and Schwab's ability to facilitate the best execution of the orders we place for our clients. The conflicts of interest this recommendation may present are described and addressed in complete detail in "**Products and Services Available to Us From Schwab**" above.

Clients may direct brokerage to any broker-dealer they choose. It is the client's responsibility to negotiate commission rates with the directed broker-dealer. It is important for our clients to understand, if so instructed by the client to execute trades through a particular broker-dealer other than Schwab, the client may not receive the best execution available, may pay higher commissions, and may not be able to participate in aggregated trades (please see "**Order Aggregation**" below). In selecting an executing broker-dealer clients are encouraged to consider, among other factors, the following:

- Brokerage arrangements other than those directed by the client may exist that would provide the client more favorable execution or additional brokerage related services;
- Other than in connection with monitoring trade execution data for client transactions, we have no responsibility to determine or assess the extent or value of service provided to clients provided by their directed executing brokers, nor do we generally have access to such information;
- Technological capabilities and limitations of a client's executing broker (e.g. a broker's inability to receive orders electronically) may affect our ability to relay trading instructions to such broker as efficiently as it is able to relay instructions to brokers that have more sophisticated order systems.

We encourage our clients to periodically review the terms of their brokerage agreement to ensure such the terms meet their needs and are competitive in the market in relation to the services offered.

### **Order Aggregation**

Client orders executed through the same broker dealer may be aggregated to achieve best execution. Generally clients will receive the average share price of all orders executed to fill the aggregated order. Individual transaction fees and commissions will not be affected. The client will incur the same transaction fee or commission charge regardless if the order was aggregated or executed individually.

Limit orders, stop orders and other trading tactics can also be aggregated to efficiently execute transactions.

If we determine we want to buy or sell a particular security for many accounts, we will most likely aggregate the order. If we are working on only one or two accounts at a particular time, we will not aggregate the order.

Some trading activity *directed by clients* may not be aggregated simply because we may not be trading that same security in other accounts at that time.

Also, orders will be placed individually to minimize any financial risk a trade error may present to the firm. Some aggregated trades (large option orders for

instance) have the potential to present a financial risk to the firm should a “trade” error occur. Therefore the firm will not aggregate such orders to eliminate this risk.

### **Item 13    Review of Accounts**

#### **Account Review**

Chris Orms, CFA is currently the only investment adviser representative and portfolio manager of Horizon Capital Partners, LLC. Orms continuously monitors and reviews all accounts for adherence to each account’s investment policy. Variances from the established policy are identified and Orms may reallocate the assets held in the portfolio if deemed necessary.

Orms also reviews client accounts immediately upon learning of material changes in client circumstances or upon client request.

#### **Reports**

Typically, but subject to client request, we prepare and send **quarterly** performance reports that detail portfolio holdings and all transactions. We also prepare and provide any other reports upon client request.

Clients also receive statements directly from the custodian where their account is held.

### **Item 14    Client Referrals and Other Compensation**

Horizon Capital Partners, LLC receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (see **Item 12 – Brokerage Practices**). The availability to us of Schwab’s products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

We do not directly or indirectly compensate any person for client referrals.



## Item 15 Custody

Although under government regulations we are **deemed** to have custody of client assets if clients authorize us to instruct Schwab to deduct our advisory fees directly from their account, Horizon Capital Partners, LLC **does not take** custody of client funds or securities. Our clients open accounts at a separate custodian. As explained above in [Item 12. Brokerage Practices](#), we encourage our clients to open accounts at Schwab, but ultimately the client chooses the custodian they wish to use.

The custodian will send account statements quarterly, or more frequently, directly to the client. We strongly encourage our clients to carefully review these account statements received from the custodian and compare the information reported on the account statements to information reported on the quarterly reports we provide.

## Item 16 Investment Discretion

As stated in [Item 4. Advisory Business](#), Horizon Capital Partners, LLC manages investment portfolios on either a discretionary (meaning we buy and sell securities for your portfolio without contacting you prior to the transaction for authorization) or a non-discretionary basis (meaning we will contact you and obtain authorization prior to the transaction). Additionally, it is our experience most clients maintain investment portfolios with other broker-dealers, custodians, or advisers and own other investments such as real estate. Therefore we generally maintain discretionary authority over the portion of the client's portfolio managed by us *and* provide investment advice on a non-discretionary basis for the *client to execute* on those investments and assets held elsewhere. Our clients may limit or restrict securities we can purchase for your account.

