

Firm Brochure

Part 2 of Form ADV

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This brochure provides information about the qualifications and business practices of Starmont Asset Management, LLC. If you have any questions about the contents of this brochure, please contact us at: 925-830-2100, or by email at: nmoriarty@starmont.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. Additional information about the Adviser is available on the SEC's website at www.adviserinfo.sec.gov

03/7/2011

Material Changes

Annual Update

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

Material Changes since the Last Update

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.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: 925-830-2100 or by email at: nmoriarty@starmont.com.

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ADV PART 2A

Advisory Business

Firm Description

Starmont Asset Management, LLC hereinafter (“the Adviser and/or Starmont”) was founded in 1998 and is an SEC registered investment adviser.

The Adviser provides personalized confidential ongoing financial analysis and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Starmont makes investments for Clients based on the individual needs of each Client. Through personal discussions in which goals and objectives based on a Client's particular circumstances are established, Starmont develops a stated objective and risk profile, and creates and manages a portfolio based on those components. If Starmont believes that a portion of a Client's portfolio would be more appropriately managed by a Private Portfolio Manager or Managers, Starmont will assist the Client in selecting one or more Private Portfolio Managers.

In providing the Portfolio Management and Private Portfolio Manager Selection and Monitoring Services described above, Starmont undertakes considerable financial analysis for the Client that addresses many facets of their financial situation.

The Adviser is a fee-only investment management firm as the firm does not sell securities on a commission basis. The Adviser does not act as a custodian of client assets as he client always maintains asset control. Any conflicts of interest arising out of the Adviser’s or its associated persons are disclosed in this brochure.

Principal Owners

Harvey Rowen is a 97.5% stockholder. Todd Conover is a 2.5% stockholder.

Types of Advisory Services

The Adviser provides investment supervisory services, also known as asset management services and furnishes investment advice through consultations on portfolio construction or on third party advisers which is called Private Portfolio Manager Selection. On more than an occasional basis, the Adviser furnishes advice to clients on matters not involving securities usually related to financial analysis services.

As of December 31st 2010 the Adviser manages approximately \$100 million in assets for approximately 100 clients. Approximately \$100 million is managed on a discretionary basis, and \$ 0 is managed on a non-discretionary basis. Agreements may not be assigned without client consent.

Types of Agreements and Services

The following agreements define the typical client relationships.

Investment Management Agreement

Starmont makes investments for Clients based on the individual needs of each Client. Through personal discussions in which goals and objectives based on a Client's particular circumstances are established, Starmont develops a stated objective and risk profile, and creates and manages a portfolio based on those components. Starmont provides this service to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, foundations and corporations. Starmont manages advisory accounts on a discretionary basis. Portfolio management is guided by the stated objectives and risk profile of the Client.

Starmont will create a portfolio consisting of any or all of the following: individual securities selected by Starmont or selected by a private portfolio manager chosen by Starmont; no-load and load-waived mutual funds; and other investments as appropriate (i.e., hedge funds or funds of hedge funds; private equity or private equity funds, etc.). Starmont will allocate the Client's assets among various investments taking into consideration the overall portfolio allocation selected by the Client. Mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history, the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between investments and market sectors will be determined on the basis of each Client's individual needs and circumstances. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the Client's behalf. Clients will retain individual ownership of all securities.

Private Portfolio Manager Selection and Monitoring

While Starmont emphasizes that portfolio management is the main focus of its advisory business, if Starmont believes that a portion of a Client's portfolio would be more appropriately managed by a Private Portfolio Manager or Managers, Starmont will assist the Client in selecting one or more Private Portfolio Managers. Based on each Client's individual circumstances and needs, Starmont will determine which Private Portfolio Manager's portfolio management is appropriate for that Client. Factors considered in making this determination include account size, risk tolerance, the investment objective of each Client and the investment philosophy and performance of the Private Portfolio Manager.

