



Mercadien Asset Management, L.L.C.

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Form ADV, Part 2A Brochure

March 25, 2011

This Brochure provides information about the qualifications and business practices of Mercadien Asset Management, L.L.C. If you have any questions about the contents of this Brochure, please contact us at 609-689-2318 or kk@mercadien.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.

Mercadien Asset Management, L.L.C. is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Mercadien Asset Management, L.L.C. also is available on the SEC's website at www.adviserinfo.sec.gov.

Material Changes

The purpose of this page is to inform you of any material changes since the previous version of this brochure.

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 25, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

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Advisory Business

DESCRIPTION OF ADVISORY FIRM

Mercadien Asset Management, L.L.C. (“MAM”, “we,” “us”, or “Registrant”) is a privately owned corporation headquartered in Hamilton, New Jersey. MAM is registered as an investment adviser with the Securities and Exchange Commission.

Kenneth A. Kamen, President, is 25% owner since 2004 and The Mercadien Group is 75% owner of Mercadien Asset Management, L.L.C. since the company inception in August 2000.

ADVISORY SERVICES OFFERED

As discussed below in this disclosure statement, the Registrant provides its clients (i.e., individuals, pension and profit sharing plans, trusts, and business entities) with financial planning and investment management services.

FINANCIAL PLANNING

To the extent requested by the client, Registrant may provide its clients with a broad range of comprehensive financial planning and consulting services (including non-investment related matters). Prior to engaging the Registrant to provide financial planning and/or consulting services, the client will generally be required to enter into a *Financial Planning Agreement* with Registrant setting forth the terms and conditions of the engagement, describing the scope of the services to be provided, and the portion of the fee that is due from the client prior to Registrant commencing services. In performing its services, Registrant shall not be required to verify any information received from the client or from the client’s other professionals, and is expressly authorized to rely upon such information. If requested by the client, Registrant may recommend the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from the Registrant. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant’s previous recommendations and/or services.

INVESTMENT IMPLEMENTATION / MANAGEMENT

In the event the client desires, the client can engage the Registrant to provide both non-discretionary and discretionary investment management services on a *fee-only* basis.

Currently, Registrant primarily recommends that its clients allocate investment management assets on a discretionary and non-discretionary basis, in accordance with each client's designated investment objective(s), among various individual debt and/or equity securities, mutual funds, exchange traded funds (ETFs) or unaffiliated independent investment managers (see discussion below concerning *Independent Manager[s]*). The Registrant shall generally allocate the investment assets of accounts less than \$500,000 among mutual funds. Depending upon a client's specific circumstances and the judgment of the Registrant, exceptions may be made to the above general allocation guidelines.

For those clients that require an enhanced and/or specialized level of asset management services, Registrant may also recommend that these clients authorize the active discretionary management of their assets by and/or among certain independent investment manager[s] to be selected by the Registrant (the "*Independent Manager[s]*"), based upon the stated investment objectives of the client, including investment managers selected by Registrant or in conjunction with the services provided by *RBC Correspondent Services*. The terms and conditions under which the client shall engage the *Independent Manager[s]* shall be set forth in written agreements between the client and the Registrant. The Registrant shall continue to render advisory services to the client relative to the ongoing monitoring and review of account performance, client investment objectives and asset allocation, for which Registrant shall receive an annual advisory fee which is based upon a percentage of the market value of the assets being managed by the designated *Independent Manager[s]*. Factors which the Registrant shall consider in selecting *Independent Manager[s]* include the client's stated investment objective(s), management style, performance, financial strength, reporting, pricing, and research. Except for *RBC Correspondent Services Program* assets as described below, the investment management fees charged by the designated *Independent Manager[s]*, together with the fees charged by the corresponding designated broker-dealer/custodian of the client's assets, are exclusive of, and in addition to, Registrant's ongoing investment advisory fee.

The Registrant will enroll clients whose assets are allocated among various individual debt and/or equity securities and/or among certain participating independent investment managers in Registrant's proprietary asset management wrap fee program (referred to as the "*Wrap Program*") for implementation of Registrant's investment recommendations on a *fee-only* basis. Under the *Wrap Program*, a participant may authorize the active discretionary management of his/her/their/its account by and/or among certain participating independent investment managers to be identified by Mercadien Asset Management and selected by the participant,