We will not exercise any discretionary power without first obtaining written discretionary authority from the client. Discretionary authorization is granted in the agreement we execute with our clients. Discretionary authority is also granted in the custodian's account opening application.

## Item 17 Voting Client Securities

Horizon Capital Partners, LLC will not vote client securities (proxy voting) or advise clients on how to vote proxies. Clients will receive proxies and other solicitation directly from their custodian or transfer agent.

**Item 18 Financial Information**

We do not require or solicit prepayment of \$500 or more in fees per client, six months or more in advance and therefore have not included a balance sheet. We have no financial condition that is reasonably likely to impair our ability to meet contractual commitments, nor have we been the subject of any bankruptcy petition.

**Item 19 Requirements for State-Registered Advisers**

- A. Our principal executive officer and management person is identified and described in the [supplement](#) to this brochure.
- B. Horizon Capital Partners, LLC is not actively engaged in any other business other than giving investment advice.
- C. Horizon Capital Partners, LLC and its representatives or employees are not compensated with performance-based fees.
- D. Horizon Capital Partners, LLC and management have not been found liable in arbitration claims or in any civil, self regulatory, or administrative proceeding involving:
  - (a) an investment or an investment-related business or activity;
  - (b) fraud, false statement(s), or omissions;
  - (c) theft, embezzlement, or other wrongful taking of property;
  - (d) bribery, forgery, counterfeiting, or extortion; or
  - (d) dishonest, unfair or unethical practices
- E. Orms, owner and investment adviser representative of Horizon Capital Partners, LLC, is a member of Aurum Gold, LLC. Orms solicits investment into this security and participates in the operation of the company.

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Part 2B of Form ADV: Brochure Supplement

Item 1 Cover Page

Effective December 1, 2011

**Christian G. Orms, CFA**



**Horizon Capital Partners, LLC**  
**404 North 31<sup>st</sup> Street, Suite 112**  
**Billings, MT 59101**

**Phone:** 406-208-0208

This brochure provides information about Christian G. Orms that supplements the Horizon Capital Partners, LLC brochure. You should have received a copy of that brochure. Please contact Chris Orms @ 406-208-0208 or via email @ [corms@horizoncapital.us](mailto:corms@horizoncapital.us) if you did not receive Horizon Capital Partners, LLC's brochure or if you have any questions about the contents of this supplement.

Additional Information about Christian Orms is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Educational Background and Business Experience

**Christian G. Orms, CFA** Born in 1967.

**Formal Education After High School:** Attended and graduated from Rocky Mountain College in 1992 with a Bachelor of Science Degree in Business Administration.

**Business Background for Preceding Five Years:** Orms founded Horizon Capital Partners, LLC in 2001 and has been its only portfolio manager and investment adviser representative since.

Orms is a Chartered Financial Analyst (CFA). The CFA Program is a graduate-level self-study program that combines a broad-based curriculum of investment principles with professional conduct requirements. To earn a CFA charter, one must study for and pass three levels of annual exams and meet the professional and ethical requirements. Orms earned the CFA Certificate from the CFA Institute in 1998.

## Item 3 Disciplinary Information

Orms has not been involved in any disciplinary events.

## Item 4 Other Business Activities

Orms is not actively engaged in any other business or occupation, investment-related or otherwise.

## Item 5 Additional Compensation

Orms does not receive any economic benefit from someone who is not a client for providing advisory services.

## Item 6 Supervision

Horizon Capital Partners, LLC has only one representative, Orms, who manages client portfolios and provides investment advice. Orms, Manager and CCO, owns and operates Horizon Capital Partners, LLC. Therefore he does not monitor or supervise himself. He simply relies upon his commitment to the firm's fiduciary duty to its clients and adherence to the firm's Code of Ethics. We also maintain our owners', representatives', and employees' personal holdings and transaction reports as required by securities regulation.

The natural consequence of acting unethically is the failure of Horizon Capital Partners, LLC and destruction of Orms' reputation in this small community, which in and of itself, is the best incentive for Orms to act ethically at all times.

## Item 7 Requirements for State-Registered Advisers

A. Orms has not been found liable in an arbitration claim or in any civil, self regulatory, or administrative proceeding involving:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair or unethical practices

B. Orms has not been the subject of a bankruptcy petition.