

SUMMARY DISCLOSURE BROCHURE  
CHICKASAW CAPITAL MANAGEMENT, LLC  
6075 POPLAR AVENUE SUITE 402  
MEMPHIS TN 38119  
901-537-1866  
[HTTP://WWW.CHICKASAWCAP.COM](http://www.chickasawcap.com)

MARCH 31, 2011

This Brochure provides information about the qualifications and business practices of Chickasaw Capital Management, L.L.C. (“CCM,” or “we”). If you have any questions about the contents of this Brochure, please contact us at 901-537-1866.

CCM is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. 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 CCM is also available on our web site at [www.chickasawcap.com](http://www.chickasawcap.com) and also on the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons registered as investment adviser representatives of CCM.

## **Item 2 – Material Changes**

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 our clients as required by SEC Rules. This Brochure is a new document that was prepared according to the SEC’s new requirements and rules. Therefore, this document is materially different in structure, and requires certain new information that was not previously required.

In the future, this Item will discuss only the 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. Additionally, we will provide you with a new Brochure as necessary, based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Debra McAdoo, Chief Compliance Officer at 901-537-1866.

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#### **Item 4 – Advisory Business**

CCM is a Delaware limited liability company that manages investment advisory accounts for a variety of individual and institutional clients. CCM has been in business since 2003.

The principal owners of CCM are Matthew G. Mead and Geoffrey P. Mavar.

CCM offers advisory services by providing investment management services to institutions, high net worth individuals, related investment partnerships, and a mutual fund. Our advisory service may be provided on a discretionary and non-discretionary basis, subject to investment guidelines in our investment advisory contract. We manage certain investment advisory accounts not involving investment supervisory services. Our clients' financial experience ranges from highly skilled investors to those who are new to the financial markets.

CCM may offer advice on the following as well as the foreign equivalents of the following investment products:

- Equity securities
- Master limited partnerships
- Corporate debt securities
- Municipal securities
- U.S. government securities
- U.S. government agency securities
- Commercial paper
- Certificates of deposits
- Convertible securities
- Mutual funds
- Preferred securities
- Option contracts on securities
- Warrants
- Interests in partnerships investing in real estate, oil and gas and other
- Currencies
- Derivatives
- Private placements
- Limited partnership interests.

Clients may also impose restrictions on investing in certain securities or types of securities.

CCM manages \$399,936,112.61 in client assets on a discretionary basis and \$368,593.52 on a non-discretionary basis. The date on which these amounts were calculated was December 31, 2010.

### Item 5 – Fees and Compensation

All fees are subject to negotiation. The amounts and specific manner in which fees are charged are negotiated and memorialized in CCM's contract with our clients, and we generally bill our fees on a quarterly basis, in arrears. Fees may be deducted from clients' assets or clients may be billed for fees incurred as determined by the client. The valuation of securities and other instruments are generally determined by their last reported sale price on the principal market in which they are traded, if traded on a market for which transaction prices are publically reports. Otherwise, other readily marketable securities and instruments are valued by using a pricing service or by CCM determining a fair market value. Although many fees are individually negotiated, some common fees are included on our fee schedule for your review and described further below:

Fee Schedule		
Fee Type	Fee Cost	When Charged
Advisory Fees	<p>An annual fee based on the average gross assets under management in the account, including any margin debt in the account, according to the following schedule:</p> <p>Equity and Balanced Accounts - 1.50%</p> <p>Fixed Income Accounts - 0.40%</p> <p>Master Limited Partnership Accounts - 1.50%</p> <p>Mutual Fund – 1.25% for managing the Maingate MLP Fund.</p>	Quarterly, in arrears

	<p>Private Funds - CCM will receive a fixed fee (each, a "Fixed Fee") calculated at the quarterly rate of 0.375% of the average value of the gross assets of CCM Income Fund, LP and the contributed capital of CCM OCB Partners, LP for the preceding quarter (i.e., 1.5% per annum). For CCM Income Fund, LP the Fixed Fee will be paid quarterly, in arrears. The Fixed Fee will also be based on the gross average value of each limited partner's capital account of such calendar quarter (adjusted for contributions made during the quarter) and prorated for any period that is less than a full fiscal quarter. For CCM OCB Partners, LP, the Fixed Fee will be paid quarterly in arrears based on the contributed capital of each limited partner and prorated for any period that is less than a full fiscal quarter. Notwithstanding the foregoing, CCM may waive or reduce the Fixed Fee with regard to any (including affiliated) investors. CCM Income Fund, LP and CCM OCB Partners, LP may pay other fees to CCM, such as an administrative fee.</p>	
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#### *Fee Billing/Termination of Advisory Agreement*

Clients generally authorize us to directly debit fees from their accounts. Advisory fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Generally, investment advisory contracts may be terminated by clients at any time.

