

**Rocky Mountain Private Wealth Management, L.L.C.**

**4645 Sweetwater Boulevard, Suite 850  
Sugar Land, TX 77479**

**Telephone: (281) 313-9100**

**Facsimile: (281) 313-9710**

**[www.rockymountainpwm.com](http://www.rockymountainpwm.com)**

**March 30, 2011**

**FORM ADV PART 2A  
BROCHURE**

**This brochure provides information about the qualifications and business practices of Rocky Mountain Private Wealth Management, L.L.C. If you have any questions about the contents of this brochure, please contact us at 281-313-9100. 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 Rocky Mountain Private Wealth Management, L.L.C. is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Rocky Mountain Private Wealth Management, L.L.C. is 127140.**

**Rocky Mountain Private Wealth Management, L.L.C. is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

## **Summary of Material Changes**

This brochure 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. Beyond the change in format, and the new information, we have not made any material changes to this brochure since our last annual update.

## Table of Contents

<b><i>Advisory Business.....</i></b>	<b><i>1</i></b>
<b><i>Fees and Compensation .....</i></b>	<b><i>2</i></b>
<b><i>Performance-Based Fees and Side-By-Side Management.....</i></b>	<b><i>3</i></b>
<b><i>Types of Clients.....</i></b>	<b><i>3</i></b>
<b><i>Methods of Analysis, Investment Strategies and Risk of Loss .....</i></b>	<b><i>4</i></b>
<b><i>Disciplinary Information.....</i></b>	<b><i>6</i></b>
<b><i>Other Financial Industry Activities and Affiliations .....</i></b>	<b><i>6</i></b>
<b><i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</i></b>	<b><i>6</i></b>
<b><i>Brokerage Practices .....</i></b>	<b><i>7</i></b>
<b><i>Review of Accounts.....</i></b>	<b><i>8</i></b>
<b><i>Client Referrals and Other Compensation.....</i></b>	<b><i>9</i></b>
<b><i>Custody .....</i></b>	<b><i>9</i></b>
<b><i>Investment Discretion.....</i></b>	<b><i>9</i></b>
<b><i>Voting Client Securities.....</i></b>	<b><i>10</i></b>
<b><i>Financial Information.....</i></b>	<b><i>10</i></b>
<b><i>Additional Information.....</i></b>	<b><i>10</i></b>

## **Advisory Business**

Rocky Mountain Private Wealth Management, L.L.C. is an SEC registered investment adviser primarily based in Sugar Land, Texas. We also maintain a branch office in Kerrville, Texas. Our firm is organized as a limited liability company under the laws of the State of Texas. We have been providing investment advisory services since 2003. Gabriel S. Gallegos and Taylor L. Gallegos are our principal owners.

As used in this brochure, the words “we”, “our”, “us” and “Rocky Mountain” refer to Rocky Mountain Private Wealth Management, L.L.C. and the words “you”, “your” and “client” refer to you as either a client or prospective client of our firm. Also, you may see the term Associated Person throughout this brochure. As used in this brochure, our Associated Persons are our firm’s officers, employees, and all individuals providing investment advice on behalf of our firm.

### **Portfolio Management Services**

We provide discretionary and non-discretionary portfolio management services in accordance with your individual investment objectives. If you participate in our discretionary portfolio management services, we require you to grant our firm discretionary authority to manage your account. Subject to a grant of discretionary authorization, we have the authority and responsibility to formulate investment strategies on your behalf. This authorization includes deciding which securities and the amount of securities to be purchased or sold for your account(s), the broker or dealer to be used for each transaction, and the commission rates to be paid without obtaining your consent or approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm, a power of attorney, and/or trading authorization forms. In providing discretionary management services, we do not accept client restrictions on the specific securities or the types of securities that may be held in their account.

In limited circumstances, we may also manage advisory accounts on a non-discretionary basis, meaning your specific consent must be granted prior to executing each transaction on behalf of your account. You have an unrestricted right to decline any advice provided by our firm on a non-discretionary basis.

