

# BNR Partners, LLC

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December 31, 2010

[www.bnrpartners.com](http://www.bnrpartners.com)

This brochure provides information about the qualifications and business practices of BNR Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 312.338.7788. 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 BNR Partners, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

# Material Changes

BNR Partners, LLC is providing this information as part of our annual updating amendment which contains material changes from our last annual update. This section discusses only material changes since the last annual update which most recently occurred on March 31<sup>st</sup>, 2010.

The Securities and Exchange Commission adopted amendments to Part 2 of Form ADV effective October 2010. The newly revised Part 2 consists of Part 2A (the "Brochure") and Part 2B (the "Brochure Supplement"). Each update of the Brochure must now include a summary of all material changes since the last annual update.

This Brochure, dated December 31, 2010 is materially different in structure and contains certain new information that our previous brochure did not require.

As of December 31, 2010 BNR Partners, LLC has no additional substantive changes regarding the adviser's policies, practices, or conflicts of interest.

Clients and prospective clients should contact BNR Partners, LLC to discuss any questions regarding BNR.

# Table of Contents

<b>Item Number</b>	<b>Item</b>	<b>Page</b>
4	Advisory Business.....	5
	Tax Planning and Accounting.....	7
	Estate Planning.....	8
	Investment Advisory/Chief Investment Officer....	9
	Fiduciary Liaison.....	10
	Personal Administration.....	11
	Strategic Philanthropy.....	12
	Family Governance.....	13
	Communication and Reporting.....	14
	Individual Trustee.....	15
	Single Family Office Support.....	16
	Assets Under Management.....	17
	Advisory Services and Fees.....	18
5	Fees & Compensation.....	19
	Advisory Services and Fees.....	19
	Other Compensation.....	21
6	Performance Fees & Side by Side Management.....	22
7	Types of Clients.....	23
8	Methods of Analysis, Investment Strategies and Risk of Loss.....	24

# Table of Contents Cont.

<b>Item Number</b>	<b>Item</b>	<b>Page</b>
9	Disciplinary Information.....	25
10	Other Financial Industry Activities and Affiliations.....	26
11	Code Of Ethics, Participation or Interest in Client Transactions & Personal Trading.....	27
12	Brokerage Practices.....	28
13	Review of Accounts.....	29
14	Client Referral and Other Compensation.....	30
15	Custody.....	31
16	Investment Discretion.....	32
17	Voting Client Securities.....	33
18	Financial Information.....	34
Appendix A	Code of Ethics.....	35
Supplement Brochure	Allen C. Berg.....	41
Supplement Brochure	William E. Richards.....	47
Supplement Brochure	Ryan D. Liss.....	53
Supplement Brochure	Michelle O. Munoz.....	59
Supplement Brochure	JoAnne Monteleone.....	65

# Advisory Business

BNR Partners, LLC was established in 2003 as a Multi-Family Office by Allen C. Berg and William E. Richards. Services provided are tailored to client needs and include but are not limited to

- Tax Planning and Accounting
- Estate Planning
- Investment Advisory/CIO
- Fiduciary Liaison
- Personal Administration
- Strategic Philanthropy
- Family Governance
- Communication and Reporting
- Individual Trustee
- Single Family Office Support

# Advisory Business

**Allen C. Berg** is a Managing Director of BNR Partners, LLC and has 40 years of experience in all aspects of individual income taxation, estate and trust taxation, financial planning and investment advisory services.

Allen began his career with Seidman & Seidman (BDO) in 1972. In 1980 he founded a certified public accounting firm, Berg, DeMarco, Lewis Sawatski & Co., (BDLS) which grew to an 85 person firm. BDLS was sold to H&R Block in 1999.

Allen received a Bachelor of Science in Accountancy from the University of Illinois in 1972 and a Masters of Science in Taxation from DePaul University in 1975. Allen is also a member of the President's Council (U of I) and a sponsor of the annual Johnny "Red" Kerr Memorial Tournament for the U of I Athletic Association. He is a member of the Board of Directors of JCC of Chicago and a past Chairman of the Pritzker Committee of the JCC of Chicago.