#### *Other Fees and Expenses*

Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities

transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

Generally commissions paid are in the range of \$0.125/share or less for equity transactions, and \$20.00 per bond or less for transactions in fixed income securities, subject to applicable minimum ticket charges. A general range is provided for transaction fees as fees may vary from client to client due to the particular circumstances of the client, additional or differing levels of servicing, or as otherwise contractually agreed upon with specific clients. CCM may receive indirect transaction based compensation from clients from such transactions as described in Item 12. Employee related accounts may pay transaction fee rates that are lower than other clients. Transactions will generally include a service fee to J.P. Morgan Clearing Corp., in addition to commissions.

See also item number 12 below for additional compensation received by CCM and for a description of factors that CCM considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

#### **Item 6 – Performance-Based Fees and Side-By-Side Management**

We may charge fees based on the annual appreciation of a client's account. Performance-based fees are individually negotiated with each client. Any performance-based fee will be arranged subject to Section 205(a)(1) of the Investment Advisers Act of 1940 (the "Advisers Act") in accordance with the available exemptions, including the exemption set forth in Rule 205-3.

In measuring clients' assets for the calculation of performance-based fees, CCM will include realized and unrealized, capital gains and losses. Performance-based fees may create an incentive for CCM to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement.

All of private investment funds for which CCM serves as general partner will make incentive allocations to CCM as follows: Each limited partner in CCM Income Fund, LP will reallocate 20% of their share of net profits from their capital account to CCM. This reallocation will be subject to a "loss carry forward" provision (sometimes referred to as a "highwater mark"). Such incentive allocations will be pro-rated as necessary for investor withdrawals or in the event of a termination of a fund. For CCM OCB Partners, LP, CCM shall receive a 20% profits interest upon any distribution from the partnership after the total distributions equal to the sum of the capital contribution of the limited partners. CCM may, in its sole discretion, waive or reduce the

20% incentive allocation for any limited partners, including but not limited to, limited partners that are members, principals, employees or affiliates of CCM, relatives of such persons and certain large or strategic investors.

These fee arrangements create an incentive for CCM to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. However, CCM has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among all of our clients.

### **Item 7 – Types of Clients**

CCM offers investment management for institutions, high net worth individuals, related investment partnerships, and a mutual fund. CCM provides investment advice to the following types of clients:

- Individuals
- Families
- High net worth individuals
- High net worth families
- Pension and profit sharing plans (other than participants)
- Pooled investment vehicles (hedge funds)
- Charitable organizations
- Trusts
- Estates
- Private business owners
- Public company affiliates
- Private foundations
- Retirement plans
- Investment company

CCM generally requires that high net worth clients have a minimum net worth or net assets of \$2,000,000.00 and or assets under management of \$2,000,000.00. CCM may reduce or waive its required minimum amount of assets under management in its discretion.

In addition, investors in each of CCM Income Fund, LP and CCM OCB Partners, LP are required to be “accredited investors” or “knowledgeable employees,” as defined in the Investment Company Act of 1940, as amended and the rules thereunder. The minimum



investment in each of CCM Income Fund, LP is \$1,000,000.00, subject to such exception as CCM in its sole discretion shall determine. See Item 12 for additional information on these funds.

## **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

### *Methods of Analysis*

CCM's primary methods of security analysis methods are fundamental and technical:

When using fundamental analysis, we generally rely on, among other things, company earnings, balance sheet variables and management quality which are used to predict the future value of an investment. Data we review is generally considered reliable but we can not guarantee nor have we verified its accuracy. In addition, the data that we review is sometimes subjective in nature and open to interpretation. Even if our data and interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in Fundamental Analysis.

When using technical analysis we review statistics to determine trends in security prices and make our investment decisions based on those trends. This analysis may only be able to predict how an investment will perform short-term. In addition, this analysis does not take into account, the more fundamental properties of what an investment may be worth such as company performance and balance sheet variables which may play a part in determining the value of an investment.

