

**Form ADV, Part 2A**

**Disclosure Brochure  
of  
MindShare Capital Management, LLC  
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[www.mindsharecapital.com](http://www.mindsharecapital.com)  
Dated: March 31, 2011**

This brochure provides information about the qualifications and business practices of MindShare Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (314) 719-3470 and [ngilbert@mindsharecapital.com](mailto:ngilbert@mindsharecapital.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

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

## **Item 2. Material Changes Summary**

This brochure provides prospective clients with information about MindShare Capital Management, LLC that should be considered before or at the time of obtaining our advisory services.

Effective March 31, 2011, the SEC adopted a new form of brochure for registered investment advisers that includes the information previously required in Form ADV Part II. This brochure is required to be updated at least annually, or sooner when material changes to our business take place.

Each year we will deliver to you, by no later than April 30<sup>th</sup>, a free updated brochure that includes or is accompanied by a summary of material changes; or a summary of material changes and an offer to provide a copy of the updated brochure and how to obtain it.

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## **Item 4.        Advisory Business**

### *Firm Description*

MindShare Capital Management, LLC (“Adviser”) was formed in February 2000 and was initially a state-registered adviser. Adviser has been operating as an SEC registered investment advisory firm since 2006.

### *Principal Owners*

The Adviser’s principal owners are Scott M. Rich and Andrew S. Rich.

### *Types of Advisory Services*

The Adviser manages investment advisory accounts not involving investment supervisory services.

The Adviser primarily offers advice on the following types of investments: equity securities, including common stocks, warrants and investment companies, debt securities, including corporate debt, municipal securities, U.S. government securities, and options contracts on securities.

The mission of the Adviser is to provide aggressive growth investment management services to individual and institutional clients.

Our goal generally is to seek long-term capital appreciation. Adviser will seek to achieve this goal by investing in the equity securities of small- and mid-capitalization companies that may have significant growth potential. Our analysis is based on technical and fundamental research to determine which common stocks to purchase. Adviser generally does not emphasize investment in any particular investment sector or industry. However, due to the growth characteristics of particular sectors, such as technology or health care, investments in these sectors from time to time may represent a significant portion of our clients’ portfolios.

Adviser typically manages client accounts using two investment styles: SmallCap Growth and SmallCap Turnaround Growth.

\* SmallCap Growth seeks to identify the most rapidly growing small cap companies exhibiting accelerating operating fundamentals accompanied by strong technical stock price and volume trends. Advisor typically purchases stocks of companies with market capitalizations under \$2 billion whose stock prices the Adviser expects to reach new intermediate or long-term price highs.

\* SmallCap Turnaround Growth seeks to identify small cap companies experiencing a re-acceleration in growth prospects after a period of weakness accompanied by strong

technical price and volume trends. Adviser typically purchases stocks of companies with market capitalizations under \$2 billion and stock prices trading significantly below historical highs.

Each client's account is managed on the basis of the client's individual financial situation. Each client has the opportunity to select a MindShare investment strategy that the client believes best suits the client's investment objective, and to impose reasonable restrictions on the management of client's account. Clients will be contacted annually and notified quarterly, in order to confirm the accuracy of client's selected strategy and investment objective. MindShare's client accounts are intended to comply with Rule 3a-4 under the Investment Company Act of 1940.

### *Assets Under Management*

The Adviser provides investment advice to clients on discretionary basis. As of December 31, 2010, the Adviser's total assets under management are as follows:

Discretionary Assets = \$101,065,295

Non-Discretionary Assets = \$0

## **Item 5. Fees and Compensation**

### *Description*

The Adviser's standard fee schedules are as follows:

#### **Retail Accounts**

Retail clients may select one of the following options:

2.00% on accounts between \$100,000 and \$1,000,000

1.75% on accounts between \$1,000,001 and \$10,000,000

Negotiable on accounts over \$10,000,000

OR

Adviser offers "qualified clients" the following alternative fee schedule:

1% of assets under management, plus 20% of all client portfolio returns in excess of the return achieved by the Russell 2000 Growth Index, or another mutually agreed upon small cap index.

A "qualified client" is any person that, immediately after entering into the advisory agreement, has at least \$750,000 under the management of Adviser, or has a net worth

(together, in the case of an individual, with assets held jointly with a spouse) of more than \$1,500,000 at the time the advisory agreement is entered into.

### **Institutional Accounts**

For institutions with a minimum account size of at least a \$5 million, Adviser receives an annual fee of 1.00% of the average net assets of all separately managed institutional accounts.