**William E. Richards** is a Managing Director of BNR Partners, LLC and has over 35 years of trust, estate and financial planning experience. Bill began his career as a trust officer in 1979 and was later the head of Personal Trust at LaSalle Bank, Senior Trust Relationship Manager at Continental Bank, and head of all Personal Trust and Fiduciary Services at American National Bank and Trust Company of Chicago. This included the coordination and delivery of a broad range of financial services to many of the bank's most important clients.

Bill received a Bachelor of Arts Degree from Carroll University in 1979 and a MBA from Keller Graduate School in 1987. He is a member of the Board of Directors of the Civic and Arts Foundation and currently serves as Treasurer.

# Advisory Business

## Tax Planning and Accounting

- Proactive tax-efficient income and investment strategies.
- Ongoing income tax and financial planning.
- Our process incorporates all key financial areas.

### ☐ **Areas of Concentration:**

Tax Planning	Cash Modeling
Tax Preparation/Compliance	Budgeting and Monitoring
Partnership Accounting	Trust Accounting

# Advisory Business

## Estate Planning

- Multi-generational wealth transfer strategies
- Comprehensive review of wealth transfer goals and charitable goals in conjunction with ongoing, integrated tax-efficient planning
- Annual plan monitoring and proactive plan updates
- Communication to ensure that each individual understands the responsibilities of fiduciaries and beneficiaries

### ☐ **Areas of Concentration:**

Estate Planning  
Retirement Planning

Wealth Succession/Legacy Planning  
Business Succession Planning



# Advisory Business

## **Investment Advisory/Chief Investment Officer (CIO)**

BNR assists clients with the development of investment strategies that meet their short and long term needs and objectives.

### **Analysis of personal assets, operating businesses and financial objectives**

- Assist in the review, establishment and monitoring of investment expectations
- Assessment of risk tolerances
- Management of personal goals and lifestyle needs

### **Utilization of investment managers and managers of managers**

#### ☐ **Determination of Asset Allocation**

#### ☐ **Areas of Concentration:**

Cash/Fixed Income Investments  
Equity Investments  
Specialty/Alternative Investments

Real Estate  
Private Equity  
Hedge Funds

# Advisory Business

## Fiduciary Liaison

The size and bureaucracy of large financial institutions often impedes excellent client service. BNR provides consultation, performance review and advocacy services for clients who have existing relationships with banks and other corporations providing trust and estate settlement services

❑ **Areas of Concentration:**

Review of:

- Investment Performance
- Timeliness of work
- Statement accuracy
- Fee accuracy and amount
- Discretionary distribution strategies
- Tax minimization strategies

# Advisory Business

## Personal Administration

Assistance with simplifying personal and financial tasks

❑ **Areas of Concentration:**

Bill Payment

Budgeting

Domestic/Concierge Services  
Planning

Asset/Property Purchasing

Records Management

Cash Flow Management

Insurance Review and

Elderly Lifestyle Planning

# Advisory Business

## Strategic Philanthropy

- Identification of charitable giving goals and tax-beneficial philanthropic approaches
- Creation of philanthropic mission statement and strategic plan
- Comprehensive charitable entity management

### ☐ **Areas of Concentration:**

Philanthropic Planning  
Private/Family Foundation Establishment and Administration  
Tax Planning  
Estate Planning

# Advisory Business

## Family Governance

- Provide strategies for developing and embracing a core set of shared values and goals for the activities of the multi-generational family
- Help design mission/vision statements that clearly articulate collective goals and objectives
- Assist in building the appropriate governance structure and assigning leadership roles
- Provide ongoing age-specific and structured financial training
- Coordinate family meetings to review performance and reaffirm the family's mission

### ☐ **Areas of Concentration:**

Family Mission/Vision Development

Financial Responsibility: Education and Training

Representative Governance Structuring

# Advisory Business

## Communication and Reporting

- Ongoing regular communication of the most up-to-date information available on financial and personal matters
- Development of customized reporting packages for each family member

### ☐ **Areas of Concentration:**

Financial Reports

Quarterly Reports and Meetings

Annual Report and Meeting

# Advisory Business

## Individual Trustee

In situations where an Individual Trustee is requested, a principal of BNR can be appointed. An Individual Trustee will assume many of the following duties