Clients should refer to the private portfolio manager disclosure document for a full description of the services offered by the portfolio manager. Starmont will meet with the Client on a regular basis, or as determined by the Client, to review the account. If Starmont believes that a particular Private Portfolio Manager is performing inadequately, or if Starmont believes that a different Private Portfolio Manager is more suitable for a

Client's particular needs, then Starmont may suggest that the Client contract with a different Private Portfolio Manager.

Under this scenario, Starmont will assist the Client in selecting a new Private Portfolio Manager, and then monitor that private portfolio manager's performance.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. The agreement sets forth the services to be provided, the fees for the service and the agreement may be terminated by either party in writing at any time.

Hourly Planning Engagements

The Adviser may provide hourly planning services for clients who need advice on a limited scope of work.

Asset Management

Investments may include: equities (stocks), corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, and interests in partnerships. Stocks and bonds may be purchased or sold through a brokerage account when appropriate.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying the Adviser in writing which will be effective 30 days after written receipt. Clients shall be charged pro rata for services provided through to the date of termination. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

The Adviser may terminate any of the aforementioned agreements at any time by notifying the client in writing which will be effective 30 days after written receipt. If the client made an advance payment, the Adviser will refund any unearned portion of the advance payment.

Fees and Compensation

Investment Management

The Adviser bases its fees on a percentage of assets under management, hourly charges, and fixed fees. Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party.

The annual fee for Portfolio Management and Private Portfolio Manager Selection and Monitoring will be charged as a percentage of assets under management, according to the schedule below:

Annualized Investment Management Fees		
Account Value From	Account Value To	Annual Percentage Fee
\$0	\$2,000,000	1.00%
\$ 2,000,001	\$5,000,000	.80%
\$5,000,001	\$10,000,000	.60%
Over \$10,000,000		Negotiable

Fees are charged quarterly in advance, based on the net asset value of the portfolio under management on the last day of the previous quarter. Clients will provide a written authorization permitting the management fee to be deducted from the account by the Custodian and paid to Starmont. Starmont will calculate the amount of the fee and provide the fee amount to the Custodian. The Custodian will then deduct the fee from the Client's account and remit the amount to Starmont. At the time Starmont directs the Custodian to deduct the fee; Starmont will provide an invoice to the Client showing the amount of the fee and its calculation method. The Custodian will send the Client a monthly statement showing the current investment positions and any transaction posted during the previous month. For the month in which the fee is deducted, the Custodian's account statement will show the fee amount disbursed from the Client's account.

It should be noted that Starmont will conduct ongoing financial analysis in an effort to continually ensure that investments are appropriate to the client's needs. There is no separate or additional fee for this service. A description of ongoing financial analysis is listed below.

In providing the Portfolio Management and Private Portfolio Manager Selection and Monitoring Services described above, Starmont undertakes considerable financial analysis for the Client. This financial analysis addresses many or all of the following areas:

- PERSONAL: Family records, personal liability, estate information and financial goals.
- CASH FLOW: Cash flow analysis and planning for current and future years
- RETIREMENT: Analysis of current strategies and investment plans to help the Client achieves his or her retirement goals.

- INVESTMENTS: Analysis of investment alternatives and their effect on a Client's portfolio.
-

The result of the ongoing financial analysis is the Portfolio Management and Private Portfolio Manager Selection and Monitoring services described above. In addition, on an ongoing basis, Starmont advises its Clients on financial matters that may arise out of death, divorce, selling a business, buying or selling real estate, exercising stock options, etc. Starmont does not produce formal written financial plans. Should a Client want a formal written plan, Starmont will work with the Client to find a financial planner suitable for the Client.

Starmont manages the accounts of many Clients. This will create conflicts of interest over Starmont's time devoted to managing each Client's account and the allocation of investment opportunities among Clients managed by Starmont. Starmont will attempt to resolve all such conflicts in a manner that is generally fair to all of its Clients. Starmont may give advice and take action with respect to any of its other Clients that may differ from advice given or the timing or nature of action taken with respect to any individual Client. It is Starmont's policy, to the extent practicable, to allocate investment opportunities to each Client over a period of time on a fair and equitable basis relative to other Clients.

General Information for Fees

In certain circumstances, fees and account minimums may be negotiable. The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory Client (SEC Rule 205(a)(1)).