### **Fees Generally**

Adviser reserves the right to negotiate its fee, which may differ from the above schedules, based on both the size of the account and the number of accounts involved. Adviser reserves the right to waive its fee in certain limited circumstances, such as for relatives and personal friends of the Adviser. Adviser also may negotiate reduced fees for initial investors in a new product or for institutional clients of a third-party manager or consultant. Fees may be higher or lower than those charged by other advisors and you may be able to obtain similar services elsewhere for a lower fee.

### *Fee Billing*

Fees for retail client accounts typically are billed quarterly in advance, based on the market value of each client account as of the last day of the prior quarter. Adviser's fees do not include brokerage commissions, securities transaction fees or other fees charged by client's custodian and/or broker-dealer.

Clients typically grant Adviser authority to deduct its fees directly from client's account. Client's custodian will provide regular account statements directly to Client that reflect all transactions in client's account(s), including the amount of advisory fees deducted. Client is responsible for verifying the accuracy of the fee calculation, as Client's custodian will not determine whether or not the fee was properly calculated. Clients should carefully review their account statements.

### *Other Fees and Expenses*

The Adviser's fees do not include custodial fees or brokerage commissions or other transaction costs or service fees charged by client's custodian and broker. Mutual funds in which client's assets may be invested charge additional advisory fees and other fees and expenses, as described in the applicable fund's prospectus. ***See additional information under Item 12.***

### *Termination of Advisory Agreement*

Clients may terminate client's Investment Advisory Agreement upon 30 days written notice to Adviser. Clients will receive a pro-rata refund of any advisory fees paid, but not yet earned, as of the date of termination.

## *Compensation of Supervised Persons*

Mr. Scott Rich, President of Adviser, is a registered representative of Wunderlich Securities, a registered broker-dealer. In this capacity, he receives approximately fifty percent of brokerage commissions received by Wunderlich for executing transactions on behalf of Mr. Rich's clients, including Adviser's advisory clients. As of the date of this Brochure, Mr. Rich's total annual compensation is derived by commissions paid by Wunderlich. He does not currently receive a salary from Adviser, although he is entitled to his pro rata share of the Adviser's net profits as a result of his ownership of the Adviser. Wunderlich also provides Mr. Rich with office facilities, including but not limited to, office space, desks, postage, quotation equipment and market data, telephone, and professional assistance. This arrangement presents a conflict of interest in that it gives Mr. Rich an incentive to recommend transactions based on the compensation he will receive, rather than on a client's need. Institutional clients have the option to purchase investment products that we recommend through other broker-dealers that are not affiliated with us. Adviser's advisory fees are not reduced by the amount of commissions received by Mr. Rich.

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

Adviser's performance fee arrangements are designed to comply with the provisions of Rule 205-3 under the Advisers Act. To pay a performance-based fee, each client must be a "qualified client," which includes any person that, immediately after entering into the advisory agreement, has at least \$750,000 under the management of Adviser, or has a net worth (together, in the case of an individual, with assets held jointly with a spouse) of more than \$1,500,000 at the time the advisory agreement is entered into.

Performance-based fee arrangements may create an incentive for Adviser to make riskier, more speculative investments than would be the case in the absence of a performance fee. The Adviser will receive a performance fee only if gains are realized upon the sale of an investment. Therefore, performance fee arrangements may create an incentive for Adviser to sell client securities in order to generate revenue for the Adviser without regard for the client's best interest.

Adviser follows a written policy regarding allocation of limited investment opportunities that is designed to prevent any particular client being systematically disadvantaged. **See Item 12 Allocation** for a discussion of how Adviser generally allocates such opportunities.

### **Item 7. Types of Clients and Minimum Requirements**

The Adviser typically provides investment advice to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

Adviser has established a minimum initial account size for new retail accounts of \$100,000 for a SmallCap Growth account and \$250,000 for a SmallCap Turnaround Growth account. The minimum account size for an institutional account is \$5 million. Adviser may, in its sole discretion, accept such lesser amounts as it deems appropriate.

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

### *Methods of Analysis*

Adviser typically invests in common stocks of small- and mid-capitalization companies, although Adviser may invest in common stocks of large-capitalization companies that Adviser believes have significant growth potential. Adviser will invest primarily in equity securities of growth companies that Adviser believes have potential for significant stock price appreciation. Equity securities include exchange traded funds, common and preferred stocks, warrants or rights exercisable into common or preferred stock and high-quality convertible securities. Adviser also may hold cash, money market instruments or high-quality, short-term debt instruments for liquidity purposes.

When making purchase decisions, the Adviser uses a “buy discipline” that primarily relies upon technical research, fundamental research and valuation analysis.

### **Technical Research**

Adviser reviews industry and individual company charts and other technical tools to identify potential investment opportunities.