based upon the participant's stated investment objective(s). Clients participating in the *Wrap Program* shall receive, for a single specified fee: (1) *Wrap Program* services provided by Mercadien Asset Management; (2) active discretionary investment management services from participant selected independent investment manager[s]; (3) execution of brokerage transactions effected by the independent investment manager[s] through Registrant's affiliated SEC registered and FINRA member broker-dealer Mercadien Securities, LLC; and (3) account custodial/clearing services through RBC Correspondent Services Corporation ("*RBC CS*"), an SEC registered and FINRA member broker-dealer. As sponsor of the *Wrap Program*, Mercadien Asset Management has a financial incentive to recommend participation in the *Wrap Program* over other programs or services. Participation in the *Wrap Program* may cost more or less than purchasing such services separately. In addition, the fees charged by Mercadien Asset Management for participation in the *Wrap Program* may be higher or lower than those charged by other sponsors of comparable wrap fee programs. The terms and conditions for client participation in the *Wrap Program* are set forth in detail in Registrant's wrap fee brochure, which can be found below in Appendix A and is presented to all prospective *Wrap Program* clients.

Those clients whose assets are allocated among Independent Manager[s] outside of those recommended under the *Wrap Program* (see above), and whose accounts are maintained at *RBC Correspondent Services*, may also participate in a *RBC Correspondent Services*-sponsored wrap fee program (the "*Resource II Program*"), the full terms and conditions of which shall be disclosed in the sponsor's Wrap Fee Brochure, a copy of which shall be presented by the Registrant to each prospective participating client. The *Resource II Program* fee is payable quarterly, in advance, based on the market value of the *Resource II Program* account as of the close of business on the last business day of the preceding calendar quarter. The *Resource II Program* fee includes investment advisory services (i.e., from the Registrant and the *Independent Manager[s]*), the execution of brokerage transactions, custodial services and reporting services. *Resource II Program* transactions will be executed through Mercadien Securities, LLC, Registrant's affiliated SEC registered and FINRA member broker-dealer, resulting in the commission portion of the *Resource II Program* fee being paid to Mercadien Securities, LLC, and thereby creating a conflict of interest (**see below** for more information concerning the execution of brokerage transactions). Participation in the *Resource II Program* may cost more or less than purchasing such services separately. In addition, the fees charged for participation in the *Program* may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

The brokerage commissions and/or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment management fee.

No portion of the brokerage commissions and/or transaction fees shall be paid to the Registrant.

In performing its services, Registrant shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. The client is free to accept or reject any recommendation made by the Registrant. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Registrant if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Registrant's previous recommendations and/or services.

Registrant's clients are advised to promptly notify the Registrant if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Registrant's management services.

Neither the Registrant nor the client may assign the *Financial Planning Agreement* or *Investment Advisory Agreement* without the prior written consent of the other party. Transactions that do not result in a change of actual control or management of the Registrant shall not be considered an assignment.

A copy of this ADV Part 2A shall be provided to each client prior to or at the time of signing the *Financial Planning Agreement* or *Investment Advisory Agreement*. We will provide the client with a copy of our written disclosure statement at least forty-eight (48) hours prior to executing the *Financial Planning Agreement* or *Investment Advisory Agreement*.

COMMISSION TRANSACTIONS

In the event that the client desires, the client can engage certain of Registrant's Principals and/or Associated Persons, in their individual capacities as registered representatives of Mercadien Securities, LLC ("*Mercadien Securities*") an SEC registered and FINRA member broker-dealer affiliated with the Registrant, to implement investment recommendations on a fully-disclosed commission basis. In the event the client chooses to purchase investment products through *Mercadien Securities*, brokerage commissions will be charged by *Mercadien Securities* to effect securities transactions, a portion of which commissions shall be paid by *Mercadien Securities* to the applicable Principal and/or Associated Persons. The brokerage commissions charged by *Mercadien Securities* may be higher or lower than those charged by other broker-dealers. In addition, *Mercadien Securities*, as well as to the applicable Principal and/or Associated Persons, relative to commission mutual fund purchases, may also receive additional ongoing 12b-1 trailing commission compensation directly from the mutual fund company during the period that the client maintains the mutual fund investment.

ASSETS UNDER MANAGEMENT

Total assets invested with MAM as of February 28, 2011 was \$167,574,000.

Fees and Compensation

FINANCIAL PLANNING

Registrant will charge a fee (fixed and/or hourly) for these services. Registrant's financial planning fees are negotiable, but generally range from \$500.00 to \$25,000.00 on a fixed fee basis and from \$200.00 to \$400.00 on an hourly rate basis, depending upon the level and scope of the services required, and the professional rendering the service(s). Fees incurred on an hourly rate basis will generally be billed upon completion of the engagement as defined in the *Financial Planning Agreement*. Fees incurred on a fixed fee basis will be handled as specified in the following section, Investment Implementation / Management. In the event the client terminates Registrant's financial planning and/or consulting services, the balance of Registrant's fee, if any, shall be refunded to the client.

