

DELRAY FINANCIAL CORPORATION
CLIENT BROCHURE
(PART 2 OF FORM ADV)

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This brochure provides information about the qualifications and business practices of Interlake Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us by telephone at 828-389-9857 or by email at advisor@delrayfinancial.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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Material Changes

The Material Changes section of this brochure will be updated annually when material changes occur since the brochure's previous release.

The U.S. Securities and Exchange Commission issued a final rule in July, 2010, requiring advisers to provide a Firm Brochure in narrative "plain English" format. The new final rule specifies mandatory sections and organization. As such we have revised our ADV Part 2 form to reflect this new rule.

Whenever you would like to receive and review a complete copy of our firm brochure, please contact us by telephone at 828-389-9857 or advisor@delrayfinancial.com

Advisory Business

The principal business of Delray Financial Corporation (hereinafter "DFC") consists of furnishing "investment supervisory services" to clients. This activity includes the provision of continuous advice concerning investment of monies consistent with the circumstances, preferences, and objectives of each client. The investment management process includes an assessment of each client's objectives, needs, restrictions, and portfolio holdings. We attempt to structure each client's investment program in the context of these considerations.

DFC may, from time to time, manage accounts on a fully discretionary basis without detailed knowledge of the circumstances, preferences, and objectives of the specific client. In these instances, DFC formulates and implements an investment program that is considered prudent, appropriate, and suitable to the nature of the account and DFC understanding of the client's general characteristics.

DFC does not provide investment advice on any other basis than those described above. DFC does not issue periodic publications relating to securities on a subscription basis, nor do we prepare for distribution special reports or analyses relating to securities.

DFC does not generally prepare or issue any charts, graphs, formulas, or other devices for use by clients in evaluating securities, nor do we furnish advice to clients on any matters not involving securities on other than an incidental basis. Incidental to its primary function as a money manager, DFC offers clients certain very general guidance commonly considered financial planning. Table 1 presents the fee schedule for DFC's Managed USA Portfolio. Table 2 presents the fee schedule for the firm's Income Portfolios. Table 3 presents the fee schedule for the firm's Dynamic ETF Portfolio. Table 4 presents the fee schedule for the firm's Multi-Sector ETF Portfolio.

Fees and compensation

Table 1-Managed USA Portfolio Fees

Up to \$1,000,000-1.00%	\$1,000,001 - \$2,000,000-0.75%	Above \$2,000,000-.050%
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Table 2-Fixed Income Portfolio Fees

Up to \$1,000,000-1.00%	\$1,000,001 - \$2,000,000-0.75%	Above \$2,000,000-.050%
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Table 3-Dynamic ETF Portfolio

Up to \$1,000,000-2.00%	\$1,000,001 - \$5,000,000-1.50%	Above \$5,000,000-.1.00%
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Table 4-Multi Sector ETF Portfolio

Up to \$1,000,000-2.00%	\$1,000,001 - \$5,000,000-1.50%	Above \$5,000,000-.1.00%
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DFC does not impose a minimum fee. New accounts are required to be a minimum of \$250,000; however, the minimum may be waived at the discretion of DFC, who may also continue to service accounts that fall below the minimum.

DFC bills client accounts for a given quarter on the first business day of that quarter by applying one - fourth of the applicable annual fee to the closing market value on the just - concluded quarter's last trading day. An account billed on the first business day of January, for example, applies one - fourth of the appropriate rate to the account's market value on the last trading day of December.

When an account is first placed under DFC's management, billing begins on the first business day that a trade is executed based on the number of days left in the quarter. The fee is pro - rated by the actual number of calendar days remaining in the quarter based on a 365 day year. The resulting pro - rated fee is applied to the initial value of the account on the day a trade is first executed. If an account is fully removed from DFC's management during a billing quarter, the already - billed quarterly fee is pro - rated on the same basis as specified in the preceding paragraph and the difference between the assessed fee and the pro - rated fee is refunded promptly to the client. Clients may close accounts at any time, upon written notification of Delray Financial Corporation, without penalty.