When using technical analysis we review individual company charts to determine trends in security prices and make our investment decisions based on those trends. This analysis may only be able to predict how an investment will perform short-term. In addition, this analysis does not take into account the more fundamental properties of what an investment may be worth such as company performance and balance sheet variables which may play a part in determining the value of an investment.

### **Fundamental Research**

Adviser reviews industry fundamentals and company specific fundamentals. Industry research may include a review of industry trends and the competitive landscape among other things. Company specific research may include a review of a company's SEC filings, industry position, evaluation of its management and other information that the Adviser considers relevant.



When using fundamental analysis, the data we review is generally considered reliable but we cannot guarantee nor have we verified its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in fundamental analysis.

### **Valuation Analysis**

Adviser reviews, among other valuation parameters, individual company valuations by considering price to earnings ratios, price to sales ratios and price to cash flow relative to each company's comparable peer group and growth rate.

Based upon this process the Adviser compiles a list of securities for possible purchase. The Adviser will purchase the securities which it believes will offer the greatest potential for appreciation. Using this buy discipline, the Adviser may continually add securities for possible purchase and monitor the list.

### *Sell Discipline*

Adviser makes sell decisions based on a number of factors, including significant deterioration in a company's share price, underlying fundamentals and/or sector/industry. Additionally, Adviser may make sell decisions based on valuation, portfolio weighting issues and/or better relative potential performance in other securities.

### *Principal Investment Strategies*

Adviser generally seeks to achieve long-term capital appreciation for clients' portfolios by investing primarily in securities of growth companies that Adviser believes have potential for significant stock price appreciation. As such, companies Adviser invests in typically exhibit strong price momentum, and increasing trading volume, and they compete in industries that are "in favor" or popular with investors.

The investment strategies used to implement investment advice given to clients include long term purchases, short term purchases, trading and short sales.

A long-term purchase strategy generally assumes the financial markets will go up in the long-term, which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall financial markets advance. Purchasing investments long-term may involve an opportunity cost – that of "locking-up" assets that may be better utilized in the short-term for other investments.

A short-term purchase strategy generally assumes that an adviser can predict how financial markets will perform in the short-term, which may be very difficult. There are many factors that can affect financial market performance in the short-term (such as

short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

### ***Principal Investment Risks***

***Investing in securities involves risk of loss that clients should be prepared to bear.*** Risk refers to the possibility that you will lose money (both principal and any earnings) or fail to make money on an investment. The Adviser cannot guarantee that it will achieve a client's investment objective. Below are some of the more specific risks of investments which the Adviser may recommend to clients:

**Growth Stocks.** Investment in growth companies entails significant risks. The prices of growth company securities may rise and fall dramatically, based in part, on investors' perceptions of the company rather than on fundamental analysis of the stocks. In certain cases, Adviser may identify a company as a growth company based on a belief that actual or anticipated products or services will produce future earnings, revenues or stock price appreciation. If the company fails to realize these products or services, the price of its stock may decline sharply and become less liquid.

**Small- and Mid-Cap Company Risk.** Investments in small- and mid-cap companies often involve greater risks than investments in larger, more established companies because small- and mid-cap companies may lack the management experience, financial resources, product diversification and competitive strengths of larger companies. Investments in technology companies present special and significant risks. For example, if technology continues to advance at an accelerated rate, and the number of companies and product offerings continues to expand, increasingly aggressive pricing may affect the profitability of companies in which Adviser invests. In addition, because of the rapid pace of technological development, products and services produced by companies in which Adviser invests may become obsolete, never gain market acceptance or have relatively short product cycles.

**Portfolio Turnover.** Adviser may engage in short-term transactions under various market conditions to a greater extent than certain other investment advisers. The portfolio turnover rate of a client's portfolio may exceed 300%. The portfolio turnover rate may vary greatly from year to year or during periods within a year. A high rate of portfolio turnover generally leads to greater transaction costs and will result in additional tax consequences to investors. Adviser does not consider or attempt to minimize tax consequences to investors when managing client portfolios. Consult your tax adviser to determine the effect of any tax consequences on your particular financial situation.

**Concentration Risk.** Adviser may invest client portfolios in a limited number of companies. Consequently, the performance of any one company may have a substantial impact on the performance of a client's portfolio. In addition, the value of a client's

portfolio may fluctuate more than if Adviser invested in a larger number of companies. Adviser also may concentrate investments in one or more industries or industry sectors.

To the extent clients' accounts are concentrated, they will be more susceptible to adverse economic, political, regulatory, or market developments affecting the sector, industry, or individual company in which the accounts are invested.

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

The Adviser has no material legal or disciplinary events to report.