INVESTMENT IMPLEMENTATION / MANAGEMENT

In the event the client determines to engage Registrant for these services, Registrant shall charge an annual fee based upon a percentage of the market value of the assets being managed by the Registrant. The annual investment management fee charged shall vary (between 0.25% and 2.00%) depending upon the investment type and market value of assets under management.

Registrant's annual investment management fee shall be pro-rated and debited from your account(s) quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. The Registrant generally requires a \$2,500.00 minimum fee and a \$250,000 account minimum for investment management services. Registrant, in its sole discretion, may charge a lesser management fee and/or reduce or waive the minimum fee and/or account minimum based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, type of services required, account composition, negotiations with client, etc.). Registrant's investment management fee shall be prorated through the date of termination, and any remaining balance shall be promptly refunded to the client.

The designated broker-dealer/custodian, including Registrant's affiliated broker-dealer entity Mercadien Securities, LLC, may charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity/debt securities transactions). In addition to Registrant's investment management fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all mutual fund purchases, charges imposed at the mutual fund level (e.g., management fees and other fund expenses).

Performance-Based Fees and Side-By-Side Management

Mercadien Asset Management, L.L.C. does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Types of Clients

Mercadien Asset Management, L.L.C. provides investment management and financial planning services to high net worth individuals, pension and profit sharing plans, trusts, and business entities.

We require a \$2,500.00 minimum fee and a \$250,000 account minimum for investment management services, unless otherwise agreed upon as stated under Fees and Compensation above. However, Registrant, in its sole discretion, may charge a lesser management fee or require a lesser initial account minimum based upon certain criteria (i.e., a pre-existing client of Mercadien, P.C., CPAs, anticipated future additional assets, total dollar amount of assets to be managed, related accounts, account composition, and negotiations with client, etc.). If applicable, client accounts may also be subject to minimum requirements imposed by *Independent Manager[s]* and mutual funds.

Methods of Analysis, Investment Strategies and Risk of Loss

As described under Advisory Services Offered above, the Registrant primarily recommends that its clients allocate investment management assets in accordance with each client's designated investment objective(s), among various individual debt and/or equity securities, mutual funds, exchange traded funds (ETFs) or unaffiliated independent investment managers. The Registrant shall generally allocate the investment assets of smaller accounts among mutual funds. Depending upon a client's specific circumstances and the judgment of the Registrant, exceptions may be made to the above general allocation guidelines.

The Registrant takes into consideration both internally and externally generated research when advising on client's assets. This research comes from a variety of sources including financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, and filings with the Securities and Exchange Commission. Security analysis methods utilized include charting, fundamental and technical analysis.

The types of securities that the Registrant utilizes in client portfolios are subject to risk. Please carefully consider the following prior to entering into an agreement:

- Investing in securities involves risk of loss which you should be prepared to bear;
- Securities markets experience a varying degree of volatility;
- Your assets may fluctuate and at anytime may be worth more or less than the amount you invested;
- Past performance in no guarantee of future results

Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of MAM or the integrity of MAM's management. MAM has no information applicable to this Item.

Other Financial Industry Activities and Affiliations

Registrant does not render accounting advice nor tax preparation services to its clients. Rather, to the extent that a client requires accounting advice and/or tax preparation services, Registrant, if requested, will recommend the services of a certified public accountant, all of which services shall be rendered independent of the Registrant pursuant to a separate agreement between the client and the certified public accountant. Registrant shall not receive any of the fees charged by any recommended certified public accountant, referral or otherwise. Specifically, Mercadien, P.C., CPAs, an affiliate of the Registrant, is a certified public accounting firm principally located in Hamilton, New Jersey. To the extent that Mercadien, P.C., CPAs provides accounting and/or tax preparation services to any clients, including clients of the Registrant, all such services shall be performed by Mercadien, P.C., CPAs, in its individual professional capacity, independent of the Registrant, for which services Registrant shall not receive any portion of the fees charged by Mercadien, P.C., CPAs, referral or otherwise.

It is expected that the members of Mercadien, P.C., CPAs, solely incidental to their respective practices as CPAs, shall recommend the Registrant's services to certain of Mercadien, P.C., CPAs' clients. Mercadien, P.C., CPAs shall not currently receive any referral fees from the Registrant. Certain members of Mercadien, P.C., CPAs, indirectly, relative to their respective ownership interests in The Mercadien Group, LLC, the seventy five percent (75%) owner of the Registrant, shall be entitled to receive ownership distributions from the Registrant. Mercadien, P.C., CPAs is not involved in providing investment advice on behalf of the Registrant, nor does Mercadien, P.C., CPAs hold itself out as providing advisory services on behalf of the Registrant.