- Accounting and Administration
- Investment Management
- Determine Appropriate Custodian
- Distributions
- Tax Related Responsibility
- Special Situations (i.e. Real Estate, Closely Held Business)
- Beneficiaries - Communication

# Advisory Business

## **Single Family Office Support**

When a Single Family Office requires assistance, BNR Partners, LLC can provide specialized services including but not limited to the following

- Tax Planning
- Estate Planning
- Accounting and Investment Performance
- Investment Advisory/CIO
- Personal Administration
- Strategic Philanthropy Planning
- Family Governance
- Individual Trustee
- Fiduciary Liaison with Corporate Trustee/Executor



# Advisory Business

## **Assets Under Management**

BNR has assets under administration on a discretionary basis as of February 28, 2011 in the amount of \$155,235,636.

# Advisory Business

## Advisory Services and Fees

BNR Partners, LLC (“BNR”) provides customized family office services to high net worth individuals and families. Depending on each client’s preference BNR works independently or with its client’s other financial advisors and professionals to identify short and long term goals, develop a plan to meet these goals, implement the plan and monitor/modify the plan as needed.

BNR manages client investments by working directly with investment professional selected by the client or with the client in supervising the work of those professionals. In some circumstances BNR may also recommend independent investment managers to its clients.

# Fees & Compensation

## Advisory Services and Fees

Fees for non-investment services and investment advisory work can be a predetermined amount based on an estimate of the time of BNR staff to service the client relationship. The hourly rate of staff members varies from \$125-\$450/hour. Or at the client's preference be based upon a percentage of assets under administration and management.

BNR does apply a minimum annual fee of \$100,000 subject to agreement for all of its services.

# Fees & Compensation

## Advisory Services and Fees

Fees for investment supervisory work of other investment professionals may be based on either an hourly basis (described the previous slide), a fixed fee, or a payment of a portion of the investment professional's standard fee directly to BNR. The amount of the fee in all arrangements will range from 10 to 40 basis points. Depending on client preference fees are billed or deducted from client assets. In no event will a client incur a fee for investment management services from a professional recommended by BNR that was greater than the regular fee schedule provided by that professional.

Fees are negotiated based upon expected work and time involved.

Fees are payable either 1) when the work is completed; 2) monthly in advance or in arrears; or 3) quarterly in advance or in arrears. No fees are paid in advance by 6 months or more. Any refunds of fees would be prorated back to the client through the date of termination of the relationship.

Fees for ongoing investment supervisory work of the professionals not allocating a portion of its fees to BNR are payable quarterly. When a portion of an investment professional's fees are allocated to BNR, the fees are generally paid within thirty (30) days of receipt by the investment professional. Any refunds would be pro-rated back to the client through the date of termination of the relationship.

BNR does not have arrangements with any insurance company or agency. BNR may on occasion receive insurance commissions when client planning requires the review and use of the insurance. Client approval is required for BNR to receive insurance commissions and they are credited to the client.

# Fees and Compensation

## Other Compensation

Some investment professionals, sub advisors/solicitors recommended by BNR to its clients allocate a portion of their fees to BNR for their work in assisting the client with ongoing supervisory work and the integration of the investment plan into the overall financial plan. In these cases BNR does not charge the client any additional fee for this work and the investment professional does not charge the client any more than it would to an identical client who had no relationship with BNR.

In addition to BNR fees clients may incur additional fees charged by third parties such as custodian, investment management, mutual fund fees, hedge fund fees, trustee, attorney and other professional fees.

# Performance Fees and Side-by-Side Management

BNR Partners, LLC does not as a firm accept nor allow any supervised person to accept performance fees.

BNR Partners, LLC does not accept any fees other than what is detailed in ADV Part 2 Item 5 (See Slide 16).

# Types of Clients

BNR generally provides family office and investment advisory services to high net worth individuals (including trusts, charitable trusts, and business interests for these individual clients).

BNR does not directly manage investment accounts and has no minimum asset size in order to establish a client relationship. BNR does apply a minimum annual fee (see Item 5).