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

Scott Rich, President of Adviser, is dually licensed as a registered representative of Wunderlich Securities, Inc. ("Wunderlich"), a licensed broker-dealer firm and member FINRA/SIPC. In this capacity, he receives certain benefits from Wunderlich, including office space, telephone service and market data, as well as a portion of the commissions on purchases and sales of securities through Wunderlich on behalf of client accounts. Some of these benefits also benefit the Adviser, which is an incentive for Adviser to maintain its relationship with Wunderlich. Additional information about the relationship with Wunderlich is discussed below in Item 12.

Nicole Gilbert, Chief Compliance Officer of the Adviser, is responsible for overseeing the Adviser's compliance program. Ms. Gilbert is also an employee of Wunderlich, and Wunderlich pays a significant portion of Ms. Gilbert's salary. Ms. Gilbert's relationship with Wunderlich represents a conflict of interest when evaluating any relationship between Adviser and Wunderlich and in implementing any policies and procedures which are designed to mitigate those conflicts.

Steven F. Hutkin serves as Secretary and Director of Adviser but is not involved in providing investment advice or making portfolio management decisions for Adviser's client accounts. Mr. Hutkin has been a principal of Hutkin Development Company (HDC) since 1987 and currently serves as President of HDC. HDC is engaged in all aspects of commercial real estate in the St. Louis, Missouri marketplace, including new construction, acquisition of existing properties, renovation and asset management. Adviser has no involvement or transactions with HDC, other than Mr. Hutkin's ownership in, and service as a director of, Adviser.

Adviser serves as manager and investment adviser to two private investment funds. In this capacity, Adviser manages the affairs and investments of each fund and is entitled to receive a management fee from the fund, which may be waived in Adviser's discretion. Individuals and entities that are accredited investors or qualified purchasers may be solicited on a private basis to invest in a fund managed by Adviser according to the terms

of the fund's confidential private placement memorandum. Currently, the Funds are only open to “knowledgeable employees” of the Adviser.

## **Item 11. Code of Ethics, Interest in Client Transactions and Personal Trading**

### *Code of Ethics*

Adviser has adopted a Code of Ethics pursuant to Rule 204A-1 under the Advisers Act which is based on the principle that Adviser and its employees owe a fiduciary duty to clients. In complying with this duty, advisory personnel must avoid activities or interests that might interfere with making decisions in the best interests of clients. Under the Code of Ethics, Adviser's advisory personnel are required to submit regular reports of their personal securities transactions to the Chief Compliance Officer for review. In addition, each person subject to the Code of Ethics is required to report all violations of which such person becomes aware to the Chief Compliance Officer. Adviser will provide a copy of its Code of Ethics, free of charge, upon the request of any client.

### *Participation or Interest in Client Transactions*

Mr. Scott Rich, President of Adviser, is a registered representative of Wunderlich Securities, a registered broker-dealer. In this capacity, he receives brokerage commissions in connection with transactions executed by Wunderlich for his clients, including Adviser's advisory clients. Additionally, Wunderlich provides Mr. Rich with office facilities, including but not limited to, office space, desks, postage, quotation equipment and market data, telephone, and professional assistance.

Adviser effects transactions both on national securities exchanges and in over the counter (or OTC), transactions, on an agency basis through Wunderlich at negotiated commission rates, consistent with OTC requirements and Adviser's duty of best execution. OTC transactions may be placed directly with market makers who act as principals for their own account and include mark-ups in the price charged for the securities or with broker-dealers who act as agents and charge brokerage commissions for effecting the transactions. Wunderlich will not serve as a dealer in connection with OTC transactions for Adviser's clients, absent specific client consent to the particular transaction.

Adviser serves as manager and investment adviser to two private investment funds. Adviser initiates new investments into each fund and manages the affairs and investments of the fund in return for a management fee, which may be waived in Adviser's discretion. At this time, clients are not being solicited to invest in the funds.

### *Personal Trading*

From time to time, Adviser's employees may purchase securities for their own personal accounts, which are also purchased on behalf of clients, including the private investment funds managed by Adviser. In such cases, Adviser's employees will not effect transactions for their personal accounts which will be contrary to recommendations being made to clients.

## Item 12. Brokerage Practices

### *High Net Worth Individuals and Other Retail Accounts*

Unless otherwise agreed with a retail client, Adviser requires retail clients to open a brokerage account with Wunderlich Securities, a registered broker-dealer and member FINRA/SIPC. The President of Adviser is dually licensed as a registered representative of Wunderlich, and he will receive a portion of the brokerage commissions paid by Adviser's clients to Wunderlich. Adviser's fees are not reduced by the amount of the brokerage commissions received by Adviser's President.

