

# ALSIN CAPITAL MANAGEMENT, INC

This brochure provides information about Alsin Capital Management, Inc's qualifications and business practices. If you have any questions about the contents of this brochure, please contact us at (800) 525-7222 or by email at [arne@alsincapital.com](mailto:arne@alsincapital.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.

Additional information about Alsin Capital Management, Inc is also available at the SEC's website [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) (under "investment adviser firm" and type in our Firm name).

We are a Registered Investment Adviser (RIA) Firm. Our registration as an RIA does not imply any level of skill or training. The oral and written communications we provide to you, including this brochure, are for you to evaluate us. Please use this information as factors in your decision to hire us or to continue our business relationship.

APRIL 25, 2011

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## **ITEM 2 – MATERIAL CHANGES**

This brochure, dated April 25, 2011, has been prepared by Alsin Capital Management, Inc to meet new SEC requirements. As a new document, it is different structurally and substantively from our previous brochure. In future filings, this section will only address material changes that have been incorporated since this brochure was released.

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## **ITEM 4 – ADVISORY BUSINESS**

### **4a: Firm Description**

Alsin Capital Management, Inc was established in March 1993 by Arne T. Alsin, President. The firm's main office is located in Escondido, California.

#### **4a1: Principal Owners and Executive Officers**

- Arne T. Alsin, President: Mr. Alsin may be contacted by email at [arne@alsincapital.com](mailto:arne@alsincapital.com) or by telephone at (800) 525-7222.
- Glenn D. Surowiec, Chief Compliance Officer: Mr. Surowiec may be contacted by email at [glenn@alsincapital.com](mailto:glenn@alsincapital.com) or by telephone at (800) 525-7222.

### **4b: Types of Advisory Services**

Alsin Capital Management, Inc offers a wide range of investment advisory services to its clients. We tailor our advice and services to your objectives, means and timelines. We will create a document that will precisely define the types of services we are providing, our role and how we may carry out those services for you.

Client services include:

- Investment Strategies
- Risk Tolerance
- Ongoing Portfolio Management
- Asset Allocation

### **4c: Client Tailored Relationships and Restrictions**

As a fiduciary, Alsin Capital Management, Inc always acts solely in your best interests. Your portfolio is customized based on your investment objectives. You may make requests or suggestions regarding the investments made in your portfolio. Restrictions on trading which, in our opinion, are not in your best interest cannot be honored.

### **4d: Wrap Fee Program**

Alsin Capital Management, Inc does not sponsor a wrap fee program.

#### **4e: Assets under Management (AUM)**

Alsin Capital Management, as of December 31, 2010, has \$40,859,300.00 in discretionary reportable Assets under Management.

### **ITEM 5 – FEES AND COMPENSATION**

#### **5a: Fee Schedule**

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded (or, if there are no sales on that date, then at the mean between the closing bid and asked prices on that date). Other readily marketable securities are priced using a pricing service or through quotations from one or more dealers. All other assets are valued at fair value by Alsin Capital Management, Inc, whose determination shall be conclusive. We may modify the terms in this section with at least 30 days prior written notice. Notwithstanding the above, fees are generally negotiable.

Compensation for our services will be calculated in accordance with the Schedule A of the Investment Advisory Agreement. We may modify the terms of the Investment Advisory Agreement with at least 30 days prior written notice.

The standard fee for Advisor's services is 2% of assets under management. However, in certain instance fees may be negotiable. For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported are valued at the last reported sale price on the principal market in which they are traded (or, if there are no sales on that date, then at the mean between the closing bid and asked prices on that date). Other readily marketable securities are priced using a pricing service or through quotations from one or more dealers. All other assets are valued at fair value by Alsin Capital Management, Inc, whose determination shall be conclusive. We may modify the terms in this section with at least 30 days prior written notice. Notwithstanding the above, fees are generally negotiable.

#### *Minimum Account Size*

There is a \$300,000 account minimum. However, under special circumstances, the Advisor may decide to accept Clients with smaller portfolios.

For California Residents: Subsection (j) of Rule 260.238, California Code of Regulations requires that all investment Advisors disclose to their Clients that lower fees for comparable services may be available from other sources. Pursuant to California Rule 260.235.2, a conflict exists between the interests of the Advisor or its associated persons and the interest of the Client; the Client is under no obligation to act upon this Advisor's or associated person's

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recommendations. If the Client elects to act on any of the recommendations, the Client is under no obligation to effect the transaction through the Advisor or its associated person when the person is an agent with a licensed broker-dealer or through any associate or affiliate of such person.

### **5b: Selection of Other Advisors' Fees**

Alsin Capital Management, Inc does not select other advisors.

### **5c: Fee Payment Options**

#### *Investment Management Fees*

Our fees are paid from your account by the custodian when we submit an invoice to them. The invoice we submit shows the amount of fees, the value of your assets on which the fees are based, and the specific manner in which the fees are calculated. If there is insufficient cash in your account, securities may be sold. In addition to our fees, there may be custodial, mutual fund or similar third party management fees and charges.