# Methods of Analysis, Investment Strategies and Risk of Loss

BNR works with clients in developing asset allocation based on individual needs.

Performance measurement is provided to BNR clients by the individual asset manager.



# Disciplinary Information

BNR does not have any legal or disciplinary events that are material to a client or prospective client's evaluation of the firm's advisory business or the integrity of the firm's management.

# Other Financial Industry Activities and Affiliations

Allen C. Berg: CPA, CFP

William E. Richards: CFP, Insurance license

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

The principals of BNR Partners may buy and sell securities which may be recommended to advisory clients.

Upon request BNR Partners, LLC will provide a copy of the Code of Ethics

For a copy of BNR's Code of Ethics, please see appendix A

# Brokerage Practices

## Broker Selection

BNR does not directly manage investment accounts and does not perform security analysis. BNR may recommend to its clients the use of independent third-party investment managers, who would perform security analysis and utilize various sources of information

BNR will also recommend third party brokers which maybe selected by the client, however it is the client's decision which brokerage firm is used.

## Soft dollars

BNR Partners, LLC does not have any soft dollar relationships

# Review of Accounts

BNR does not directly manage investment accounts. Depending on the preferences of each client, BNR employees will participate in investment supervisory meetings with third-party investment professionals. The frequency of such meetings is determined by the client and investment professionals based on the client's preferences and unique circumstances.

Principals of BNR are responsible for reviewing each client's financial plan, which may include the client's investment plan and portfolio performance. The number of clients assigned to each principal varies according to the scope and complexity of the services provided to each client. Generally, principal reviews occur quarterly, or more frequently when warranted by client circumstances.

Depending on their preferences, clients generally receive monthly or quarterly investment reports (which may include a list of holding, asset allocation, transactions and/or performance information) from the third-party investment managers and a combined statement when multiple third-party investment managers are involved.

# Client Referrals and Other Compensation

BNR has solicitation and sub-advisory agreements with firms outside of BNR. In situations where BNR has a solicitor or sub advisory agreement BNR may receive a portion of the advisory fees received from clients referred by them. Specific terms of this relationship are outlined in the agreement between BNR and a solicitor or sub-advisor. A solicitor or sub-advisor will provide the client with BNR's disclosure brochure. An acknowledgement between a solicitor or sub-advisor and the client outlining the arrangement must be signed prior to a solicitor or sub-advisor receiving any fee.

# Custody

As a part of the BNR compliance program:

All client assets are held with a qualified custodian. All clients receive account statements on at least a quarterly basis from the third party custodian. BNR does confirm that the clients receive a statement from the custodian on an annual basis. In addition BNR encourages clients to review their custodial statements for accuracy.

# Investment Discretion

Although it does not directly manage investment accounts, BNR may provide recommendations on asset allocation and diversification. Client financial plans typically emphasize a long-term investment horizon and well diversified asset mix. Their objective is to achieve the highest net returns consistent with each client's risk tolerance.

When principals of BNR are acting in a fiduciary or advisory role, authority may be granted to determine securities to be bought or sold; amount of securities to be bought or sold; and, broker or dealer to be used for a purchase or sale of securities.



# Voting Client Securities

## Proxy Policy

As a matter of policy, BNR Partners, LLC does not vote client proxies. However there may be circumstances when BNR has been assigned responsibility to vote proxies. In these situations, as a matter of policy and practice, BNR will vote with management.

Clients may obtain a copy of how their proxies were voted by contacting BNR Partners, LLC.

Upon request, BNR will provide a copy of the firm's proxy policies and procedures.

# Financial Information

BNR Partners, LLC does not require or solicit payment of more than \$1,200 in fees per client, six months or more in advance.

BNR has no financial condition that is reasonably likely to impair the ability to meet contractual commitments nor has it been subject of a bankruptcy petition during the past ten years.

# Code of Ethics

## CODE OF ETHICS (COE)

### Introduction

Although BNR Partners, LLC (“BNR”) believes that individual investment activities by its managing directors, employees and independent contractors (hereinafter referred to as “BNR Personnel”) should not be prohibited or discouraged, the fiduciary obligations of BNR to its clients necessarily require some restrictions on the personal investment activities of BNR Personnel and of members of their families.