The agreement for services will continue in effect unless terminated by either party by written notice in accordance with the terms of the investment advisory agreement. You will incur a pro rata charge for services rendered prior to the termination of the portfolio management agreement, which means you will incur advisory fees only in proportion to the number of days for which you are a client. Investors in private funds managed by our firm should refer to the offering documents specific to those investments for details on terminating the services provided through the private fund.

If you receive an invoice from our firm, we encourage you to reconcile our invoice with the statement(s) you receive from the qualified custodian. If you find any inconsistent information between our invoice and the statement(s) you receive from the qualified custodian, please call our office at 281.313.9100.

### **Accuracy of Client Information**

In providing the contracted services, we are not required to verify any information we receive from you or from your other professionals (e.g. attorney, accountant, etc.) and we are expressly authorized to rely on the information you provide. You must promptly notify our firm if your financial situation, goals, objectives, or needs change for the purpose of reviewing, evaluating, and/or revising our previous recommendations and/or services.

### **Types of Investments**

We primarily offer advice on mutual funds, exchange traded funds, and alternative investment including interests in partnerships/hedge funds that invest in a variety of other investment vehicles. We may also provide advice on: equity securities, investment company securities (mutual funds), and US Government securities. Additionally, we may recommend other types of investments since each client has different needs and different tolerances for risk. We may also advise you on any type of investment held in your portfolio at the inception of our advisory relationship, or on specific types of investments at your request.

### **Assets Under Management**

As of March 21, 2011, we manage \$225,762,632 in client assets on a discretionary basis and \$38,096,921 in client assets on a non-discretionary basis.

## ***Fees and Compensation***

### **Investment Advisory Fees**

Our investment advisory fees, as described below, are exclusive of, and in addition to, other fees that you may incur, including, but not limited to, the following types of fees: custody and transaction, third-party administrator, legal, CPA/audit, trustee fees, and funds' internal investment expenses.

We may waive our advisory fees for employee related accounts, family members, and certain other accounts, at our discretion. Also, certain pre-existing advisory clients may be subject to our advisory fee and payment terms in effect at the time these clients entered into an advisory relationship with our firm, which may differ from the fees and fee paying arrangements described below.

### **Separately Managed Accounts**

Our annual fee for existing separately managed accounts is equal to 2.00% of the assets under our management. We may also charge a fixed consulting fee in lieu of asset based compensation.

The fee is billed and payable monthly/quarterly in arrears.

By signing a Rocky Mountain investment advisory agreement, you have given written authorization for our advisory fee to be deducted from your account. Your account custodian may deduct our fee directly from your account and remit payment directly to our firm. Further, the qualified custodian will deliver an account statement to you at least quarterly. These account statements will show all disbursements from your account. You should review all statements for accuracy. In the event that automatic fee deduction is not possible, we will invoice you directly for the amount of our monthly/quarterly fee.

### **Partnership Accounts**

Investors in privately held investment companies managed by our firm should refer to the offering documents of such companies for further information regarding fees, fee paying arrangements, and withdrawals and deposits of assets into and out of the privately held investment companies.

### **401k Plans**

Our annual fee for 401k Plans range between 1.35% and 1.50%, depending on account size. The fee is billed and payable monthly in arrears. Such fees are determined with each client in advance of services rendered and will be clearly set forth in the executed agreement for services. In all cases, fees are payable as invoiced.