All fees paid to Starmont for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee and other fund expenses. Accordingly, the Client should review both the fees charged by the funds and the fees charged by Starmont to fully understand the total amount of fees to be paid by the Client and to thereby evaluate the advisory services being provided

Performance Fees

Fees are not based on a share of the capital gains or capital appreciation of managed securities. The Adviser does not use a performance-based fee structure.

Types of Clients - Description

The Adviser generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, and corporations or business entities. Occasionally a Principal of Starmont will be asked to serve as an expert witness

in a trial or arbitration involving investment matters. Starmont normally is retained by the law firm representing the plaintiff of defendant, who ultimately pays Starmont's fees. Starmont will charge an hourly fee, or a fixed fee to provide this service. Client relationships vary in scope and length of service.

Account Minimums

Starmont generally requires a minimum account of \$1 million for Investment Management Clients, although under certain circumstances this minimum may be negotiable.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include fundamental analysis technical analysis, and cyclical analysis. The main sources of information include financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, and filings with the Securities and Exchange Commission, and company press releases. Starmont may also utilize other sources of information such as on-line services.

Investment Strategies

Strategies may include long-term purchases, short-term purchases, trading, margin transactions, and option writing (including covered options, uncovered options or spreading strategies). Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time.

The Adviser's strategies do not involve frequent trading.

Market, Security and Regulatory Risks

Any investment with the Adviser involves significant risk, including a complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor which are described below:

Market Risks:

- **Competition**. The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive and each involves a degree of risk. The Adviser will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.
- **Market Volatility**. The profitability of the Adviser substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Adviser

cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

- **Starmont Asset Management LLC's Investment Activities.** The Adviser's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits. Additionally, specific investments under the Adviser's strategy may require significant time to realize the expected return and may experience a pricing correction in a faster-than-expected time, subjecting the Adviser to reinvestment risk. Likewise, the investment strategy of the Adviser is partially dependent on its ability to correctly identify and assess technology's impact on a company's business. As a result of the nature of the Adviser's investing activities, it is possible that its financial performance may fluctuate substantially over time and from period to period.
- **Material Non-Public Information.** By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.
- **Accuracy of Public Information.** The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available. Investments may not perform as expected if information is inaccurate.
- **Investments in Undervalued Securities.** The Adviser intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the Adviser's investments

may not adequately compensate for the business and financial risks assumed. The Adviser may make certain speculative investments in securities which it believes to be undervalued; however, there are no assurances that the securities purchased will in fact be undervalued. It is likely that a major economic recession could severely disrupt the market for such investments and severely impact their value. In addition, it is likely that any such economic downturn could adversely affect the ability of the issuers of such obligations to repay principal and pay interest thereon and increase the incidence of default for such securities. Additionally, there can be no assurance that other investors will ever come to realize the value of some of these investments, and that they will ever increase in price. Furthermore, the Adviser may be forced to hold such investments for a substantial period of time before realizing their anticipated value. During this period, a portion of the Adviser's funds would be committed to the investments made, thus possibly preventing the Adviser from investing in other opportunities.

- **Small Companies.** The Adviser may invest a portion of its assets in small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations. When making large sales, the Adviser may have to sell portfolio holdings at discounts from quoted prices or may have to make a series of small sales over an extended period of time due to the lower trading volume of smaller company securities.
- **Volatility of Currency Prices.** The profitability of the Adviser's portfolios depends, in part, upon the Adviser correctly assessing the future price movements of currencies. However, price movements of currencies are difficult to predict accurately because they are influenced by, among other things, changing supply and demand relationships; governmental, trade, fiscal, monetary and exchange control programs and policies; national and international political and economic events; and changes in interest rates. Governments from time to time intervene in certain markets in order to influence prices directly. The Adviser cannot guarantee that it will be successful in accurately predicting currency price and interest rate movements.
- **Market or Interest Rate Risk.** The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Adviser holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Adviser's performance; however, if the Adviser has to sell the fixed income security before the maturity date, an increase in interest

rates could result in a loss to the Adviser.