### *Investment Strategies*

CCM uses a variety of investment strategies, which may include long-term purchases, short-term purchases, short sales, trading and margin transactions.

Long-term purchases – Using a long-term purchase strategy generally assumes the Financial Markets will go up in the long-term which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time even if the overall Financial Markets advance. Purchasing investments long-term may create an opportunity cost - “locking-up” assets that may be better utilized in the short-term in other investments.

Short-term purchases – Using a short-term purchase strategy generally assumes that we can predict how Financial Markets will perform in the short-term which may be very difficult. There are many factors that can effect Financial Market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, etc.) but may have a smaller impact over longer periods of times.

Short sales – A short sales strategy is profitable when the price of the security that is “sold short” declines. If you purchase a security, the maximum amount of money you can lose is the value of the investment (the price goes to \$0). If you “sell short” the same security, and the price of the security increases, your potential for loss is unlimited.

Trading – A trading strategy generally involves the purchase and sale of securities within 30 days. Trading can negatively affect performance through increased brokerage and other transaction costs and taxes.

Margin – Using margin involves the use of leverage by borrowing money to purchase securities. If the price of the purchased security decreases, you risk losing significantly more money than your initial investment. Further risks are disclosed in the margin agreement you will sign before we engage your account in this activity.

#### *Principal Risks*

**Investing in securities involves risk of loss that clients should be prepared to bear.** Risk refers to the possibility that you will lose money (both principal and any earnings) or fail to make money on an investment. The Adviser cannot guarantee that it will achieve a client’s investment objective.

Potential investors in the MainGate MLP Fund should refer to the Fund’s prospectus for a description of the Fund’s investment objective, investment strategies, and principal risks.

### **Item 9 – 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 CCM or the integrity of CCM's management.

CCM has no information which is applicable to this Item.

### **Item 10 – Other Financial Industry Activities and Affiliations**

***Pooled Investments.*** CCM serves as the general partner to several pooled investment vehicles as follows:

CCM is the general partner of and provides investment advice to CCM Income Fund, LP, a Delaware limited partnership that invests principally, but not exclusively, in U.S. income and yield oriented equity securities. This also includes master limited partnerships ("MLP"s), MLP affiliates, and common stocks and private securities principally of MLPs that will generally convert to publicly traded securities within 24 months. CCM Income Fund, LP is exempt from registration as an investment company pursuant to Section 3(c)(1) of the Investment Company Act of 1940, as amended ("1940 Act") and exempt from registration as an investment company pursuant to Section 3(c)(7) of the 1940 Act.

CCM is also the general partner of and provides investment advice to CCM OCB Partners, LP, a Tennessee limited partnership that has an investment in Oakworth Capital Bank, Inc. Oakworth Capital Bank is a privately owned commercial bank located in Birmingham, Alabama. CCM OCB Partners, LP is exempt from registration pursuant to Section 4(2) of the Securities Act of 1933.

CCM will effect securities transactions for advisory clients through Chickasaw Securities, LLC, a correspondent broker-dealer that clears through J.P. Morgan Clearing Corp. Chickasaw Securities, LLC is an affiliated broker-dealer wholly owned by CCM and is registered with the SEC, FINRA, and various states. CCM clients will generally be required to contractually agree that securities transactions will be directed through an affiliated broker-dealer. Subject to any applicable best execution obligations, CCM clients will generally be required to agree that

transactions done with the affiliated broker-dealer are done at a specified rate. CCM will not search for, or attempt to negotiate a lower rate from other broker-dealers.

***Chickasaw Securities, LLC.*** Clients will pay Chickasaw Securities, LLC transaction fees such as commissions, commission equivalents, mark-ups, or mark-downs and J.P. Morgan Clearing Corp.'s service fee on any such transaction. Geoffrey Mavar and Matthew Mead are registered representatives of Chickasaw Securities, LLC and, as such, receive a portion of the transaction fees paid by clients for effecting securities transactions.

Additionally, purchase and sale transactions (including swaps) may be effected between CCM's advisory clients subject to the following guidelines: (i) such transactions shall be effected for cash consideration at the current market price of the particular securities, and (ii) no extraordinary transaction fees (such as brokerage commission) or other fee (except for customary transfer fees or transaction fees) or other remuneration shall be paid in connection with any such transaction.