### **Additional Fees and Expenses**

As part of our investment advisory services to you, we may invest, or recommend that you invest, in mutual funds, exchange traded funds, and/or hedge funds/partnerships. The fees that you pay to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds or exchange traded funds (described in each fund's prospectus) to their shareholders, and the additional charges assessed by hedge funds/partnerships (described in the offering documents of the fund). These fees will generally include a management fee and other fund expenses. You will also incur transaction charges and/or brokerage fees when purchasing or selling securities. These charges and fees are typically imposed by the broker-dealer or custodian through whom your account transactions are executed. We do not share in any portion of the brokerage fees/transaction charges imposed by the broker-dealer or custodian. To fully understand the total cost you will incur, you should review all the fees charged by mutual funds, exchange

traded funds, hedge funds, our firm, and others. Refer to the *Brokerage Practices* section below for additional disclosure on this topic.

We may trade client accounts on margin. Our fees for advice (as disclosed above) do not include the value of the securities purchased on margin. Nonetheless, the use of margin may result in interest charges in addition to all other fees and expenses associated with the securities involved.

### ***Performance-Based Fees and Side-By-Side Management***

We may charge performance-based fees to “qualified clients” having a net worth greater than \$1,500,000 or for whom we manage at least \$750,000 immediately after entering into an agreement for services. All clients to whom we charge performance-based fees must be eligible for this type of fee paying arrangement and must choose this fee structure from available options in our partnerships. Performance-based fees are fees based on a share of capital gains or capital appreciation of a client’s account. Investors in privately held investment companies managed by our firm should refer to the offering documents of such companies for further information regarding fee arrangements.

We manage accounts that are charged performance-based fees while at the same time managing accounts (perhaps with similar objectives) that are not charged performance-based fees (“side-by-side management”). Performance-based fees and side-by-side management may create conflicts of interest, which we have identified and described in the following paragraphs.

Performance-based fees may create an incentive for our firm to make investments that are riskier or more speculative than would be the case absent a performance fee arrangement. In order to address this potential conflict of interest, a senior officer of our firm periodically reviews client accounts to ensure that investments are suitable and that the account are being managed according to the client’s investment objectives and risk tolerance.

Side-by-side management might provide an incentive for our firm to favor accounts for which we receive a performance-based fee. It is important for the client to understand by having multiple fee structures in a single investment program, there inherently adds a new element of risk.

### ***Types of Clients***

We offer investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations, privately held investment companies, and other business entities. In general, we require the following minimum account size requirements to open and maintain an advisory account.

- Separately managed accounts \$250,000
- Partnership accounts \$500,000
- 401K accounts no minimum

At our discretion, we may waive the above minimum account size requirements for separately managed accounts and/or partnership accounts.

## ***Methods of Analysis, Investment Strategies and Risk of Loss***

We may use one or more of the following methods of analysis or investment strategies when providing investment advice to you:

- Charting Analysis – involves the gathering and processing of price and volume information for a particular security. This price and volume information is analyzed using mathematical equations. The resulting data is then applied to graphing charts, which is used to predict future price movements based on price patterns and trends.
- Fundamental Analysis – involves analyzing individual companies and their industry groups, such as a company's financial statements, details regarding the company's product line, the experience and expertise of the company's management, and the outlook for the company's industry. The resulting data is used to measure the true value of the company's stock compared to the current market value.
- Technical Analysis – involves studying past price patterns and trends in the financial markets to predict the direction of both the overall market and specific stocks.
- Cyclical Analysis – form of technical analysis that involves evaluating recurring price patterns and trends.
- Long Term Purchases – securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.
- Short Term Purchases – securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.
- Margin Transactions – a securities transaction in which an investor borrows money to purchase a security, in which case the security serves as collateral on the loan.

As a general practice, we will invest in various sectors and could be 100% invested or 100% in cash on any given day depending on the existing investment model. The Investment Manager will primarily utilize mutual funds to execute their strategy as is currently done with existing client accounts. It is anticipated that the Investment Manager could also utilize margin accounts and could use leverage, where such investment strategies are deemed to be in the best interest of the client.

The private investment funds for which we serve as investment adviser will employ varied methods of analysis, sources of information, and investment strategies that are geared towards the overall investment objectives of the particular fund. Full disclosure is available in the offering documents of the particular fund. Refer to the *Other Financial Industry Activities and Affiliations* section below for additional disclosures on this topic.