- **Fixed Income Call Option Risk.** Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to “call” all or part of the issue before the bond’s maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Adviser is exposed to reinvestment rate risk – the Adviser will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.
- **Maturity Risk.** In certain situations, the Adviser may purchase a bond of a given maturity as an alternative to another bond of a different maturity. Ordinarily, under these circumstances, the Adviser will make an adjustment to account for the interest rate risk differential in the two bonds. This adjustment, however, makes an assumption about how the interest rates at different maturities will move. To the extent that the yield movements deviate from this assumption, there is a yield-curve or maturity risk. Another situation where yield-curve risk should be considered is in the analysis of bond swap transactions where the potential incremental returns are dependent entirely on the parallel shift assumption for the yield curve.
- **Inflation Risk.** Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Adviser purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Adviser is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security. To the extent that interest rates reflect the expected inflation rate, floating rate bonds have a lower level of inflation risk.

Regulatory Risks:

- **Strategy Restrictions.** Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Adviser is appropriate.

- **Trading Limitations.** For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Adviser to loss. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the Adviser to potential losses.
- **Tax Risk.** The tax aspects of an investment in the Adviser are complicated and each investor should have them reviewed by professional advisers familiar with such investor's personal tax situation and with the tax laws and regulations applicable to the investor and private investment vehicles as applicable.
- **Conflicts of Interest.** In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.
- **Supervision of Trading Operations.** The Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

Security Specific Risks:

- **Liquidity.** Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation.
- **Currency.** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Limited Liquidity of Interests.** An investment in a partnership usually involves substantial restrictions on liquidity and its interests are not freely transferable. There is no market for these interests and no market should be expected to develop. Additionally, transfers are usually subject to the consent of the general partner at the general partner's sole discretion.
- **Lack of Registration.** Funds or LP interests have neither been registered

under the Securities Act nor under the securities or “blue sky” laws of any state and, therefore, are subject to transfer restrictions.

- **Withdrawal of Capital.** The ability to withdraw funds from the funds or LP interests is usually restricted in accordance with the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period of time could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund’s assets and/or disrupting the fund’s investment strategy.

Disciplinary Information

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Starmont does not have any other industry affiliations at this time.

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Code of Ethics

The Adviser has adopted a Code of Ethics which establishes standards of conduct for its supervised persons. The Code of Ethics includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It requires supervised persons to report their personal securities transactions and holdings quarterly to the Adviser’s Compliance Officer, and requires the Compliance Officer to review those reports. It also requires supervised persons to report any violations of the Code of Ethics promptly to the Adviser’s Compliance Officer. Each supervised person of the Adviser receives a copy of the Code of Ethics and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code of Ethics during that year. Clients and prospective clients may obtain a copy of the Adviser’s Code of Ethics by contacting the Compliance Officer of the Adviser.

Participation or Interest in Client Transactions

Under the Adviser’s Code of Ethics, the Adviser and its managers, members, officers and employees may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. If an issue is purchased or sold for clients and any of the Adviser, managers, members, officers and employees on the same day purchase or sell the same security,

either the clients and the Adviser, managers, members, officers or employees shall receive or pay the same price or the clients shall receive a more favorable price. The Adviser and its managers, members, officers and employee may also buy or sell specific securities for their own accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients.

Personal Trading

The Chief Compliance Officer of the Adviser is Harvey Rowen. He reviews all employee trades each quarter (except for his own trading activity that is reviewed by another principal or officer of the Firm). The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

Brokerage Practices

Brokerage Selection and Soft Dollars

Starmont will generally use the brokerage discretion granted by Clients to place its Client trades through Charles Schwab or Fidelity. When electing to use Charles Schwab or Fidelity, Starmont bases its decisions on a number of factors, including: price, a comparative analysis of the discounts offered, the competency of its back office support, including the provision of access to no-load, low-load and no-transaction fee mutual funds, and the accessibility of the technological links they can provide to Starmont's information systems. Of major importance is the ability for individual accounts to acquire shares of mutual funds that would normally be available only to very large clients or pension plans. It is acknowledged that lower fees may be available from other broker-dealers in some situations.