Matthew Mead and Geoffrey Mavar, CCM's managing members, also serve as President and Chief Financial Officer, respectively, of Chickasaw Securities, LLC. Transaction fee rates for trades executed through Chickasaw Securities, LLC may not always be as favorable as those that could be obtained if transactions were executed through another broker-dealer. The fact that CCM's advisory clients are likely to use an affiliated broker to execute transactions presents a potential conflict of interest in that CCM owns Chickasaw Securities, LLC, and CCM's personnel will receive additional compensation in their capacity as Chickasaw Securities, LLC's registered representatives.

#### **Item 11 – Code of Ethics, participation or Interest in Client Transactions, and Personal Trading**

CCM has adopted a Code of Ethics that sets forth the standards of conduct expected of its personnel. The Code of Ethics requires its personnel to report their personal securities holdings and transactions to CCM's Chief Compliance Officer and requires pre-approval of certain investments. In particular, CCM personnel are required to arrange for the Chief Compliance Officer to receive directly from the executing broker-dealer, bank, or other third-party institution, duplicate copies of trade confirmations for each transaction and periodic statements for each

covered account. CCM personnel are also required to submit initial and annual holdings reports. CCM personnel annually must acknowledge receipt of CCM's Code of Ethics and certify that the individual has complied with and will comply with the CCM's Code of Ethics. CCM is required to keep copies of the Code of Ethics and records relating to the Code of Ethics. Clients and prospective clients can obtain a copy of the Code of Ethics, free of charge, by contacting CCM.

CCM has implemented compliance policies and procedures that govern personal trading by all employees of CCM and which are based on the notion that the officers and employees of CCM must act in the best interest of advisory clients. These policies state that CCM employees should avoid engaging in business activities, including personal investments, which create or appear to create a conflict of interest. To the extent CCM purchases a block of securities, neither CCM, nor any persons employed by CCM, nor the account of an affiliated party under the control of any such persons, receives a better price, than the price received by a client in the same transaction.

CCM (or their respective members, principals, employees and affiliates), may serve as investment manager or investment advisor to various advisory accounts, including pooled investment vehicles. CCM (or their respective members, principals, employees and affiliates) may also have additional accounts in the future and conduct investment activities for their own accounts. All such accounts may have similar or different investment objectives and implement similar or different investment strategies.

CCM (or its members, principals, employees and affiliates) may give advice or take action with respect to its advisory clients that differs from the advice given with respect to its other clients. To the extent a particular investment is suitable for several of CCM's advisory accounts; such investments will be allocated between such accounts in accordance with CCM's established procedures.

From the standpoint of an advisory client, simultaneous identical portfolio transactions for such client and other CCM's clients may tend to decrease the prices received, and increase the prices required to be paid, by such client for its portfolio sales and purchases. Where less than the maximum desired number of securities to be purchased is available at a favorable price, the securities purchased will be allocated among CCM's advisory accounts in accordance with CCM's established procedures which are designed with the objective of fair and equitable treatment of all clients. It may not always be possible or consistent with the investment

objectives of the various persons or entities described above and of the advisory clients for the same investment positions to be taken or liquidated at the same time or at the same price.

## **Item 12 – Brokerage Practices**

Clients will generally agree in their client account agreements that securities transactions will be directed through an affiliated broker-dealer.

Chickasaw Securities, LLC is an affiliated broker-dealer wholly owned by CCM whose clients will generally be required to agree in their client account agreements that securities transactions will be directed through an affiliated broker-dealer.

In addition, from time to time CCM may purchase securities that are part of a public distribution. The Financial Industry Regulatory Authority ("FINRA") has taken the position in its Conduct Rules that such securities may be part of a "new issue" and, accordingly, members of FINRA may not sell such securities to an account in which a member, or person affiliated with or related to a member, of FINRA has an interest. Similar restrictions apply in the case of senior bank officers and certain other persons, including officers of registered investment advisory firms. Accordingly, certain clients (including but not limited to partners of limited partnerships and shareholders of corporations which may be clients of CCM, as the case may be) may be ineligible to participate in new issues.

CCM personnel, including Mavar and Mead, are registered representatives of Chickasaw Securities, LLC and receive compensation from transaction fees such as commissions, commission equivalents, mark-ups, mark-downs, dealer spreads, credits, or otherwise from trades executed by Chickasaw Securities, LLC for CCM clients.

Thus, CCM has an indirect financial interest in executing such transactions because Chickasaw Securities, LLC is a wholly owned subsidiary of CCM, and Chickasaw Securities, LLC and CCM personnel may earn compensation from transaction and other fees in connection with these transactions.