Our fees are paid quarterly in arrears, with payment due within 10 days from the date of the invoice. Our fee is determined by taking the percentage rate we charge, times the market value of the account, divided by the number of days in the year and multiplied by the number of days in the quarter. The market value is the sum of the values of all assets in the account, not adjusted by any margin debit. Fees for partial quarters at the commencement or termination of Wealth Management Agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter.

#### **5.c.1: Termination**

Either Alsın Capital Management, Inc or our clients can terminate our agreement upon receipt of written notice to the other party.

When an agreement is terminated, we will refund any pre-paid, unearned wealth management fees based on the number of days remaining in the quarter after termination. Refunds will be made within 30 calendar days of the effective date of termination.

When an agreement is terminated, all assets may need to be transferred from the current custodian. You will be responsible for paying all fees including full quarterly custodial administrative fees, account closure fees, mutual fund fees and all trading costs due to the termination. Custodian may assess additional fees for transfer of illiquid investments. If there is insufficient cash in the account, the liquidation of some securities may be used to pay the fees. Prior to termination of an agreement, we can provide a good-faith estimate of these fees.

#### **5d: Third Party Fees**

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

### **ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

We do not charge advisory fees on the performance of funds or securities in your account.

### **ITEM 7 – TYPES OF CLIENTS**

We generally provide asset management and financial planning services to the following types of clients:

- Individuals
- High-Net-Worth Individuals
- Trusts
- Estates

### **ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

#### **8a: Analysis**

We use multiple sources of information to obtain analysis and strategies. They include sources such as financial newspapers, financial magazines, research prepared by others, prospectuses, annual reports and filings with the SEC.

#### **8b: Investment Strategies**

We invest client capital in publicly traded equities that are selling at a material discount to “fair value” – we do 100% of our own research and our decisions are exclusively guided by fundamental factors (company financial statements, management, analysis of competitors, business value, etc.).

Core to our strategy is the belief that markets are often inefficient (from a pricing perspective) in the short run and efficient in the long run – over time, price reflects value. Within this framework, our competitive advantages are the ability to determine “fair value” for a broad range of businesses, and the ability to have greater patience than the market on average.

Other: we're not restricted in any way by market cap, industry, etc.

#### **8c: Risk of Loss**

All investments include a risk of loss. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We use our best efforts and expertise to manage your assets. However, we cannot guarantee any level of performance or that you will not experience financial loss.

### **ITEM 9 – DISCIPLINARY INFORMATION**

We do not have any legal, financial or other “disciplinary” items to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating us and our employees.

### **ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

#### **10a: Broker Dealers and Registered Representatives**

We are not registered as a broker-dealer and our employees are not registered representatives of any broker-dealer.

#### **10b: Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither Alsin Capital Management, Inc nor our employees hold any of the above registrations.

#### **10c: Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Neither Alsin Capital Management, Inc nor our employees have any relationships or possible conflicts of interest as it relates to this advisory business.



## **10d: Selection of Other Advisors or Managers and How this Advisor is Compensated for those Selections**

Alsin Capital Management, Inc does not select other advisors.

## **ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

### **11a: Code of Ethics Description**

As required by regulation we have adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. This Code of Ethics is designed to ensure we meet our fiduciary obligation to you and to stress the importance of a culture of compliance within our firm.

An additional benefit of our Code of Ethics is to detect and prevent violations of securities laws, including our obligations we owe to you.

Our Code of Ethics is comprehensive, is distributed to each employee at the time of hire, and annually thereafter (if there are changes). We also supplement the Code of Ethics with annual training and on-going monitoring of employee activity. A complete copy of our Code of Ethics will be supplied to you, free of charge, if you request it.

Our Code of Ethics includes the following:

- Requirements related to the confidentiality of your personal, business and financial information
- Prohibitions on insider trading (if we are in possession of material, non-public information)
- Reporting of gifts and business entertainment
- Pre-clearance of employee and firm transactions
- Reporting (on an on-going and quarterly basis) all personal securities transactions (what we call “reportable securities” as mandated by regulation)
- On an annual basis, we require all employees to re-certify to our Code of Ethics, identify members of their household and any account to which they have a beneficial ownership (they “own” the account or have “authority” over the account), securities held in certificate form and all securities they own at that time

### **11b, c & d: Participation or Interest in Client Transactions**

Alsin Capital Management, Inc, or its employees, may buy and sell some of the same securities for our own accounts that we buy and sell for our clients. We will always buy or sell from our clients’ accounts before we buy or sell from our accounts. In some cases Alsin Capital Management, Inc, or its employees, may buy or sell securities for our own accounts and not for clients’ accounts, as it may not meet the objectives or plans for the client.