In addition, when placing trades through Charles Schwab or Fidelity, Starmont considers a number of other factors in conjunction with its best execution duties owed to Clients. Starmont may allocate such transactions to such broker-dealers for execution on such markets, at such prices and at such commission rates as in the good faith judgment of Starmont will be in the best interest of the Client. Starmont takes into consideration that in selecting such broker-dealers, the available prices and rates of commissions are important, but are not the only factors. Starmont considers other relevant factors such as, but not limited to, execution capabilities and research; custodial and other services provided by such broker-dealers that are expected to enhance the general portfolio management capabilities of Starmont; the size of the transaction; the difficulty of execution; the operational facilities of the broker-dealer involved; the risk in positioning a block of securities; the quality of the overall brokerage and research services provided by

the broker-dealer; and the value of an ongoing relationship of Starmont with such broker-dealers. Research services received by Starmont include such items as economic forecasts, investment strategy advice, fundamental advice on individual securities, valuation advice and market analysis.

Because of the research services provided, Starmont may pay a brokerage commission in excess of that which another broker-dealer may have charged for effecting the same transaction, if Starmont determines in good faith that such amount is reasonable in light of services received. Research services received with respect to a specific Client account transaction may not be used specifically for that account, but will provide a service that will generally benefit all Starmont Client accounts.

The client authorizes the discretion to select the custodian to be used and the commission rates paid to the Adviser. The Adviser does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Order Aggregation

The Adviser may purchase and/or sell the same security for many accounts, even though each Client account is individually managed. When possible, the Adviser may also aggregate the same transaction in the same securities for many Clients for whom the Adviser has discretion to direct brokerage. Clients in aggregated transactions each receive the same price per unit, although they may pay differing brokerage commissions depending upon the nature of their directed brokerage arrangement, if any.

If more than one price is paid for securities in an aggregated transaction, each client in the aggregated transaction will receive the average price paid for the block of securities in the same aggregated transaction for the day. If the Adviser is unable to fill an aggregated transaction completely, but receives a partial fill of the aggregated transaction, the Adviser will allocate the filled portion of the transaction to clients based on an equitable rotational system as follows:

All clients/investors, accounts or funds participating in the aggregated order shall receive an average share price with all other transaction costs shared on a pro-rata basis. Aggregate transactions must not be executed unless the intended and resultant aggregation is consistent with its duty to seek best execution and any terms found in the Adviser's written agreements.

Aggregated orders filled in their entirety shall be allocated among clients/investors, accounts or funds in accordance with an allocation statement created prior to the execution of the transaction(s); partially filled orders shall be allocated pro-rata based on the allocation statement and the variance from the modeled allocation of a security. Where this method prescribes an odd-lot that is less than 100 shares for an account, the allocation will be rounded up to a whole lot. Client/investor funds held collectively for

the purpose of completing the transaction may not be held in this commingled manner for any longer than is practical to settle the transaction.

Each client/investor, account or fund that participates in an aggregated order will participate at the average share price for all the Adviser's transactions in that security on a given business day, with transaction costs shared pro-rata based on each client/investor's, account's or fund's participation in the transaction.

Investments resulting from any aggregated order must be consistent with the specific investment objective(s) of each client/investor, account or fund as detailed in any written agreements. No additional compensation shall result from the proposed allocation. No Client/investor, account or fund will be favored over any other Client/investor, account or fund as a result of the allocation.

Pre-allocation statement(s) specifying the participating Client/investor accounts and the proposed method to allocate the order among the clients/investors, accounts or funds are required prior to any allocated order. Basis for establishing pre-allocations may include pro-rata of account assets to assets for the specific strategy, executing broker and variance from modeled position holding as factors. Should the actual allocation differ from the allocation statement, such trade may only be settled with the approval of the CCO or another appropriately qualified and authorized principal of the Adviser.

In cases where the Client has negotiated the commission-rate directly with the broker, the Adviser will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the Client will be precluded from receiving the benefit of any, possible commission discounts that might otherwise be available a result of the aggregated trade.