### **Risks Associated with Methods of Analysis**

**Charting and Technical Analysis** - The risk of market timing based on technical analysis is that charts may not accurately predict future price movements. Current prices of securities may reflect all information known about the security and day to day changes in market prices of securities may follow random patterns and may not be predictable with any reliable degree of accuracy.

**Fundamental Analysis** - The risk of fundamental analysis is that collected data may be inaccurate and the analysis may not provide an accurate estimate of earnings, which may be the basis for a stock's value. If securities prices adjust rapidly to new information, utilizing fundamental analysis may not result in favorable performance.

**Cyclical Analysis** - Economic/business cycles may not be predictable and may have many fluctuations between long term expansions and contractions. The lengths of economic cycles may be difficult to predict with accuracy and therefore the risk of cyclical analysis is the difficulty in predicting economic trends and consequently the changing value of securities that would be affected by these changing trends.

We may use investment strategies that involve buying and selling securities periodically in an effort to capture significant market gains and avoid significant losses during a volatile market. However, periodic trading can

negatively affect investment performance. Periodic trading can lead to poor investment decisions by the investment advisor, increased brokerage/transactional costs, and taxes.

### **Investment Strategy and Tax Disclosures**

Our investment strategies and advice may vary depending upon each client's specific financial situation. As such, we determine investments and allocations based upon your predefined objectives, risk tolerance, time horizon, financial horizon, financial information, liquidity needs, and other various suitability factors.

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the management of your assets. Regardless of your account size or any other factors, we strongly recommend that you continuously consult with a tax professional prior to and throughout the investing of your assets.

Moreover, as a result of revised IRS regulations, custodians and broker-dealers will begin reporting the cost basis of equities acquired in client accounts on or after January 1, 2011. Your custodian will default to the FIFO (First-In First-Out) accounting method for calculating the cost basis of your investments. You are responsible for contacting your tax advisor to determine if this accounting method is the right choice for you. If your tax advisor believes another accounting method is more advantageous, please provide written notice to our firm immediately and we will alert your account custodian of your individually selected accounting method. Please note that decisions about cost basis accounting methods will need to be made before trades settle, as the cost basis method cannot be changed after settlement.

### **Risk of Loss**

Investing in securities involves risk of loss that you should be prepared to bear. We do not represent or guarantee that our services or methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or declines. You understand that our investment recommendations for your account are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable. We cannot offer any guarantees or promises that your financial goals and objectives will be met. Past performance is in no way an indication of future performance.

### **Recommendation of Particular Types of Securities**

We primarily recommend mutual funds, exchange traded funds, and limited partnerships for our clients. Each type of security has its own unique set of risks associated with it and it would not be possible to list here all of the specific risks of every type of investment. Even within the same type of investment, risks can vary widely. However, in very general terms, the higher the anticipated return of an investment, the higher the risk of loss associated with it.

Mutual funds, closed-end funds, and exchange traded funds (ETFs) are professionally managed collective investment systems that pool money from many investors and invest in stocks, bonds, short-term money market instruments, other mutual funds, other securities or any combination thereof. The fund will have a manager that trades the fund's investments in accordance with the fund's investment objective. While mutual funds and ETFs generally provide diversification, risks can be significantly increased if the fund is concentrated in a particular sector of the market, such as small cap or speculative companies, uses leverage (i.e., borrows money) to a significant degree, or concentrates in a particular type of security (i.e., equities) rather than balancing the fund with different types of securities. ETFs differ from mutual funds since they can be bought and sold throughout the day like stock and their price can fluctuate throughout the day. The returns on mutual funds and ETFs can be reduced by the costs to manage the funds. Also, while some mutual funds are "no load" and charge no fee to buy into, or sell out of, other types of mutual funds do charge such fees which can also reduce returns. Mutual funds can also be "closed end" or "open end". So-called "open end" mutual funds continue to allow in new investors indefinitely which can dilute other investors' interests.