This Code of Ethics is intended to address three fundamental principles which must guide our personal investment activities in light of our fiduciary duties:

**First, the interests of clients must always take precedence over personal interests;**

**Second, BNR personnel must not take inappropriate advantage of their positions as securities industry professionals; and,**

**Third, all securities transactions must be conducted in such a manner as to avoid any actual or potential conflict of interest or any abuse of an individual’s position of trust and responsibility.**

Further, Securities and Exchange Commission (“SEC”) Rule 204 A-1 under the Investment Advisors Act of 1940 requires that every registered investment advisor adopt a code of ethics regarding personal investment activities of persons having access to information about portfolio transactions of the company’s clients, and Rule 204-2 under the Investment Advisors Act of 1940 requires that investment advisors keep certain records, which must be available for inspection by representatives of the SEC, regarding personal investment activities of its employees.

### Firm Policy

It is the policy of BNR to prohibit the improper use or handling of “Material, Non-Public Information”. The policy has been adopted by BNR’s management, and is enforced by the Compliance Officer. The reporting requirements assist the monitoring function to prevent and detect any improper employee transactions, and prevent any conflicts of interest. The policy is based upon the three principles stated above that place client interest before the interest of BNR and BNR Personnel. Furthermore, in compliance with Rule 204A-1, BNR requires all of its supervised persons to comply with the federal securities laws. All supervised persons will be provided with a copy of the Code of Ethics and any amendments.

# Code of Ethics

## **MATERIAL NON-PUBLIC INFORMATION**

The federal securities laws prohibit the improper use of material, non-public information. For the protection of its clients and BNR Personnel, BNR has adopted this policy concerning the use of material non-public information.

### **Prohibitions**

It is the policy of BNR to prohibit all BNR Personnel from trading, either personally or on behalf of others, on material non-public information. All employees may not: purchase or sell securities of any type for BNR its associated persons, clients, or personal accounts, on the basis of material non-public information; attempt to improperly obtain material non-public information; pass on material non-public information except in those few instances where there is a privilege, such as to BNR's attorneys, or where otherwise permitted by law; engage in "front running" (defined below) or trading ahead of client orders.

### **Administration and Enforcement of Firm's Policy**

It is the obligation of BNR Personnel or persons working under the direction of BNR to comply with the policy. The policy will be enforced by the two managing partners of BNR, Allen Berg and William E. Richards. The administrative responsibility for BNR's policy and compliance program will rest with BNR's Compliance Officer.

### **Receipt of Possible Material Non-Public Information**

BNR does not have an investment banking division or affiliate and because BNR does not currently have any employees serving as officers or directors of any company having publicly traded securities, BNR does not anticipate that its employees will be in receipt of material, nonpublic information. From time to time, however, an employee may receive such information. If any employee receives information which may constitute material, non public information, the employee (i) should not buy or sell any securities, including options or other securities convertible into or exchangeable for such securities, for a personal account or a client account, (ii) should not communicate such information to any other person (other than the Compliance Officer) and (iii) should discuss promptly such information with the Compliance Officer. Under no circumstances should information that may constitute material, nonpublic information be shared with any persons not employed by BNR, including family members and friends.

### **What is Material Non-Public Information?**

There is no specific or precise definition of what is material non-public information. The courts, Congress and the Securities and Exchange Commission (SEC) have not provided an exact definition.

The term "insider information" generally refers to information that is known only to key people at the company that issues a security. However, it may include information that emanates in the marketplace, or otherwise outside the issuer of a specific security. For example, insider information may involve market information that could lead to "front running". An example of front running would be if an employee knows of a large sale to be made for a client on the New York Stock Exchange which is likely to depress the price of the security. It would be a violation of the securities laws if the employee were to position himself or herself, the firm, or clients on the other side of that transaction. Likewise, information about an undisclosed and yet to be announced tender offer might be "insider information", even though the issuer itself does not know of the tender offer.