Directing Brokerage for Client Referrals

The Adviser and its associated persons do not receive client referrals from broker dealers or third parties as consideration for selecting or recommending brokers for client accounts.

Directed Brokerage

The Adviser may from time to time allow clients to direct brokerage but the Adviser does not require clients to direct brokerage. In the event that a client directs the Adviser to use a particular broker or dealer, the Adviser may not be authorized under those circumstances to negotiate commissions and may not be able to obtain volume discounts or best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions charged to clients who direct the Adviser to use a particular broker or dealer and other clients who do not direct Advisor to use a particular broker or dealer which may result in higher trading expenses to the client who directs brokerage. The Adviser may place orders for transactions in certain securities initially only for those accounts which are held in custody at banks or at brokerage firms that permit the Adviser to place trades for accounts held in custody at that firm with other brokerage firms. Therefore, accounts held in custody at firms which do not permit the

Adviser to place transactions with other brokerage firms may not be able to participate in the initial transaction and may not be able to participate in the same gains or losses as other Clients whose accounts are not so restricted. In cases where trading or investment restrictions are placed on a Client's account, the Adviser may be precluded from aggregating that Client's transaction with other accounts which may result in less favorable security prices and/or higher transaction costs.

Review of Accounts

Periodic Reviews

Account reviews are performed no less than quarterly and are reviewed by advisor associates and by Harvey Rowen, Chief Compliance Officer. Advisory Associates are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Review Triggers

Accounts are reviewed quarterly or more frequently when market conditions dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

Regular Reports

Clients receive periodic reports on at least a quarterly basis. The written reports may include account valuation, performance stated in dollars and as a percent, net worth statement, portfolio statement, and a summary of objectives and progress towards meeting those objectives. Clients receive in hard copy and electronically statements of account positions no less than monthly from the account custodian.

Client Referrals

Starmont utilizes the services of Fidelity and Charles Schwab. While there is no direct linkage (except certain circumstances) between the investment advice given to Clients and Starmont's participation in the Fidelity and Schwab programs, economic benefits are received by Starmont which would not be received if Starmont did not give investment advice to Clients. These benefits do not depend on the amount of transactions directed by Starmont to Fidelity and Schwab (except in certain circumstances). These benefits include: a dedicated trading desk that services participants exclusively, a dedicated service group and account services managers dedicated to Starmont's accounts, access to real-time order matching systems ability to "block" Client trades, electronic download of trades, balances and positions, access, for a fee, to an electronic interface with Fidelity and Schwab's software, duplicate and batched Client statements, confirmations and year-end summaries, the ability to have advisory fees directly debited from Client accounts (in accordance with federal and state requirements), availability of third-party research and

technology, access to Fidelity and Schwab mutual funds, access to over 350 mutual fund families and 4,500 mutual funds NOT affiliated with Fidelity and Schwab of which over 2,000 have no transaction fee, ability to have loads waived for Starmont's Clients who invest in certain loaded funds, when certain conditions are met and maintained.

Other Compensation

On more than an occasional basis, Principals of the firm may be hired by attorneys to provide consultation on legal cases involving investment management or related cases and when necessary to give depositions and perform a role as expert witness in legal proceedings. Compensation for these services is negotiated on a case by case basis.

Custody

Custody Policy

The Adviser does not accept or permit the Firm or its associated persons from obtaining custody of client assets including cash, securities, acting as trustee, provide bill paying service, have password access to control account activity or any other form of controlling client assets. All checks or wire transfer to fund client accounts are required to be made out to/sent to the account custodian.

Account Statements

All assets are held at qualified custodians and the custodians provide account statements not less than quarterly to clients at their address of record. Clients should carefully review such statements for any discrepancies or inaccuracies.

Performance Reports

Pursuant to recent amendments to Rule 206(4) under the Investment Advisers Act of 1940, the Securities and Exchange Commission now requires advisers to urge clients to compare the information set forth in their statement from the Adviser with the statements received directly from the custodian to ensure accuracy of all account transactions.