A limited partnership is a financial affiliation that includes at least one general partner, who manages the partnership and assume legal debts and obligations, and a number of limited partners who invest money, but have limited liability, are not involved in the day-to-day management, and usually cannot lose more than their capital. Rocky Mountain serves as the general partner to GL Asset Management LP. GL Asset Management LP



serves as the general partner to RM Domestic Partners LP, RM Domestic Partners II LP, and RM Domestic Partners III LP. Rocky Mountain serves as the Investment Adviser to all the mentioned above limited partnerships.

### ***Disciplinary Information***

Rocky Mountain has been registered and providing investment advisory services since 2003. Neither our firm nor any of our Associated Persons have any disciplinary information. Refer to the *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* section below for additional disclosures on the supervision of our Associated Persons.

### ***Other Financial Industry Activities and Affiliations***

We serve as the investment adviser to RM Domestic Partners, LP, RM Domestic Partners II, LP, RM Domestic Partners III, LP, and RM Trading, LP (hereinafter collectively referred to as the "Funds"), all of which are pooled investment vehicles in which you may be solicited to invest. The Funds are offered to certain sophisticated investors, who meet certain requirements under applicable state and/or federal securities laws. Investors to whom the Funds are offered will receive a private placement memorandum and other offering documents. The fees charged by the Funds are separate and apart from our advisory fees. You should refer to the offering documents for a complete description of the fees, investment objectives, risks and other relevant information associated with investing in the Funds. Persons affiliated with our firm may have made an investment in the Funds and may have an incentive to recommend the Fund over other investments. You are strongly encouraged to seek independent legal counsel prior to investing in these private investment vehicles. These investments are not protected by SIPC. Refer to the *Code of Ethics, Participation or Interest in Client Transactions and Personal Trading* section below for additional disclosures on this topic.

#### **Registrations with Other Registered Investment Advisers**

Certain of our Associated Persons are also executive officers of, and *separately* registered as investment adviser representatives of, Frontier Wealth Management, LLC ("FWM"), an unaffiliated registered investment adviser. In this capacity, these persons will provide investment advice to clients of FMW and will receive *separate* fee-based compensation. We may recommend that you use the services of FMW if appropriate and suitable for your needs. Our advisory services are separate from the fees paid to FWM for their services.

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

We have adopted a Code of Ethics that sets the standard of conduct expected to comply with applicable securities laws. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. We adhere strictly to these guidelines. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm. Clients or prospective clients may obtain a copy of our Code of Ethics by contacting our main office at 281.313.9100.

**Participation or Interest in Client Transactions**

We serve as the investment adviser to RM Domestic Partners, LP, RM Domestic Partners II, LP, RM Domestic Partners III, LP, and RM Trading, LP (hereinafter collectively referred to as the "Funds"), all of which are pooled investment vehicles that invest in securities and other investment products. Associated persons of our firm will serve as the general partner to the Funds. If you are an investor in the Fund, refer to the Fund's offering documents for important detailed disclosures regarding the Fund. Additionally, individuals associated with our firm may buy or sell – for their personal account(s) - investment products identical to those purchased by the Fund. This practice may create a conflict of interest because we have the ability to trade ahead of the Fund and potentially receive more favorable prices than the Fund will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor our Associated Persons shall have priority over the Fund in the purchase or sale of securities.