# Code of Ethics

## **Non-Public Information**

The term material non-public information has two parts, “material” and “non-public”. “Non-public” means information which has not been publicly disclosed by press release, the company’s reports or otherwise to the public. The key to the term “non-public” is whether or not the information has been disseminated to the general investment public and the investment community. Even though a company has issued a press release to the wire services, information in the press release would be considered non-public until such time as it appeared on one of the wire services. “Disseminated” to the public means that a sufficient period of time has elapsed for the public to obtain and absorb the information. If the information would not normally appear on the wire services, the information would be considered non-public until such time as the information has had an opportunity to be disseminated to the public generally. If you have any questions as to what is public or what is non-public, consult BNR’s Compliance Officer.

## **Material**

“Material” means information that is important to a reasonable investor in evaluating whether to buy, hold or sell a security. Determining what “material” is usually the most difficult question for an analyst and an investment advisor. An investment advisor will see and receive hundreds of pieces of information, none of which in and of itself may be material, but put together by the analyst into a mosaic may become “material”.

The Supreme Court has held that an analyst is permitted to make fair inquiry to officials of a company to glean whatever information may be obtained. In fact, the Supreme Court endorses the use of analysts to obtain information from companies as being in the public interest. The analyst is permitted to use bits and pieces of information. The Supreme Court has permitted an analyst to use information obtained from an issuer to construct a mosaic, which is in itself material, so long as the information was not improperly obtained. The Supreme Court has stated that an analyst would be obtaining information improperly if the analyst knew (or should have known) that the offeror or employee was not permitted to disclose the information or, was disclosing the information for improper purposes (such as a bribe or a future favor).

Notwithstanding the Supreme Court, the SEC continues to maintain that an analyst or anyone else may not trade on, use or deal with “material” non-public information, whether or not improperly obtained. The SEC’s basic position is to attempt to always have a level playing field for all investors. The SEC continues to take the position that an investment advisor may not recommend, purchase or sell securities, or pass on information that is material and non-public. If you have a question as to what is material, please consult BNR’s Compliance Officer.

## **Types of Securities Covered**

The prohibitions described above apply to all types of securities including government securities, municipal securities, corporate debt, bonds, debentures, convertibles, preferred stock, equities, commercial paper, notes, options and other types of derivative products. The insider trading prohibitions apply not only to United States persons and United States securities, but also in most cases to any United States person dealing in foreign securities or with foreign persons.

# Code of Ethics

## Penalties

The federal securities laws and criminal laws provide extreme penalties for persons who misuse material non-public information. The Insider Trading and Securities Fraud Enforcement Act of 1988 provides a penalty of up to 10 years imprisonment for each offense, together with a fine of \$1,000,000 for individuals and \$2,500,000 for corporations. In addition, the SEC is empowered to obtain a civil penalty of three times the amount lost by the public. In many cases this will be considerably more than three times the amount which someone could have made in profits. More importantly for a securities professional, the SEC may bar individuals from the commodities, securities and other financial businesses in the event of a violation.

The penalties apply not only to firms but also to individuals. The law specifically provides for liability of the controlling persons of a firm. The liability does not necessarily attach only to employees. It will attach to anyone working with or for a firm under its direction, such as temporary employees. See section titled "Violations" under Employee Personal Securities Transactions for information on penalties set by the Firm.

## Questions

All questions concerning this policy should be brought to the attention of the Compliance Officer.

## VIOLATION OF THE CODE OF ETHICS

All supervised persons are required to report any violation of the BNR Partners LLC Code of Ethics promptly to the chief compliance officer.

## PERSONAL SECURITIES TRANSACTIONS

### Reporting

BNR Personnel are required to report personal securities transactions. Quarterly reporting depends on whether BNR Personnel have direct or indirect beneficial interest in the securities. When BNR Personnel have any beneficial interest, the security transaction is subject to quarterly reporting.

- **Definitions & Examples**

**Access Person** – any supervisory person who has access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any fund RIA or its control affiliates manage; or is involved in making securities recommendations to clients that are nonpublic.