Certain of Registrant's Associated Persons are registered in their individual capacities as Registered Representatives of *Mercadien Securities*, and in that capacity may implement Registrant's investment recommendations through *Mercadien Securities*, on a fully-disclosed commission basis. In the event that the client chooses to purchase investment products through *Mercadien Securities*, brokerage commissions will be charged by *Mercadien Securities* to effect securities transactions, a portion of which commissions shall be paid by *Mercadien Securities* to the applicable Principal and/or Associated Persons.

The Mercadien Group, the 75% owner of Registrant, is also the sole member and owner of Mercadien Insurance Services, LLC, a New Jersey licensed insurance agency ("*Mercadien Insurance*"). To the extent that clients of the Registrant determine to engage the services of *Mercadien Insurance*, Registrant shall not receive any portion of the insurance commissions paid to *Mercadien Insurance*. Accordingly, Registrant's relationship with *Mercadien Insurance* is not material to its advisory business.

In addition, although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Registrant may receive from a particular broker-dealer/custodian, without cost (and/or at a discount) support services and/or products, which assist Registrant to better monitor and service client accounts maintained at a particular broker dealer/custodian.

Code of Ethics

No employee of Registrant may effect for himself or herself or for his or her immediate family (i.e., spouse, minor children) (collectively "Covered Persons") any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Registrant's clients, unless in accordance with the following Firm Procedures.

Firm Procedures

In order to implement Registrant's investment policy, the following procedures have been put into place with respect to Registrant and its Covered Persons:

- (1) If Registrant is purchasing or considering for purchase any security on behalf of Registrant's client, no Covered Persons may transact in that security prior to the client purchase having been completed by Registrant, or until a decision has been made not to purchase the security on behalf of the client; and
- (2) If Registrant is selling or considering the sale of any security on behalf of Registrant's client, no Covered Persons may transact in that security prior to the sale on behalf of the client having been completed by Registrant, or until a decision has been made not to sell the security on behalf of the client.

Exceptions

- (1) This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of Registrant's clients trade in sufficiently broad markets to permit transactions to be completed without any appreciable impact on the markets of the securities. Under certain circumstances exceptions may be made to the policies stated above. Records of these trades, including the reasons for the exceptions, will be maintained with Registrant's records in the manner set forth above.
- (2) Open-end mutual funds and/or the investment subdivisions which may comprise a variable insurance product are purchased or redeemed at a fixed net asset value price per share specific to the date of purchase or redemption. As such, transactions in mutual funds and/or variable insurance products by Covered Persons are not likely to have an impact on the prices of the fund shares in which clients invest, and are therefore not prohibited by Registrant's Investment Policy and Procedures.

- (3) The following securities are also excepted: direct obligations of the Government of the United States, broker's acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, and exchange traded funds (ETFs).
- (4) Client accounts for which all account transactions are provided on a discretionary basis by unaffiliated third party *Independent Manager[s]*.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material nonpublic information by the Registrant or any person associated with the Registrant.

Brokerage Practices

As discussed above, to the extent that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services, Registrant generally recommends that investment management accounts be maintained at Registrant's affiliated broker-dealer, Mercadien Securities, LLC ("*Mercadien Securities*"), an SEC registered and FINRA member broker-dealer clearing through *RBC Correspondent Services*. Prior to engaging Registrant to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian. Both Registrant's *Investment Advisory Agreement* and the custodian's custodial/clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment management fee and to directly remit that management fee to the Registrant in accordance with required SEC procedures. The *Investment Advisory Agreement* between Registrant and the client will continue in effect until terminated by the Registrant upon written notice to the client, or by the client upon thirty (30) days written notice to the Registrant.

Factors which the Registrant considers in recommending a particular broker-dealer/custodian to clients include financial strength, execution, pricing, research, and service. In return for effecting securities transactions through a designated broker-dealer/custodian, Registrant may receive certain investment research products and/or services which assist the Registrant in its investment decision-making process for the client pursuant to Section 28(e) of the Securities Exchange Act of 1934. Although the commissions paid by Registrant's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative

factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products and/or services that *may* be obtained by Registrant will generally be used to service all of Registrant's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

Registrant's general policies relative to the execution of client securities brokerage transactions are as follows:

Execution of Brokerage Transactions (when applicable). If requested, Registrant will arrange for the execution of securities brokerage transactions for the account through broker dealers that Registrant reasonably believes will provide "best execution." In seeking best execution, the determinative factor is not the lowest possible commission cost but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive commission rates, it may not necessarily obtain the lowest possible commission rates for account transactions.