**Personal Trading Practices**

Our firm or persons associated with our firm may buy or sell the same securities that we recommend to you or securities in which you are already invested. A conflict of interest exists in such cases because we have the ability to trade ahead of you and potentially receive more favorable prices than you will receive. To mitigate this conflict of interest, it is our policy that neither our firm nor any of our Associated Persons shall have priority over your account in the purchase or sale of securities. We have also adopted a written Code of Ethics designed to prevent and detect personal trading activities that may interfere or be in conflict with client interests, as discussed above in this section.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

**Brokerage Practices**

We maintain business relationships with various broker-dealers, and generally recommend that our clients use TD Ameritrade or Fidelity Investments as their account custodian. We are independently owned and operated and are not affiliated with TD Ameritrade or Fidelity Investments (collectively "custodian"). In suggesting a custodian, we will endeavor to select those firms that will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on several factors, including the broker's ability to provide professional services, competitive commission rates, volume discounts, execution price negotiations, the broker's reputation, experience and financial stability of the broker or dealer, and the quality of service rendered by the broker or dealer in other transactions. Any research or other services we receive from your account custodian is provided to all registered investment advisers that maintain an institutional account with the custodian (as opposed to a retail account), and is not considered to have been paid for with soft dollars. In recognition of the value of research services and additional brokerage products and services the custodian provides, you may pay higher commissions and/or trading costs than those that may be available elsewhere.

Best execution is not measured solely by reference to commission rates. Paying a broker a higher commission rate than another broker might charge is permissible if the difference in cost is reasonably justified by the quality of the brokerage services offered. While our firm and our Associated Persons, as part of their fiduciary duty, endeavor to put your interest first, you should be aware that receipt of additional benefits of any kind creates a potential conflict of interest.

**Soft Dollars**

We do not receive any soft dollar benefits.

**Brokerage for Client Referrals**

We do not receive client referrals from broker-dealers in exchange for cash or other compensation, such as brokerage services or research.

**Directed Brokerage**

We routinely recommend that you direct our firm to execute transactions through TD Ameritrade. As such, we may be unable to achieve the most favorable execution of your transactions and you may pay higher brokerage commissions than you might otherwise pay through another broker-dealer that offers the same types of services. Not all advisers require their clients to direct brokerage.

In limited circumstances, and at our discretion, some clients may instruct our firm to use one or more particular brokers for the transactions in their accounts. If you choose to direct our firm to use a particular broker, you should understand that this might prevent us from aggregating trades with other client accounts or from effectively negotiating brokerage commissions on your behalf. This practice may also prevent our firm from obtaining favorable net price and execution. Thus, when directing brokerage business, you should consider whether the commission expenses, execution, clearance, and settlement capabilities that you will obtain through your broker are adequately favorable in comparison to those that we would otherwise obtain for you.

**Block Trades**

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may, but are not obligated to, combine multiple orders for shares of the same securities purchased for advisory accounts we manage (this practice is commonly referred to as "block trading"). We will then distribute a portion of the shares to participating accounts in a fair and equitable manner. The distribution of the shares purchased is typically proportionate to the size of the account, but it is not based on account performance or the amount or structure of management fees. Subject to our discretion regarding factual and market conditions, when we combine orders, each participating account pays an average price per share for all transactions and pays a proportionate share of all transaction costs on any given day. Accounts owned by our firm or persons associated with our firm may participate in block trading with your accounts; however, they will not be given preferential treatment.

We combine multiple orders for shares of the same securities purchased for discretionary accounts; however, we do not combine orders for non-discretionary accounts. Accordingly, non-discretionary accounts may pay different costs than discretionary accounts pay. If you enter into non-discretionary arrangements with our firm, we may not be able to buy and sell the same quantities of securities for you and you may pay higher commissions, fees, and/or transaction costs than clients who enter into discretionary arrangements with our firm.

***Review of Accounts***

Gabriel Gallegos, President and Chief Compliance Officer, or another Associated Person of our firm, will review all discretionary accounts in detail as necessary, but no less frequently than quarterly. This process will entail review of market positions, prices, and portfolio performance in light of current market conditions and the portfolio's investment objective. Non-discretionary accounts are reviewed at the client's request. In addition, a portfolio may be reviewed in response to client needs, a client meeting, or market changes.