As an alternative, a retail client may elect to establish a custodial account with an independent qualified custodial bank that will allow Adviser to direct trades in the client's account to the broker-dealers selected by Adviser in its discretion.

As of the date of this Brochure, Wunderlich executes client transactions on fully disclosed basis through First Clearing, LLC, a registered broker-dealer and member FINRA/SIPC. Wunderlich and First Clearing establish the commission rates and securities transaction and other fees charged to effect securities transactions. For its retail accounts, Adviser has negotiated with Wunderlich a 50% reduced rate from First Clearing's standard commission schedule for retail accounts (shown below), subject to a negotiated minimum ticket charge (\$55 as of the date of this Brochure).

<b><u>Commission Schedule</u></b>					
Principal of \$499 or less = 10% of Principal					
Principal of \$500 or Greater =					
Principal	\$0 - \$2,499	=	2.1% of Principal + \$28	+	\$10 per lot for the first 10 lots and \$6.5 per lot for the remaining lots
Principal	\$2,500 - \$19,999	=	1.5% of Principal + \$43	+	\$10 per lot for the first 10 lots and \$6.5 per lot for the remaining lots
Principal	\$20,000 - \$49,999	=	0.7% of Principal + \$203	+	\$10 per lot for the first 10 lots and \$6.5 per lot for the remaining lots
Principal	\$50,000 and above	=	0.6% of Principal + \$253	+	\$10 per lot for the first 10 lots and \$6.5 per lot for the remaining lots
<b><u>Minimum</u></b>					
10% of principal or \$50, whichever is less (NOTE: Adviser's Clients pay negotiated minimum ticket charge of \$55)					

<b>Maximum</b>					
Principal of \$499 or less = not applicable, no max applied					
Principal of \$500 or greater =					
Principal	\$0 - \$500	=	10% of principal or \$1.06 per share with a minimum of \$106, whichever is less		
Principal	\$500.01 - \$1,500	=	2.5% of principal or \$1.06 per share with a minimum of \$106, whichever is less		
Principal	\$1,500.01 and above	=	5% of principal or \$1.06 per share with a minimum of \$106, whichever is less		
FINRA max of 5% of principal applies including postage and handling.					

To comply with FINRA rules, to the extent that a commission would exceed 5% of the principal amount of a trade, the commission will be lowered by Wunderlich in \$5 increments until it drops below 5%, subject to a minimum commission of \$25.

Although Adviser believes that the commission rates negotiated with Wunderlich are competitive, they may not be the lowest commission rates available to clients. For example, clients may be able to execute transactions at much lower rates available through a discount broker-dealer. In addition to commissions, Wunderlich charges transaction fees and other fees, including a service fee (\$8 as of the date of this Brochure) and SEC and exchange fees. Fees may vary from client to client due to the particular circumstances of the transaction, additional or differing levels of servicing required, or as otherwise contractually agreed upon with clients. First Clearing and Wunderlich may change their commission schedule and transaction and service fees without advance notice to Adviser.

Clients will receive a confirmation upon the completion of every securities transaction directly from the executing broker-dealer, which discloses the dollar amount of the commission and transaction and other fees charged in connection with the transaction.

### *Institutional Client Accounts*

Institutional clients typically select their own qualified independent custodian and direct Adviser to place all trades through the custodial account. In this instance, Adviser will direct trades in the institution's account to the broker-dealers selected by Adviser in its discretion. Adviser will place trades on behalf of an institutional account through Wunderlich only with written approval in the client's Advisory Agreement.

When selecting broker-dealers on behalf of institutional accounts, Adviser seeks to execute securities transactions on the markets or with or through broker-dealers that it believes provide the most favorable total cost or net proceeds reasonably obtainable under the circumstances. Executing broker-dealers charge commissions and other transaction and service fees to execute transactions in the customer's account. Adviser selects broker-dealers based on its analysis of several factors, including price, the broker-

dealers reliability to effect securities transactions on Adviser's behalf and its responsiveness to, and communication with, Adviser. Adviser may direct a broker-dealer to effect securities transactions through other broker-dealers in consideration of research services provided by such broker. Negotiated commission rates will be based upon Adviser's judgment of execution requirements of the transaction as well as the quality of research services provided by the broker-dealer. While the Adviser believes that the commissions charged by these broker-dealers are competitive, transactions may not always be executed at the lowest available commission rate.

Institutional clients will receive a confirmation upon the completion of every securities transaction directly from executing broker dealers which discloses the dollar amount of the commission and transaction and other fees charged in connection with the transaction. The confirmations will be sent directly to the client's custodian.