Consistent with obtaining best execution, transactions for a client's account may be effected through broker-dealers in return for research products and/or services which assist Registrant in its investment decision making process. Such research generally will be used to service all of Registrant's clients, but brokerage commissions paid by client may be used to pay for research that is not used in managing the client's account. The account may pay to a broker-dealer a commission greater than another qualified broker-dealer might charge to effect the same transaction where Registrant determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

Transactions for each client account generally will be effected independently, unless Registrant decides to purchase or sell the same securities for several clients at approximately the same time. Registrant may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Registrant's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among Registrant's clients in proportion to the purchase and sale orders placed for each client account on any given day. To

the extent that the Registrant determines to aggregate client orders for the purchase or sale of securities, including securities in which Registrant's principals and/or associated persons may invest, the Registrant shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, we shall not receive any additional compensation or remuneration as a result of the aggregation.

The client may direct Registrant to use a particular broker-dealer (subject to the Registrant's right to decline and/or terminate the engagement) to execute some or all transactions for the client's account. In such event, the client will negotiate terms and arrangements for the account with that broker-dealer, and the Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant.

In the event that the client directs the Registrant to effect securities transactions for the client's account(s) through a specific broker-dealer, or that transactions are effected through a broker-dealer that refers investment management clients to the Registrant, the client correspondingly acknowledges that the potential for conflict of interest may result. This is due to the potential for the client's account(s) to incur higher commissions or transaction costs by utilizing a particular broker-dealer rather than effecting account transaction(s) through alternative clearing arrangements.

Review of Accounts

For those clients to whom Registrant provides investment supervisory services, accounts reviews are conducted on an ongoing basis by the Registrant's Associated Persons. All clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives and/or financial situation. All clients (in person or telephonically) are encouraged to comprehensively review financial planning issues, investment objectives and account performance with the Registrant on an annual basis, as applicable.

Those clients to whom Registrant provides investment supervisory services may also receive a quarterly report from the Registrant summarizing account activity and performance. Client may be provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer/custodian for the client accounts.

Client Referrals and Other Compensation

As previously noted under **Other Financial Industry Activities and Affiliations**, to the extent that Mercadien, P.C., CPAs provides accounting and/or tax preparation services to any clients, including clients of the Registrant, all such services shall be performed by Mercadien, P.C., CPAs, in its individual professional capacity, independent of the Registrant, for which services Registrant shall not receive any portion of the fees charged by Mercadien, P.C., CPAs, referral or otherwise. Additionally, the Registrant does not pay nor receive a referral fee related to its client relationships.

Custody

Mercadien Asset Management, L.L.C. does not take custody of client funds or securities in any way. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. We urge you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Investment Discretion

For those clients that require an enhanced and/or specialized level of asset management services, Registrant may also recommend that these clients authorize the active discretionary management of their assets by and/or among certain independent investment manager[s] to be selected by the Registrant (the "*Independent Manager[s]*"), based upon the stated investment objectives of the client, including investment managers selected by Registrant or in conjunction with the services provided by *RBC Correspondent Services*. The terms and conditions under which the client shall engage the *Independent Manager[s]* shall be set forth in written agreements between the client and the Registrant. Factors which the Registrant shall consider in selecting *Independent Manager[s]* include the client's stated investment objective(s), management style, performance, financial strength, reporting, pricing, and research.

Voting *Client* Securities

Mercadien Asset Management, L.L.C. does not vote client proxies. Therefore, although the Registrant may provide investment advisory services relative to client investment assets, the Registrant's clients (except for *Independent Manager[s]* accounts, for which the *Independent Manager[s]* shall maintain voting responsibility) maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets. The Registrant and/or the client shall correspondingly instruct each custodian of the assets to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

Financial Information

Registrant does not require the prepayment of more than \$1,200 in fees per client, six months or more in advance.

Registrant does not foresee any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

Appendix A: Wrap Fee Program Brochure



What You Need to Know About The Investment Programs Sponsored by Mercadien Asset Management, LLC

This brochure provides information about *Mercadien Asset Management, LLC* and its investment programs that should be considered by a prospective *Program* participant. The content of this brochure has not been approved or verified by any governmental authority.