Separately Managed Accounts and 401k clients will receive trade confirmations and statements, at least quarterly, directly from your account custodian(s). If available, such information may be accessed online. If you have a question regarding your account statement or if you did not receive a statement from your custodian, please contact us immediately at 281.313.9100.

## ***Client Referrals and Other Compensation***

Please refer to the *Brokerage Practices* section above for disclosures on research and other benefits we may receive resulting from our relationships with TD Ameritrade, Fidelity Investments, and/or other account custodians.

We may compensate certain Associated Persons of our firm for client referrals. You will not be charged additional fees based on this compensation arrangement. Incentive based compensation paid to Associated Persons is contingent upon your entering into an advisory agreement with our firm. Therefore, these individuals have a financial incentive to recommend our firm to you for investment advisory services. This creates a conflict of interest; however, you are not obligated to retain our firm for advisory services. Comparable services and/or lower fees may be available through other firms.

## ***Custody***

### **Payment of Advisory Fees for Separately Managed Accounts**

As paying agent for our firm, your independent custodian may directly debit your account(s) for the payment of our advisory fees, but only if you previously consented to such deduction in writing. This authority to deduct our advisory fees from your accounts causes our firm to exercise limited custody over your funds or securities. We do not have physical custody of any of your funds and/or securities. You will receive account statements from the independent, qualified custodian(s) holding your funds and securities at least quarterly. The account statements from your custodian(s) will indicate the amount of our advisory fees deducted from your account(s) each billing period. You should carefully review account statements for accuracy.

### **Private Investment Companies**

We serve as investment adviser to RM Domestic Partners, LP, RM Domestic Partners II, LP, RM Domestic Partners III, LP, and RM Trading, LP (hereinafter collectively referred to as the "Funds"), all of which are pooled investment vehicles that invest in securities and other investment products. Associated persons of Rocky Mountain will serve as the general partner to the Funds. In our capacity as investment adviser to the Funds and resulting from an Associated Person of our firm acting as general partner, we will have access to the Funds' funds and securities, and therefore are deemed to have custody over such funds and securities. In accordance with the offering documents of the Funds, we provide each investor in the Fund with audited annual financial statements within 120-days of the Funds' fiscal year end. If you are an investor in the Funds and have questions regarding the financial statements or if you did not receive a copy of the financial statements, please contact Gabriel Gallegos, Chief Compliance Officer, at 281.313.9100.

## ***Investment Discretion***

Before we can buy or sell securities on your behalf, you must first sign our discretionary management agreement. If you engage us to provide investment advisory services on a discretionary basis, we have the authority to determine the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. We also have discretion over the broker or

dealer to be used and the commission rates to be paid. In providing discretionary management services, we do not accept client restrictions on the specific securities or the types of securities that may be held in their account. Refer to the *Advisory Business* section above for more information on our discretionary management services.

If you enter into non-discretionary arrangements with our firm, we will obtain your approval prior to the execution of any transactions for your account(s). You have an unrestricted right to decline to implement any advice provided by our firm on a non-discretionary basis.

### ***Voting Client Securities***

Without exception, we will not vote proxies on behalf of your advisory accounts.

### ***Financial Information***

We are not required to provide financial information to our clients because we do not:

- require the prepayment of more than \$1,200 in fees and six or more months in advance, or
- have a financial condition that is reasonably likely to impair our ability to meet our commitments to you.

### ***Additional Information***

#### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure. We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of our privacy policy notice to you on an annual basis. Please contact us at the telephone number on the cover page of this brochure if you have any questions regarding this policy.

#### **Trade Errors**

In limited circumstances, we may make an error in submitting a trade on your behalf. In the event a trading error occurs in your account, our policy is to restore your account to the position it should have been in had the error not occurred. Depending on the circumstances, corrective actions may include canceling the trade, adjusting an allocation, and/or reimbursing the account. If a trade error results in a profit, we defer to the

practices of the custodian in such an instance.

**Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.