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Alsin Capital Management, Inc will always maintain full disclosure with our clients so that you can make informed decisions. We will always evaluate our activity from the view of our clients to ensure that any and all required disclosures are made. For example, we will disclose anything that would cause you to be unfairly influenced to make any decision regarding actions or inactions in your account.

## **ITEM 12 – BROKERAGE PRACTICES**

### **12a: Selecting Brokerage Firms**

As part of our services, Alsin Capital Management, Inc will recommend a broker-dealer. We have selected our broker-dealers based on price, reliability, speed of processing, tools and “best execution” in addition to other considerations. And while you are not required to effect transactions through any broker-dealer recommended by us, we feel we have made our selections based on a totality of benefits they offer.

To avoid creating a possible conflict of interest in recommending broker-dealers, we have established the following restrictions in order to ensure its fiduciary responsibilities:

1. We adhere to our Code of Ethics as outlined in Item 11 above.
2. If Alsin Capital Management, Inc receives separate compensation for transactions, we will fully disclose them.
3. We emphasize the unrestricted right of you to select and choose your own broker or dealer.
4. We will always act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

## **ITEM 13 – REVIEW OF ACCOUNTS**

### **13a: Periodic Reviews**

Arne Alsin, Portfolio Manager and Glenn Surowiec, Portfolio Manager, are responsible for overseeing all investment advisory activities on a daily basis. Alsin Capital Management attempts to achieve long-term appreciation of each client's investments by investing primarily in equity securities of U.S. and foreign companies.

Alsin Capital Management, Inc invests in companies, in its opinion, which are undervalued by the market. When selecting a particular portfolio investment, the manager emphasizes earnings, book value, dividend income, cash flow, capital structure, industry, product development, product quality, effective distribution or marketing, financial strength, and management talent. It also consults company reports, SEC filings, and third-party research reports. Then, the manager estimates the portfolio company's value and compares the estimate to the current price of the

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portfolio company's stock. If the price is below the estimate, the manager acquires the security issued by the company, assuming cash is available.

A typical investment portfolio or client account will have as few as 8 different equity securities to as many as 20 or more different equity securities. The manager may also temporarily use a different investment strategy for defensive purposes to respond to market, economic or political changes.

### **13b: Review Triggers**

More frequent reviews are triggered by a change in Client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in economic climate.

### **13c: Regular Reports**

You will receive monthly statements from custodian. Among other information, statements from the custodian summarize your investments currently held and the value of your portfolio. In addition to receiving monthly statements/trade confirmations from the custodian, ACM sends out portfolio commentary at least once a quarter. We discuss positions, state of the market, etc.

## **ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION**

### **14a: Economic Benefits Provided by Third Parties for Advice Rendered to Clients**

Alsin Capital Management, Inc may purchase software, research tools, training programs or seminar services from our broker-dealer. Additionally, broker-dealers may provide services, tools or other non-financial benefits to us as a benefit for using the broker-dealer's services. However, we endeavor at all times to put the interests of our clients first. You should be aware, however, that the receipt of the types of benefits discussed above can create a potential conflict of interest by influencing our choice of a broker-dealer.

### **14b: Compensation to Non-Advisory Personnel for Client Referrals**

Alsin Capital Management, Inc does not directly or indirectly compensate any person for client referrals.

## **ITEM 15 – CUSTODY**

Our client's accounts are held by a qualified custodian. Alsin Capital Management, Inc does not have custody of the assets in the account and shall have no liability for any loss or other harm to any property in the account. This includes harm resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian. We cannot ensure that when harm is caused whether or not the full amount of loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. SIPC provides only limited protection for the loss of property held by a broker-dealer.

## **ITEM 16 – INVESTMENT DISCRETION**

We generally want our clients to give us discretionary authority to execute transactions without our client's prior approval. These transactions may include the purchase and selling of securities, arranging for payments or generally acting on behalf of our clients in most matters necessary to the handling of the account.

## **ITEM 17 – VOTING CLIENT SECURITIES (I.E., PROXY VOTING)**

Alsin Capital Management, Inc may request written permission to vote proxies on your behalf. In cases where Alsin Capital Management, Inc is not granted permission to vote proxies, you will receive proxies or other solicitations directly from your custodian. If you have questions or concerns about any direct solicitations, you should contact us via the information provided on the cover page of this document.

## **ITEM 18 – FINANCIAL INFORMATION**

### **18a: Financial Condition**

Alsin Capital Management, Inc has no financial issues that could impair our ability to carry out our fiduciary duty to you. Advisor has not been the subject of a bankruptcy petition in the last ten (10) years.

Alsin Capital Management, Inc does not require prepayment of more than \$500.00 in fees from our clients more than six (6) months in advance of services.

## **ITEM 19 – REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

Alsin Capital Management, Inc is registered with the SEC and only notice files with state regulators.