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The Investment Programs
Sponsored by
Mercadien Asset Management, LLC

Mercadien Asset Management, LLC (“*Mercadien Asset*”) offers three (3) wrap fee investment programs (the “*Program(s)*”):

1. **Equity Allocation** (“**EA**”) - pursuant to which the participant shall engage *Mercadien Asset* to allocate the investment assets on a discretionary basis (i.e., without prior consultation with the client) among various equity investments (i.e., individual stocks, mutual funds, exchange traded funds, etc.) in accordance with the participant’s designated investment objective(s). Under the *Program*, the participant shall receive, for a single specified *Program* fee: (1) *Program* services provided by *Mercadien Asset*; (2) discretionary investment management services from *Mercadien Asset*; (3) the execution of brokerage transactions effected by *Mercadien Securities*; and (3) account custodial and reporting services;
2. **Fixed Income Allocation** (“**FI**”) – pursuant to which the participant shall engage *Mercadien Asset* to allocate the investment assets on a discretionary basis (i.e., without prior consultation with the client) among various fixed income investments (i.e., individual bonds, certificates of deposit, mutual funds, etc.) in accordance with the client’s designated investment objective(s). Under the *Program*, the participant shall receive, for a single specified *Program* fee: (1) *Program* services provided by *Mercadien Asset*; (2) discretionary investment management services from *Mercadien Asset*; (3) the execution of brokerage transactions effected by *Mercadien Securities*; and (3) account custodial and reporting services; and,
3. **Independent Managers** (“**IM**”) - pursuant to which the participant shall engage independent investment manager(s), in conjunction with the discretionary investment advisory consulting services provided by *Mercadien Asset*. Under the *Program*, the participant shall authorize the active discretionary management of his/her/their/its account by and/or among certain participating independent investment managers to be identified by *Mercadien Asset* and selected by *Mercadien Asset* based upon the participant’s stated investment objective(s). The participant shall receive, for a single specified *Program Fee*: (1) *Program* and consulting services provided by *Mercadien Asset*; (2) the management of the account by the independent investment manager[s], and (3) account brokerage, custodial and reporting services. **Neither *Mercadien Asset*, nor any *Mercadien Asset* representative, will exercise any discretionary authority relative to the services to be provided by the independent investment managers under the IM Program.**

As sponsor of the *Programs*, *Mercadien Asset* has a financial incentive to recommend participation in the *Programs* over other programs or services. Participation in the *Programs* may cost more or less than purchasing such services separately. In addition, the fees charged by *Mercadien Asset* for participation in the *Programs* may be higher or lower than those charged by other sponsors of comparable wrap fee programs.

The terms and conditions for participation in the *Program* is set forth in this wrap fee brochure (and the Investment Advisory Agreement - *see Opening Account* section below). Together with this wrap fee brochure, each prospective *Program* participant shall also be provided with a copy of *Mercadien Asset*’s written Disclosure Statement as set forth on Form ADV, Part 2A (the “*Disclosure Statement*”), which should be read in conjunction with this wrap fee brochure prior to participation in the *Program*. In addition, for **IM** participants, prior to engaging any participating independent manager[s] identified by the *Program*, the participant should review the written Disclosure Statement for each prospective independent manager[s] being considered by the participant.

What You Need To Know About the *Programs*

Purpose of the *Programs*. The *Program* enables a participant to pursue his/her/their/its investment objective(s) by: (1) **IM** - evaluating, selecting and engaging independent investment manager[s] to actively manage participant account(s) on a discretionary basis; and/or (2) **EA** - engaging *Mercadien Asset* to allocate investment assets on a discretionary basis (i.e., without prior consultation with the participant) among various equity investments in accordance with the client's designated investment objective(s); and/or (3) **FI** - engaging *Mercadien Asset* to allocate investment assets on a discretionary basis (i.e., without prior consultation with the participant) among various fixed income investments in accordance with the client's designated investment objective(s).

Minimum Account Size. The minimum account size for participation in the *Programs* is generally **\$250,000.00**, which may be waived at the exclusive discretion of *Mercadien Asset* and/or the independent manager[s]. However certain independent manager[s] may impose higher minimum account sizes.

Brokerage, Clearing and Custody. *Program* securities brokerage transactions shall be effected through Mercadien Securities, LLC ("*Mercadien Securities*"), an SEC registered and FINRA member broker-dealer, and an affiliate of *Mercadien Asset*. RBC Correspondent Services. ("RBC CS") shall provide clearing, custodial and reporting services for *Program* accounts. Factors which *Mercadien Asset* considers in designating *Mercadien Securities* and RBC Correspondent Services as the broker-dealer and custodian include historical relationship, execution, financial strength, service, reputation, reporting and pricing.