Investment Discretion

Discretionary Authority for Trading

The Adviser contracts for discretionary authority to transact portfolio securities accounts on behalf of clients. Discretionary authority is granted by the Adviser's investment management agreement. The Adviser 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. The firm's discretionary authority regarding investments may however be subject to certain limitations. These limitations are recognized as the restrictions and prohibitions placed by the Client on transactions in certain types of business or industries. All such restrictions are to be agreed upon in writing at the account's inception. The Adviser will consult with the client where discretion is not obtained prior to each trade in order to obtain client approval for the transaction(s).

The client authorizes the discretion to select the custodian to be used and the commission rates paid to the Adviser. The Adviser does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Voting Client Securities

The Adviser will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. The Adviser does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. The Adviser promptly passes along any proxy voting information to the clients or their representatives.

Financial Information and Condition

The Adviser does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. The Adviser meets all net capital requirements that it is subject to and the Adviser has not been the subject of a bankruptcy petition in the last 10 years.

The Adviser is not required to provide a balance sheet as it 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, and six months or more in advance.

Business Continuity Plan

General

Starmont Asset Management, LLC has developed a Business Continuity Plan on how we will respond to events that significantly disrupt our business. Since the timing and impact

of disasters and disruptions are unpredictable, we will have to be flexible in responding to actual events as they occur. With that in mind, we are providing you with this information on our Business Continuity Plan.

Contacting Us – If after a significant business disruption you cannot contact us as you usually do by phone at 925-830-2100, you should contact us via email at advisors@starmont.com. If you cannot access us through either of those means, you should contact the brokerage firms that are the custodians of your brokerage accounts directly for instructions on how you may access investment information, invest additional funds, and/or provide you with prompt access to funds and securities. Custodian numbers are as follows: Schwab 800-435-4000, Fidelity 800-462-5450.

Our Business Continuity Plan – We plan to quickly recover and resume business operations after a significant business disruption and respond by safeguarding our employees and property, making a financial and operational assessment, protecting the Firm's books and records, and allowing our clients to transact business. In short, our Business Continuity Plan is designed to permit our Firm to resume operations as quickly as possible, given the scope and severity of the significant business disruption.

Our Business Continuity Plan addresses: data back-up and recovery; all mission critical systems; financial and operational assessments; alternative communications with clients, employees, and regulators; alternate physical location of employees; critical supplier, contractor, bank, and counter-party impact; regulatory reporting; and assuring our clients prompt access to their investments if we are unable to continue our business.

Varying Disruptions – Significant business disruptions can vary in their scope, such as only our firm, a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to a local site when needed and expect to recover and resume business within 24 hours. In a disruption affecting our business district, city, or region, we will transfer our operations to a site outside of the affected area, and recover and resume business within 72 hours. In either situation, we plan to continue in business, and notify you through our customer emergency number how to contact us. If the significant business disruption is so severe that it prevents us from remaining in business, we will assure our customers' prompt interface with the respective companies and entities that have provided investment products to you, through us.

Starmont will provide a copy of the Business Continuity Plan to any Client or prospective Client upon request.

Information Security Program

Information Security

The Adviser maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Practices

Privacy Policy

Below is a summary of the Adviser's Privacy Policy regarding client personal information. A complete version of the Privacy Policy is contained in your client Advisory agreement and may be obtained by contacting the Compliance Officer of the Adviser.

Starmont Asset Management LLCC::

- (a) Collects non-public personal information about its clients from the following sources:
 - Information received from clients on applications or other forms;
 - Information about clients' transactions with the Adviser, its affiliates and others;
 - Information received from our correspondent clearing broker with respect to client accounts;
 - Medical information submitted as part of an insurance application for a traditional life or variable life policy; and
 - Information received from service bureaus or other third parties.
 - To establish or maintain an account with an unaffiliated third party;
 - As required by law or regulation; or
 - To our parent company and affiliated subsidiaries as permitted by law.
- (b) Restricts access to confidential client information to individuals who are authorized to have access to confidential client information and need to know that information to provide services to clients.
- (c) Maintains physical, electronic and procedural security measures that comply with applicable state and federal regulations to safeguard confidential client information.