CCM may use mutual funds to fill components of a client's overall investment strategy. Chickasaw Securities, LLC and certain associated persons of CCM may receive Rule 12b-1 fees from the issuers of such mutual funds, and this will be in addition to the advisory fee paid herein.

Clients are also advised that in addition to the annual advisory fee set forth in Item 1(D), the mutual fund pays an advisory fee to the fund's portfolio manager.

Certain money market, municipal money market and government money-market funds pay Chickasaw Securities, LLC, and indirectly through Chickasaw Securities, LLC, certain associated persons of CCM, a distribution fee in its capacity as a broker dealer. Clients may borrow money by using a margin account at Chickasaw Securities, LLC, and personnel of CCM may receive compensation from Chickasaw Securities, LLC in connection with these margin loans. Transaction fee rates for trades executed through Chickasaw Securities, LLC may not be as favorable as those that could be obtained if transactions were executed through another broker-dealer.

In addition, CCM's members, principals, employees or affiliates may serve and receive compensation as directors of companies in which CCM's advisory clients may invest. CCM's advisory clients will not be entitled to receive any portion of such director compensation paid to members, principals, employees, or affiliates of CCM, which may give rise to conflicts of interests in allocating the advisory clients' assets to companies for which members, principals, employees or affiliates of CCM act as directors.

Notwithstanding the foregoing, CCM may, at its discretion, trade with broker-dealers other than Chickasaw Securities, LLC for advisory accounts when circumstances, such as the receipt of research and other services to be provided by a broker-dealer, warrant it. CCM clients have generally agreed in their client account agreement that CCM may select broker-dealers. Such services may include, but are not limited to, written information and analyses concerning specific:

- Securities
- Companies or sectors
- Travel expenses incurred in connection with the research of investment opportunities
- Market, financial and economic studies and forecasts
- Financial publications
- Statistical and pricing services
- Portfolio accounting systems as well as discussions with research personnel,
- Technical and telecommunications services including: hardware, software, databases, lines and equipment utilized in the investment management process (updates, improvements, repairs and replacements)

In selecting a broker - dealer other than Chickasaw Securities, LLC to execute transactions, CCM will, consistent with its obligations to obtain best price and best execution for its clients, take into account such relevant factors as:

- Price
- Broker's or dealer's facilities, reliability and financial responsibility
- The ability of the broker or dealer to effect transactions, particularly with regard to such aspects as timing, order size, and execution of orders
- The research and related brokerage services provided by such broker or dealer to CCM, notwithstanding that an account may not be the direct or exclusive beneficiary of such services; and
- Any other factors CCM considers to be relevant. Subject to the requirements of Section 28 (e) of the Securities Exchange Act of 1934, as amended, CCM may pay a broker a commission in excess of that which another broker might charge in recognition of the value of research and execution provided.

Clients may instruct CCM to direct all or a portion of the securities transactions for its account to a specified broker or dealer such as Chickasaw Securities, LLC. CCM will treat the client direction as a decision by the client to retain the discretion that CCM otherwise would have in selecting a broker-dealer to effect transactions and in negotiating transaction fees generally for the client's account. The client who directs CCM to use a specific broker may pay higher or lower transaction fees such as commissions, commission equivalents, mark-ups, mark-downs, dealer spreads, credits or otherwise, and may receive less or more favorable execution services than if the client did not direct transactions to a particular broker. As discussed, CCM retains the authority to select other brokers based on the criteria set forth above.

Any instruction or limitation relating to the selection of broker-dealers must be in writing. Because client-directed trades often cannot be aggregated with non-directed trades, such designations may adversely affect CCM's ability to obtain volume discounts on aggregated orders or to obtain best price and execution by effecting certain transactions directly with the market maker. Information regarding CCM's order routing can be found on our website, [www.chickasawcap.com](http://www.chickasawcap.com) under the SEC Rule 11Ac1-6 Report hyperlink. This information is generally posted within 30 days after the end of the quarter.



CCM may enter trade orders (“Block Trade”) in a given security for groups of its clients that are bunched or aggregated, including employee related accounts and accounts of affiliated entities such as the CCM Income Fund, LP. When entering Block Trades, CCM generally determines the full allocation to each participating account at the time the orders are placed. When execution of the order is completed in a single trading day, the Block Trade is average priced and allocated in full to the accounts that were part of the Block Trade. When both client and employee related accounts participate in a Block Trade, they receive the same average price calculation.