Suitability and Investment Strategy. The *Program* participant, in conjunction with *Mercadien Asset*, is responsible for determining his/her/their/its investment objective(s), investment strategy, and investment suitability, prior and subsequent to becoming a *Program* participant. Upon determining the initial account investment objective(s), it shall remain the participant's exclusive responsibility thereafter to contact and advise *Mercadien Asset* of any changes in his/her/their/its investment objective(s) and/or financial situation for the purpose of reviewing any previously provided consulting or investment management service(s).

Licensing and Registration. *Mercadien Asset* is an SEC registered investment adviser. In addition, *Mercadien Asset* and all persons associated with *Mercadien Asset*, are required to meet the registration and/or licensing standards for the state[s] in which they do business.

Opening an Account. To become a *Program* participant, a *Program* agreement (the "*Investment Advisory Agreement*") between the participant and *Mercadien Asset* must be executed. Relative to **IM**, once the participant has identified an independent manager[s] that he/she/they/it wishes to engage, the participant will be responsible for executing a separate investment management agreement with each selected independent manager.

Terminating the *Program*. The *Program* may be terminated by either the participant or *Mercadien Asset* upon written notice in accordance with the terms and conditions of the *Investment Advisory Agreement*.

Account Statements The participant shall receive account statements (no less frequent than quarterly) directly from RBC Correspondent Services reflecting account activity and holdings. In addition, certain independent manager[s] may provide supplemental statements to **IM** *Program* participants.

Transaction Confirmations. Unless the participant determines otherwise, the participant shall receive a confirmation statement of each account transaction.

Program Fee. A *Program* participant pays a single annualized fee for participation in the *Program* (the “*Program Fee*”) based upon a percentage (%) of the market value of all *Program* assets, as follows:

IM and EA:	0.25 - 2.00%
FI:	0.25 - 1.50%

The *Program Fee* is payable quarterly, in advance, based on the market value of the *Program* accounts as of the close of business on the last business day of the preceding calendar quarter as determined by RBC Correspondent Services. The *Program Fee* includes both investment advisory services (including, for **IM** accounts, the management fee payable for each selected independent investment manager), the execution of brokerage transactions, custodial and reporting services. *Mercadien Asset*, in its sole discretion, may charge a lesser *Program Fee* and/or waive the aforementioned minimum account size, based upon various criteria (i.e. anticipated additional assets to be invested, specific type of active discretionary management desired, related accounts, negotiations with participant, etc.). The *Program Fee* is deducted directly from the account (unless the participant directs that the fee be deducted from a related account) in accordance with the terms and conditions set forth in the *Investment Advisory Agreement*.

Program Fee for Additional Deposits. All additional deposits of funds and/or securities are subject to the billing procedures described under the *Program Fee* section above.

Program Fee Discount. The *Program Fee* is subject to discount, at the sole discretion of *Mercadien Asset*, based on the various criteria set forth in the *Program Fee* section above.

Program Fee Refunds. If the *Program* is terminated, the participant will pay a pro-rata *Program Fee* based upon the number of days the participant participated in the *Program* during the billing quarter, and the remaining *Program Fee* balance shall be refunded to the participant.

Account Deductions. The *Program Fee* is deducted directly from the account in accordance with the terms and conditions of the *Investment Advisory Agreement* and is reflected on the participant's quarterly account statement.

Third Party Charges. The participant may incur certain charges imposed by third parties in addition to the *Program Fee*. Such charges include but are not limited to charges imposed directly by a mutual fund and/or exchange traded fund that may be purchased for the account (e.g. fund advisory fees and other fund expenses), deferred sales charges on previously purchased mutual funds, IRA fees, and required SEC transaction fees.

Compensation. The *Program Fee* represents total compensation to be received by: (1) *Mercadien Asset* for its investment advisory and/or consulting services; (2) *Mercadien Securities* for execution of brokerage transactions as the introducing broker-dealer; and (3) RBC Correspondent Services for clearing, custodial and reporting services; and, (4) relative to **IM** participants, underlying fees charged by the independent manager(s). In addition, *Mercadien Asset's* Principal and/or Associated Persons may receive ongoing 12b-1 trailing commission compensation directly from mutual fund companies in which client assets are invested during the period that the client maintains the mutual fund investment.

Portfolio Performance Review. *Mercadien Asset* shall be responsible to monitor and review all *Program* accounts.

Consultations. *Mercadien Asset* representatives shall remain available for consultations.

Industry Affiliations. *Mercadien Asset* is an SEC-registered investment adviser principally located in Hamilton, New Jersey. Representatives of *Mercadien Asset* may also be representatives of *Mercadien Securities*, an affiliated entity of *Mercadien Asset*. As previously discussed above in this wrap fee brochure, *Mercadien Securities* is the broker-dealer that shall effect securities brokerage transactions for *Program* accounts.