Given the different fees and thresholds for the various management portfolios, assets under management in one category do not affect fees assessed in another category. In other words, additional assets in a given category—USA, Fixed Income, Dynamic or

Multi-Sector—benefit from lower marginal fees when assets cross DFC’s asset thresholds in that category. We believe the fees described above are reasonable in light of industry standards, the firm’s experience and expertise, and the services delivered. Though DFC seeks to add value with its advisory services, it might be possible for clients to procure similar services elsewhere at lower expense. DFC’s compensation derives exclusively from fees paid directly by clients. The firm does not receive commissions based on the client’s purchase of any financial product. Interlake does not accept commissions in any form or from any source.

Performance Fees

DFC does not charge a performance fee.

Types of Clients

DFC offers investment advisory services to individuals, trusts, estates, charitable organizations, businesses, and pension plans.

Methods of Analysis, Sources of Information, and Investment Strategies

Depending on the investment product DFC may provide investment advice on the following types of securities: exchange listed, over the counter, and foreign issuer securities; Exchange Traded Funds; corporate debt securities; municipal securities; United States government securities; and mutual fund shares.

DFC uses a combination of technical and fundamental methods to assess risks and opportunities in the capital markets. Fundamental data help us identify companies, industries, and sectors with compelling financial characteristics. Technical data help us identify securities with attractive supply - demand characteristics.

For the Dynamic Portfolio and the Multi Sector Portfolio DFC uses its proprietary model to generate a list of potential investments focusing on the reduction of investment risk and the increase for potential gains.

DFC may pursue its investment objective by engaging in short sales of securities. Short sales are transactions in which DFC sells a security it does not own in anticipation of a decline in the market value of that security. To complete such a transaction, DFC may borrow the security to make delivery to the buyer. DFC then is obligated to replace the security borrowed by purchasing it at the market price at or prior to the time of replacement. The price at such time may be more or less than the price at which the security was sold by DFC. Until the security is replaced, DFC is required to repay the lender any dividends or interest that accrue during the period of the loan. To borrow the security, DFC also may be required to pay a premium, which would increase the cost of the security sold. DFC will incur a loss as a result of the short sale if the price of the security increases between the date of the short sale and the date on which DFC replaces

the borrowed security. DFC will realize a gain if the security declines in price between those dates. The amount of any gain will be decreased, and the amount of any loss increased, by the amount of the premium, dividends, interest or expenses DFC may be required to pay in connection with a short sale. There can be no assurance that DFC will be able to close out a short position at a particular time or at an acceptable price.

DFC provides discretionary investment advisory services to their clients. With respect to those clients, DFC provides asset allocation and management advice, advice and techniques relating to investment objective planning, including targeting long term rates of return and risk levels, research and recommendations concerning potential investments.

Delray Financial Corporation requires any officer or employee who determines or gives investment advice to clients to demonstrate clear command of the firm's investment discipline, its principles and implementation, and its suitability for clients. DFC takes its fiduciary responsibilities very seriously, and ensures to the maximum possible extent that its professionals meet high standards of financial sophistication as evidenced by education and/or experience.

John Nicholls Breazeale owns 100% of Delray Financial Corporation. He is currently, President of DFC;

1994 to 2001, President, Treasurer and member of the investment committee of Weiss Capital Management, Inc.

1995 to 2001, President, Treasurer and Director of Weiss Funds, Inc

1996 to 2001, President, Trustee and Chairman of the Board of The Weiss Fund.

Mr. Breazeale received a BA from Louisiana State University in 1970

Disciplinary Information

The firm and its personnel have not been involved in any legal or disciplinary events related to past or present activities.

Other Financial Industry Activities and Affiliations

DFC does not participate in any other industry business activities.

Code of Ethics, Participation in Client Transactions and Personal Trading

From time to time, DFC's officers invest alongside the firm's clients, both to align the interests of firm personnel and firm clients and as an expression of confidence in our portfolio management efforts. In order to ensure that DFC personnel never "trade ahead" of their clients, the firm requires all trading in specific positions for officer and employee accounts to come after the analogous trades are executed for client accounts. Given that the firm may establish (or close) client positions in particular securities over multiple trading days, DFC's prohibition on trading ahead refers not only to intraday sequence but across days as well, sometimes even weeks.