Form ADV Part 2B

Education and Business Standards

Starmont Asset Management, LLC requires that advisors have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning.

Examples of acceptable coursework may include: an MBA, a CFP, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Education and Business Background

Harvey A. Rowen

Year of birth: 1943

Educational Background:

- Graduated from University of California, Los Angeles in 1964 with a B.S. in Accounting.
- Graduated from Boalt Hall School of Law, University of California in 1967 with a J.D.
- Graduated from Stern School of Business, New York University in 1981 with an M.B.A. in Finance.

Business Experience:

- Attorney, Securities and Exchange Commission, from 1968 to 1971.
- Attorney, United States Congress, from 1971 to 1975.
- Senior Consultant at the Stanford Research Institute from 1975 to 1977.
- Vice President of Merrill Lynch & Co., Inc. from 1977 to 1987.
- President of Merrill Lynch Trust Company from 5/87 to 5/88.
- Chairman of the Trust Committee of Merrill Lynch Trust Company from 5/88 to 12/90.
- Private investor and management consultant from 1/91 to 12/91 and 4/96 to 3/98.

- President and CEO of Charles Schwab Trust Company from 1/92 to 4/96.
- Managing Member, Managing Director of Starmont Asset Management from 3/98 to 12/2002.
- Managing Member, Managing Director of Starmont Asset Management, LLC (formerly Sutter Starmont Asset Management, LLC) from 01/2002 to present.
- Former Member, Dean's Advisory Board, Haas School of Business, University of California, Berkeley. 1993-2002
- Member, Advisory Board, Berkeley Center for Law, Business and The Economy, University of California, Berkeley, 2005-Present
- Chairman, Investment Monitoring Committee, Foundation of the Jewish Federation of the Greater East Bay, 2008-Present

Other Business Activities: None

Additional Compensation: None

Supervision:

Harvey A. Rowen is self supervised.

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Craig Bigelow, CFP

Year of birth: 1960

Educational Background:

- MBA, Management, Golden Gate University, 1991-1992
- BS, Business Administration, Cal State University, Northridge 1981-1984

Business Experience:

- DJMC Advertising, Media Buyer, 1984 to 1987
- Graham Advertising, Account Manager/Senior Media Buyer, 1987 to 1998
- Jan Mergel & Associates, Inc, Account Manager 1998 to 1998
- PaineWebber Inc., Financial Advisor, 1998 to 2000
- Charles Schwab & Co., Inc/Charles Schwab Bank, N.A, 2000 to 2006

- Starmont Asset Management, LLC 2006 to Present

Other Business Activities: None

Additional Compensation: None

Supervision:

Craig Bigelow is supervised by Harvey A. Rowen, CCO. He reviews Craig Bigelow's work through frequent office interactions.

Harvey Rowen: Supervisor

PHONE: (925) 830-2100 EMAIL: hrowen@starmont.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Vivian Groman, Independent Contractor

Year of birth: 1957

Educational Background:

- BS Haas School of Business, University of California Berkley, 1979 Business Experience:

Business Experience:

- Charles Schwab & Co. Inc. 1991-2004
- SVP–Client Relationship Management 2000 – 2002
- SVP–Finance and Corporate Administration Technology 1999 – 2000
- VP–Finance Systems and Support 1997 – 1999
- Director–Finance Systems & Support 1994 – 1997
- Director–Corporate Accounting Re-Engineering Projects 1993 – 1994
- Director–Corporate Accounting 1991 – 1993
- CivicBank of Commerce, Vice President, Controller 1987 – 1991
- GENSTAR CORPORATION
- Genstar Corporation , Accounting Supervisor 1983–1984 and 1985–1986
- FNC International, San Francisco 1985
- KPMG Peat Marwick, Supervising Senior Accountant 1979 – 1983

Additional Compensation: None

Supervision:

Vivian Groman is supervised by Harvey A. Rowen, CCO. He reviews Vivian's work through frequent interactions.

Harvey Rowen: Supervisor

PHONE: (925) 830-2100 EMAIL: hrowen@starmont.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None