Referral Fees. If a participant is introduced to the *Program* by either an affiliated or unaffiliated solicitor, *Mercadien Asset* may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from the *Program Fee*, and shall not result in any additional charge to the participant.

Conflicts of Interest. Other than the relationships and affiliations previously disclosed in this wrap fee brochure, the *Disclosure Statement*, and/or the *Investment Advisory Agreement*, there are no relationships between *Mercadien Asset* and any other parties that would present a conflict of interest to the participant. In addition, *Mercadien Asset* does, in accordance with applicable state and federal securities laws, maintain and enforce written policies reasonably designed to: (1) prevent the misuse of material nonpublic information by *Mercadien Asset* or any person associated with *Mercadien Asset*, and (2) monitor the personal securities transactions of its associated persons to prevent any potential material conflicts of interest between *Mercadien Asset*, any person associated with *Mercadien Asset*, and any of the *Program* participants.



Mercadien Asset Management, L.L.C.

Kenneth A. Kamen
Conrad L. Druker
Reginald W. Burroughs
Jared M. Reilly

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Form ADV, Part 2B Brochure Supplement

March 25, 2011

This Brochure Supplement provides information about Kenneth A. Kamen, Conrad L. Druker, Reginald W. Burroughs, and Jared M. Reilly that supplement Mercadien Asset Management, L.L.C. brochure. You should have already received a copy of that brochure. Please contact Kenneth A. Kamen if you did not receive our brochure or if you have any questions about the contents of this supplement.

Additional information about Kenneth A. Kamen, Conrad L. Druker, Reginald W. Burroughs, and Jared M. Reilly also is available on the SEC's website at www.adviserinfo.sec.gov.

Educational Background and Business Experience

Kenneth A. Kamen

President, Born 1959

Post-Secondary Educational Background:

Hofstra University – 1981 – B.A. Finance

Recent Business Background:

Mercadien Asset Management, LLC,

Mercadien Securities, LLC, President – 5/02–Present

Princeton Securities Corporation, President – 05/88-3/01

Conrad L. Druker

Principal, Born 1959

Post-Secondary Educational Background:

Ithaca College – 1981– BS Accounting

Recent Business Background:

Mercadien Asset Management, LLC – 8/00–Present

Mercadien, P.C., CPAs, Managing Principal – 6/81-Present

Reginald W. Burroughs, CFP®

Executive Vice President, Born 1961

Post-Secondary Educational Background:

The College of New Jersey – 1986 – BA

Recent Business Background

Mercadien Asset Management, LLC - 03/2005 - Present

Mercadien Securities, LLC, President - 03/2005 - Present

New England Securities, Investment Specialist - 1986 - 2/2005

Jared M. Reilly, CFP®

Vice President of Planning, Born 1985

Post-Secondary Educational Background:

The College of New Jersey – 2007 – BA

Recent Business Background

Mercadien Asset Management, LLC - 07/2007 - Present

Mercadien Securities, LLC, President - 07/2007 - Present

The CFP designation is conferred by the Certified Financial Planner Board of Standards, Inc. To earn the credential, each CFP candidate must have a bachelor's degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience. In addition, candidates must take the CFP Certification examination and complete a CFP-board registered program or hold an accepted designation, degree or license. Every two years, CFP certificants must complete a minimum of 30 hours of continuing education. More information regarding the CFP can be found at <http://www.cfp.net/default.asp>.

Disciplinary Information

Kenneth A. Kamen, Conrad L. Druker, Reginald W. Burroughs, & Jared M. Reilly have no disciplinary history to disclose.

Other Business Activities

Kenneth A. Kamen, Conrad L. Druker, Reginald W. Burroughs, & Jared M. Reilly are registered as Registered Representatives of Mercadien Securities. Conrad L. Druker engages in other business activities with The Mercadien Group and Mercadien, P.C., CPAs. Please refer to **Other Financial Industry Activities and Affiliations** in our brochure, Form ADV Part 2A above.

Additional Compensation

Kenneth A. Kamen, Conrad L. Druker, Reginald W. Burroughs, & Jared M. Reilly may receive compensation for their involvement in the activities noted above. Please refer to **Fees and Compensation** and **Client Referrals and Other Compensation** in our brochure, Form ADV Part 2A above.

Supervision

Kenneth A. Kamen is the Principal of Mercadien Asset Management, LLC and Mercadien Securities, LLC and supervises all employees.