#### *Directed Brokerage*

To the extent agreed upon by Adviser, a Client may direct Adviser to execute all securities transactions in the client's account through a particular broker-dealer. In this event, Adviser will place all orders pursuant to its investment determinations on behalf of client's portfolio through the broker-dealer selected by the client, even though Adviser may be able to obtain a more favorable net price and execution from another broker-dealer in particular transactions. A client who designates the use of a particular broker-dealer should understand that it may lose (i) the possible advantage that Adviser's other clients derive from aggregation of orders for several clients as a single transaction for the purchase or sale of a particular security and (ii) the ability of Adviser to effectively negotiate the commission rate, obtain volume discounts and best execution may not be achieved. In addition, under these circumstances a disparity in commission rates may exist between commissions charged to other clients. Such a client's trades may also be placed after the trades of clients which have not designated a particular broker-dealer.

#### *Factors Considered in Selecting Brokers*

Adviser attempts to assess the reasonableness of commissions paid in light of the total brokerage and research services provided by each particular broker-dealer. Such evaluations are made by Adviser's portfolio managers. Wunderlich and certain other broker-dealers selected by Adviser provide Adviser with certain research and statistical services of the kind contemplated by the Securities Exchange Act of 1934 (the "1934 Act"), services which would otherwise be available to Adviser for a cash payment. As a result of receiving such research services in return for directing client brokerage (so-called "soft dollar arrangements") Adviser has an incentive to continue to use such brokers and dealers to effect transactions for clients' accounts as long as such brokers and dealers continue to provide research and other services to Adviser.

In selecting and/or recommending brokers to execute client transactions, Adviser considers a number of factors, including price, the broker's reliability to effect securities transactions on Adviser's behalf, access to the broker, ease of trade supervision, and the broker's responsiveness to and communication with Adviser. Adviser typically effects securities transactions that are executed on a national securities exchange, and OTC transactions conducted on an agency basis, through various broker-dealers, including Wunderlich Securities, at negotiated commission rates. Adviser believes that these negotiated commissions charged to Adviser's clients are usual and customary compared to those charged by other broker-dealers that provide similar trading services for similar accounts.

Mr. Scott Rich, President of Adviser, is a registered representative of Wunderlich. Wunderlich will receive commissions in connection with such transactions; as described in detail above, Mr. Rich typically also receives a portion of the brokerage commissions paid to Wunderlich for placing such transactions. Additionally, Wunderlich provides Mr. Rich with office facilities, including but not limited to, office space, desks, postage, quotation equipment, telephone, and professional assistance. Because Mr. Rich and the Adviser receive certain benefits as a result of Mr. Rich's affiliation with Wunderlich, they have an incentive to use Wunderlich to execute transactions for client accounts.

#### *Best Execution/Soft Dollars*

As a fiduciary, with respect to transactions it implements on behalf of its advisory clients, the Adviser has an obligation to obtain best execution under the circumstances of the particular transaction. The Adviser seeks to execute client transactions in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances.

Section 28(e) of the 1934 Act permits an investment adviser to cause a client account to pay commission rates in excess of those that another broker/dealer would have charged for effecting the same transaction, if the adviser determines, in good faith, that the commission paid is reasonable in relation to the value of the brokerage and research services provided. The determination may be viewed in terms of either the particular transaction involved or the overall responsibilities of Adviser with respect to the accounts over which it exercises investment discretion.

Research furnished by brokers-dealers may be used to service any or all of Adviser's clients and may be used in connection with accounts other than those that pay commissions to the broker-dealer providing the research. Research services may include subscriptions to financial information services such as Bloomberg, Thomson Financial and Reuters, information on the economy, industries, group of securities, individual companies, statistical information, accounting and tax law/interpretations, political developments, legal developments affecting portfolio securities, technical market action, pricing and appraisal services, credit analysis, risk measurement analysis, performance



analysis and analysis of corporate responsibility issues. To the extent that research services of value are provided by broker-dealers, Adviser may be relieved of expenses that it might otherwise bear. Adviser may allocate brokerage for research services that are also available for cash, where appropriate and permitted by law.

Adviser does not enter agreements with, or make commitments to, any broker-dealer that would bind Adviser to compensate that broker-dealer with client commissions in return for client referrals.

### *Order Aggregation*

As a matter of general policy and practice, Adviser will aggregate transactions for clients when possible for advisory clients. Aggregating transactions allows the trading of aggregate blocks of securities of assets from multiple client accounts. Generally, aggregating client transactions allows advisers to execute transactions in a more timely, efficient and equitable manner and to seek best execution and/or to reduce commission charges for clients.