**Beneficial Interest** – To have beneficial interest a person must have a direct or indirect financial interest, which is the opportunity to profit directly or indirectly from a transaction in securities. Direct beneficial interest is usually clear, such as securities held in accounts in the individual's name. Examples of indirect beneficial interest may include, but are not limited to the following: (1) securities held in the name of any relative presently sharing your home; (2) securities held by others for your benefit; (3) securities held by a trust in which you have an income or an immediate remainder interest; (4) securities held in any partnership in which you are a partner; or (5) pledged securities held for your benefit. Whenever you are not sure if you have beneficial interest, ask the Compliance Officer.

**Investment Control** – Investment control means the power to influence or direct the disposition or acquisition of an investment. This would include any securities transaction in which the employee participates in the decision to buy or sell. It may not always be clear if investment control exists. For example, an employee may have investment control over a transaction in a discretionary account. That could happen if the employee expresses an investment opinion or suggestion regarding a specific security to the broker who has discretionary authority over the account. If it is not clear if you have investment control, talk to the Compliance Officer.

# Code of Ethics

## Reporting Personal Securities

According to Rule 204A-1, all supervised persons are required to comply with the federal securities laws. As such under Rule 204A-1, BNR is required to review all access persons transaction and holdings reports. Therefore, all employees must complete a "Personal Securities" form (Attachment A) upon employment within 10 days of that employee becoming an access person. Employees are required to submit an annual holdings report within 30 days of the end of each calendar year. The "Personal Securities Form" and annual holdings reports are to be delivered to the compliance officer. The "Personal Securities Form" and the annual holdings report must contain information that is current and is no more than 45 days prior to the date that they became access persons or the date that annual reports are to be submitted. The "Personal Securities" reporting Form A and annual holdings report should include the titles and type of securities, ticker symbols or CUSIP numbers, number of shares, principal amount, broker, bank or dealer where the account is held and the date the report is submitted, along with interest rates, and maturity dates if they are applicable to the securities transactions being reported. Employees are required to report all security accounts, and all securities not held in an account, in which they have direct or indirect beneficial interest. This form must be updated whenever the necessary information changes.

Before opening any new brokerage or custodian account, every employee must disclose the identity of the account to the Compliance Officer.

"Personal Securities" reporting for the Chief Compliance Officer will be to another Managing Partner of BNR Partners. The Chief Compliance Officer is not allowed to review his or her own "Personal Securities" transactions.

## Duplicate Statements

An employee's brokerage firm or custodian bank must be notified when the employee is hired, or when the employee opens a new account, that the employer is a registered investment advisor. Quarterly account statements will be requested to be sent to

William E. Richards  
Compliance Officer  
BNR Partners, L.L.C.  
20 North Wacker Drive, Suite 1300  
Chicago, IL 60606

Duplicate account statements for each brokerage or custodian account that hold securities for the direct or indirect benefit of any employee are required to be delivered to the compliance officer. These accounts statements can be provided in lieu of Transaction Reports. The format for requesting quarterly statements to be sent to the Compliance Office is found under "Form B Authorization Letter".

## Quarterly Reports

Quarterly reporting of personal security trading is an SEC requirement and according to Rule 204A-1, BNR is required to review all access persons transaction and holdings reports. The "Quarterly Report of Personal Securities Transactions" (Attachment C) is used to report all transactions each quarter. Employees are required to report transactions in securities in which they have a direct or indirect beneficial interest.

The "Quarterly Report of Personal Securities Transactions" forms must be returned to the Compliance Officer within 10 calendar days of quarter-end, even when there are no transactions to report. Failure to report a transaction is viewed as a violation of the reporting requirements prescribed under federal law.

## Exceptions to Reporting Requirements

Transactions in the following securities do not have to be reported:

Direct obligations of the US Government.

Bankers' acceptances, bank certificates of deposit, commercial paper and high quality short-term debt instruments, including repurchase agreements.

Shares of open-end investment companies that are registered under the Investment Company Act (mutual funds).

Investments in Exchange Traded Funds.

Index-based futures/options, options/futures on Treasury Notes or Bills, and Currency options/futures.

All Commodities.

If you have any question or doubt about whether an investment is considered a security that should be reported, ask the Compliance Officer.