When execution of the order is not completed in a single day (“Partial Fill”), the account allocation of shares purchased or sold in the Block Trade is provided to the broker-dealer using one of several fair and equitable methods of allocation generally at the end of the day's trading. The allocation of a Partial Fill will be done in a fair and equitable manner using various allocation methods at the average price for the day.

These allocation methods include, but are not limited to:

- (1) Pro-rata allocation to accounts,
- (2) Full allocation to accounts ordered by either
  - (a) account number, or
  - (b) account name using either
    - (i) first to last,
    - (ii) last to first, or
    - (iii) from the middle out.

This procedure is intended to have the effect of treating all participating accounts equitably with respect to the purchase or sale price realized. However, a given account may receive a better or worse price than if its trading had been accomplished separately. Any allocation procedures administered are not intended to operate concurrently to favor or disfavor the same accounts. The commission or commission equivalent paid by clients participating in Block Trades may differ from and be higher than the rate paid by other clients participating in the same transaction, including employee related accounts. These differing rates may be due to differences in the size and nature of the accounts, and differences in the services provided. The commission or commission equivalent paid by the client is separate from and has no effect on the average price for the day.

CCM's commission policy for employee and family related accounts is a minimum ticket charge of \$25.00 (for trades of 200 shares or less) and \$.125 per share for other trades. CCM has the discretion to reduce the per share commission on larger trades of low-dollar stocks for affiliated accounts. The effect of this policy may result in clients paying a higher commission rate than the affiliated accounts for the exact same execution.

CCM is not required to bunch orders if CCM determines that it would be consistent with its fiduciary duties not to do so or if portfolio management decisions are not made together. If client and employee related accounts have the same order type (buy or sell), in the same security, on the same day and are not bunched or aggregated together in a Block Trade, the employee related account receives the worse price of the day.

### **Item 13 – Review of Accounts**

Mead and Mavar are primarily responsible for reviewing client accounts. Each of these individuals will oversee a portion of client accounts and will perform daily, weekly, or monthly reviews, as appropriate for their respective clients. Generally, reviews may be undertaken in response to change in market conditions, security positions, or investment objectives, or in connection with a client meeting. The sequence of review may be alphabetical, by account number, by investment objectives, random, or otherwise. Performance of accounts in connection with investment objectives, security positions and potential investment opportunities, are among the matters which may be the focus of a review.

In addition, the Compliance Officer of CCM will review all client accounts quarterly. Though CCM will attempt to correct trading errors as soon as they are discovered, it may not be responsible for poor executions or trading errors committed by the brokers with which it transacts or CCM itself, unless, in the case of CCM, such errors resulted from the CCM's gross negligence, fraud or willful misconduct. Clients will generally receive reports concerning the status of their account from the custodian on a quarterly or more frequent basis as required. These reports will generally include an account summary, an activity summary, and a portfolio valuation report. See also Item 15 below.

## **Item 14 – Client Referrals and Other Compensation**

### *Incoming Referrals*

CCM encourages and promotes referrals of clients to our advisory firm. We do not, but may in the future, compensate people or firms for providing referrals.

### *Referrals of Other Professionals*

Adviser may refer clients to other service professionals if requested or deemed necessary, based on the specific needs of the client. For example, Adviser may refer clients to legal counsel or accountants. It is possible that these professionals may, in turn, make referrals of their clients seeking investment advice to Adviser.

## **Item 15 – Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains their assets. CCM urges 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.

## **Item 16 – Investment Discretion**

We usually receive discretionary authority from the client at the outset of an advisory relationship through the execution of a client agreement and the execution of a power of attorney. The discretionary authority generally grants us the ability to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, CCM observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, our authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

Investment guidelines and restrictions must be provided to us in writing.

**Item 17 – Voting Client Securities**

It is CCM's policy to vote proxies for shares held in the accounts for which it has voting authority in a manner in which CCM believes to be in the best interests of its clients. The investment philosophy of CCM involves investing in companies with good management. In light of this, CCM typically votes along with directors' recommendations. Additional information about how CCM votes proxies is available in CCM's proxy voting policies and procedures. Copies of our proxy voting policies and procedures as well as a copy of our voting record is available to clients free of charge upon request.

**Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about CCM's financial condition. CCM has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

**Item 19 – Information About State Registered Advisers**

Because CCM is a federally registered investment adviser, this Item is not applicable.