DFC, and persons associated with it, will seek to ensure that it and its associates do not personally benefit from the short-term market effects of its recommendations. From time to time, a related person of DFC may take individual investments in securities which DFC recommends to clients. In such instances, however, the interest of the client account will be served first. To this end, DFC has adopted a Code of Ethics which complies with the requirements of Rule 17j-1 under the Investment Company Act of 1940, as amended. Pursuant to the Code of Ethics, all personal securities transactions by DFC's officers, directors and other associated persons who are privy to the formulation of investment strategies and advice ("access persons") are subject to preclearance by DFC's President, John N. Breazeale. In addition, trading by an access person in a security at the same time considered for sale by a client is expressly prohibited, except under special circumstances where no conflict of interest exists as determined by DFC's President. Access persons are also subject to quarterly reporting requirements with respect to their personal securities transactions.

Brokerage Practices

DFC manages client accounts on a discretionary basis. The firm's discretion in portfolio management is constrained by the broad contours of our investment discipline, which precludes style drift and ensures a prudent measure of risk management of temporary transition.

DFC uses Fidelity Brokerage Services, LLC, as its custodian for private client assets. The firm has chosen this custodian on the basis of its reasonable, straightforward commission structure, integrity, and financial stability. DFC benefits from certain services and information provided to the firm by Fidelity, but we do not have discretion as to the commissions our clients pay. As a function of DFC choosing Fidelity as the custodian for its private clients assets, the firm enjoys access to certain research reports to which we might not otherwise have access. The availability of these reports is in no way a function of the number or type of trades the firm executes on behalf of its clients. DFC receives no cash benefits, commissions or equipment from Fidelity.

Review of Accounts

Individual accounts are reviewed daily by DFC's President. This process is facilitated in part by the fact that DFC runs model portfolios, not unique accounts for each household. Certain clients may impose restrictions on their holdings. In accommodating those restrictions, we evaluate any resulting differences between a specific account and the firm's model portfolios very closely. All accounts are monitored on a portfolio management system that provides current and comprehensive information concerning account performance and the progress of individual positions in the portfolio. Account review is a routine firm function, but it can be triggered or intensified by unexpected performance, shifting market conditions, or changing client preferences or circumstances. In both routine and unusual circumstances, the central purpose of DFC's review process is to ensure that the firm's clients understand both what and how their accounts are doing.

An additional purpose is to ensure the suitability of DFC's investment discipline for all clients.

Clients receive quarterly statements for each of their investment advisory accounts. Upon request, clients may receive reports more frequently, and may, in all cases, access comprehensive account information using our custodian's Internet resources. Clients may opt in or out of duplicate confirmations from the trade - executing broker. In addition to these written or formal methods, DFC can communicate with clients frequently by email, postal mail, telephone, and in person—concerning their accounts and personal and financial circumstances.

Client Referrals and Other Compensation

DFC may compensate other advisory or brokerage firms for client referrals. The clients who are referred under this arrangement are notified of the details of the arrangement. Under the agreement, the DFC pays to the referring firm a fee equal to a percentage of DFC's annual management fee. DFC pays this fee out of its own funds. Fees paid by referred clients are not higher or in any way changed by the referral.

Custody

All assets are held at qualified custodians, who provide monthly account statements directly to clients electronically or at their address of record.

DFC does not have custody of client funds.

Investment Discretion

DFC accepts discretionary authority to manage securities accounts on behalf of clients. DFC has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. Discretionary trading authority facilitates placing trades in clients' accounts on their behalf so that we may promptly implement the investment policy that they have approved. Third-party investment managers (e.g., mutual fund managers) have full discretion over trades and do not consult with Interlake or with clients before placing trades.

Voting Client Securities

We do not have nor accept authority to vote client securities.

Financial Information

Registered investment advisors are required to provide you with certain financial information or disclosures about their financial condition. The Company has no financial commitment that impairs its ability to meet its contractual or fiduciary commitments to

clients, and has not been the subject of a bankruptcy proceeding. The firm is not required to provide a balance sheet because DFC does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.