When and where possible, Adviser will aggregate transactions for all clients including directed and non-directed brokerage transactions for individual and institutional client portfolios. Client transactions may not or cannot be aggregated with other non-directed client transactions where a client has directed Adviser to use a particular firm for its portfolio transactions. However, Adviser will generally aggregate client transactions in directed brokerage arrangements when clients have directed Adviser to use the same firm. In situations where accounts may be buying or selling the same security over a period longer than one day, Adviser will continue to aggregate participating client transactions when possible.

### *Allocation*

As described in Items 4 and 8 above, Adviser manages client accounts using a number of strategies. Adviser typically allocates securities among eligible client accounts based on the particular strategy used, the account's investment objectives, restrictions, size and available assets or cash. Accounts managed using different strategies typically will hold different securities; however, from time to time, such accounts may hold the same securities when the securities fit within the objectives of more than one strategy. This may lead to conflicts in terms of allocating limited investment opportunities among the various strategies. Adviser anticipates that the overlap of common securities among its various strategies will typically not exceed 30% of the total assets managed using a particular strategy. Where practicable and when allocating IPOs, partial orders or limited investment opportunities among the strategies or accounts within a particular strategy, securities will be allocated among eligible client portfolios on a pro-rata, average gross price per share basis with a view to achieving equal weighting of the security in each portfolio participating in the trade. To the extent that a minimum ticket charge is

imposed by an executing broker and/or commission rates vary by account size, however, clients will not receive the same net price per share. Adviser seeks to manage client portfolios in such a way that all clients and portfolios have an equitable and fair opportunity to participate in investment opportunities and allocations over time and no client(s) are advantaged or disadvantaged over others. However, Adviser is not required to present all eligible investment opportunities to all clients and/or strategies.

There may be some circumstances in which certain clients and/or strategies may not participate equally (or at all) in particular investment opportunities or investment allocations due to investment guidelines, restrictions, portfolio liquidity, limited investment opportunity or other reasons. In an attempt to minimize the risk that any particular client is systematically disadvantaged and to promote fairness and equity for all clients, Adviser may attempt to allocate trades on behalf of smaller accounts so that such trades are filled in a single day to avoid multiple transactions costs, while larger institutional accounts trade in the same security until filled over a longer period of time. Such allocation is designed primarily to distribute trading costs in an equitable manner among all client portfolios as the effect of trading costs on smaller clients is magnified relative to the effect on larger accounts when orders are filled over the course of several days.

### **Item 13.      Review of Accounts**

Client portfolios are reviewed regularly by Scott Rich, President of Adviser, and Andrew Rich, Vice President of Adviser. Adviser typically provides a quarterly performance report to retail and institutional clients showing performance of client's account for the most recent quarter, year-to-date, and since inception of the account. Adviser also provides a quarterly newsletter to such clients that discusses the Adviser's overview of the market for the recent quarter, how the Adviser's composite client portfolio performed, and its outlook on future market developments. Investors in a private investment fund managed by Adviser will receive reports directly from the fund's custodian at least quarterly describing the fund's performance, holdings, transactions and net asset value. If a private investment fund accepts investments from investors other than Adviser's employees, investors will be provided with a copy of the fund's annual audited financial statements no later than 120 days after the end of its fiscal year.

Adviser will contact each client at least annually to determine whether there have been any changes in the client's financial situation or investment objectives, or whether the client wishes to impose reasonable restrictions on the management of the account or modify an existing restriction. Clients will be notified quarterly in writing that Adviser should be contacted if there have been any changes in the client's financial situation or the way in which the client's portfolio is managed. Adviser's President and Vice President, who are knowledgeable about the Adviser's management style, are available at

Adviser's office or by telephone on a reasonable basis to meet with the client at the client's request.

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

##### *Incoming Referrals*

Adviser may pay cash referral fees to certain individuals who refer clients to Adviser. The referral agreement between Adviser and a solicitor and their related activities will be in compliance with Rule 206(4)-3 of the Investment Advisers Act of 1940. Rule 206(4)-3 specifies certain standards that must be met by an investment adviser and any person who solicits any client for, or refers any client to, such adviser prior to the payment of a cash fee directly or indirectly, for client solicitation or referral. One individual who is a solicitor for the Adviser, Jim Ciocia, is also a client of the Adviser.

##### *Other Compensation*

See Item 12 above regarding the receipt of brokerage commissions by Adviser's President in connection with portfolio transactions for clients.

#### **Item 15. Custody**

Clients will retain ownership of all securities and cash in their accounts. Adviser will not accept physical custody of clients' securities or cash. Physical custody of each fund's or client's cash and securities is maintained by an independent qualified custodian and clients will receive regular reports from their custodian and/or broker-dealer that include confirmation of all securities transactions in their account during that quarter.

Pursuant to Rule 206(4)-2 (the "Custody Rule") under the Advisers Act, as the manager of private investment funds, the Adviser is deemed to have constructive custody of the assets of any private fund that it manages for compensation. Pursuant to Rules 203(b)(3)-1 and 203(b)(3)-2, where the membership interests of a private investment fund managed by the Adviser are held exclusively by "knowledgeable employees" of the Adviser, as defined by Rule 3c-5 under the Investment Company Act of 1940, and the Adviser provides investment advisory services to such fund without compensation for an entire fiscal year, fund members will receive statements directly from an independent qualified custodian and such fund will not be independently audited for that fiscal year. If a private investment fund accepts investors who are not "knowledgeable employees," investors will be provided with a copy of the fund's annual audited financial statements no later than 120 days after the end of its fiscal year.

## **Item 16. Investment Discretion**

### *Discretionary Trading Authority*

The Adviser provides investment advice on a discretionary basis. In such cases, the client and the Adviser execute an investment advisory agreement pursuant to which the client grants to the Adviser discretionary authority to act on the Client's behalf for the limited purpose of buying, selling and trading securities and all actions necessary or incident to such activities. Adviser determines which securities are bought and sold for each client's account and the amount of such securities bought or sold. Clients may impose reasonable restrictions or limitations on the Adviser's investment discretion. Clients are contacted at least annually to determine whether there are any changes to their financial circumstances or restrictions they wish to impose on the management of their accounts.

### *Limited Power of Attorney*

Clients who have granted discretionary trading authority to the Adviser are required to grant a "limited power of attorney" to Adviser over client's custodial account for the limited purposes of trading and fee deduction. The client grants this authority in the brokerage or custodial account application.

## **Item 17. Voting Client Securities**

It is currently Adviser's policy not to exercise proxy voting authority over securities held in retail clients' accounts. Each client retains proxy voting authority over the securities that are held in the client's account. Client's custodian will forward to the client all proxy solicitation notices received, if any, that relate to securities held in a client's account. The client may thereafter, in the client's sole discretion and at the client's sole expense, decide how to vote such proxies.

Adviser has adopted a proxy voting policy for circumstances in which the Adviser may be called upon to vote proxies on behalf of institutional clients. Adviser has engaged Glass Lewis & Co., a third-party proxy service to advise them with respect to voting client securities. Adviser typically relies on the recommendation of Glass Lewis & Co. in determining how to vote proxies in a manner Adviser believes is consistent with the best interests of the client. A copy of Adviser's proxy voting policy is available, free of charge, to any client or investor in a private investment fund. Upon request, Adviser will provide institutional clients with a record of all proxies voted in their accounts during the prior calendar year.

## **Item 18. Financial Information**

We are not aware of any financial conditions that are reasonably likely to impair the fulfillment of our contractual commitments to our clients.

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

Because Adviser is a federally registered investment adviser, this Item is not applicable.

**Miscellaneous**

**Business Continuity Plan**

Adviser has adopted a business continuity plan that governs how its operations will be conducted in the case of an internal or external significant business disruption. In the case of a significant business disruption that affects communication with or to Adviser's main offices, clients are urged to call Adviser's emergency number at 312-867-7425 (Andy Rich) for any and all questions that they may have with respect to their account, or the client's independent custodian. Clients that maintain their custodial accounts at Wunderlich may call Harry Jones, Relationship Manager at First Clearing, LLC, at 314-875-8424. A copy of the Adviser's business continuity plan summary will be made available to any client upon written request.

## **Appendix 1 - Privacy Policy**

MindShare Capital Management, LLC collects personal financial information about you from the following sources:

- Information we receive from you during the investment advisory process, through conversations and correspondence, and
- Information about your transactions with independent money managers or broker-dealers who may manage your assets or effect securities transactions on your behalf.

We do not disclose any personal financial information about you to anyone, except with your consent or as required or permitted by law. As permitted by law, we may disclose some or all of the information we collect to independent parties that service your account in order to provide services that you request. These service providers may include broker-dealers, banks, and security clearing agencies; and others who provide services to us, parties who provide technical support for our systems and our legal and accounting professionals, as well as government agencies and other parties as permitted by law.

We have taken steps to reasonably ensure that the privacy of your nonpublic personal information is maintained at all times, including in connection with the disposal of information that is no longer required to be maintained. Such steps shall include, whenever possible, shredding paper documents and records prior to disposal, requiring off-site storage vendors to shred documents maintained in such locations prior to disposal, and erasing and/or obliterating any data contained on electronic media in such a manner that the information can no longer be read or reconstructed.

Even if you decide to close your account(s) or become an inactive client, we will adhere to the privacy policy described above.