# Code of Ethics

- **Annual Certification**  
Every year, all BNR Personnel are required to sign a form (Attachment D) to affirm that they understand and will abide by the various procedures and rules outlined in the Code of Ethics. New employees must also sign similar forms when hired.
- **Prohibitions**  
All BNR Personnel may not:
  - participate in any trade that places BNR Personnel's interest before a client's, or in any way conflicts with a client's trade;
  - engage in "front-running" or trading ahead of client orders;
  - participate in any manipulative activity including, but not limited to, any pre-arranged or artificial trades that are done to influence security prices or volume.
- **Violations**  
Non-compliance with any of the responsibilities relating to this policy may result in a fine not less than \$250 for the first violation, and not less than \$500 for a second violation. In all cases disgorgement of trade profits will be considered. In addition, more egregious violations may be subject to other penalties or sanctions, including termination of employment. A majority of the managing partners, in accordance with these procedures and in its sole discretion will determine fines, penalties and sanctions. All fines will be donated to charitable or educational organizations chosen by a majority of the managing partners.
- **Confidentiality**  
Unless there is a conflict, all materials submitted will be held in the strictest confidence and will be subject to review only by the Compliance Officer.
- **Restricted List**  
All employees are required to notify the Compliance Officer once in receipt of material, non-public information on a security (see section titled "Material Non-Public Information"). The Compliance Officer will decide whether to put the security on the Firm's Restricted List. The security will remain on the Restricted List until the Compliance Officer can obtain verification that the information is public. While a security is on the Restricted List, no trades will be permitted.
- **30-Day Holding Period**  
Securities purchased by BNR Personnel must be for investment purposes rather than short term trading. BNR Personnel will be required to hold a security for 30 calendar days before permission to sell may be given. In addition, BNR Personnel will be required to wait 30 calendar days before permission may be given to repurchase any security of the same issuer.
- In special circumstances, such as financial hardship, BNR Personnel may receive approval from the Compliance Officer to trade in the security prior to the expiration of the 30-day holding period. Violations of these restrictions will be subject to resolution by a majority of the managing partners and fines may be levied on a case-by-case basis.
- **Short Sales**  
BNR Personnel are prohibited from short selling in accounts in which they have beneficial interest.
- **Initial Public Offerings (IPOs)**  
BNR Personnel are prohibited from purchasing an IPO except new offerings of a registered open-ended investment company or a municipal bond. Also excluded from this prohibition are securities offered to current holders of mutual insurance companies, savings and loan associations or similar financial institutions in connection with such entities' conversions or initial offerings, where the offered securities are based on the holders' account interests.
- **Security Private Offerings and Private Placements**  
Private offerings and private placements of securities require a 48-hour advance notice and pre-approval from the Compliance Officer. Pre-approval would depend on factors such as: (1) whether the investment opportunity should be reserved for the firm's clients; (2) whether this investment opportunity has been offered to BNR Personnel by virtue of his or her position within the firm. BNR Personnel who have been approved to invest in a private placement must disclose that investment when taking part in any subsequent consideration of that issuer's security for the firm's clients. Any question about whether an investment is a security should be directed to the Compliance Officer.
- **Gift Policy**  
In order to avoid the appearance or existence of any conflict of interest between BNR, its employees and its clients, any gifts received from a client or given to a client of BNR that exceeds \$250 in value will be reviewed by the Compliance Officer. A log will be kept of these gifts with a description of the gift, the recipient of the gift, the giver of the gift, the approximate value and the date of the gift. The Compliance Officer will indicate the date the gift was reviewed and note any issues or resolutions at that time. All employees of BNR, upon receipt of a gift over \$250 in value, should notify the Compliance Officer immediately.



# Allen C. Berg

BNR Partners, LLC  
20 N. Wacker Drive Suite 1300  
Chicago, IL 60606  
312.338.7788  
December 31, 2010

This brochure supplement provides information about Allen C. Berg that supplements the BNR Partners, LLC brochure. You should have received a copy of that brochure. Please contact William E. Richards if you did not receive BNR Partners, LLC's brochure or if you have any questions about the contents of this supplement.

# Education & Business Experience

## **Allen C. Berg** **Managing Director**

- Year of Birth: 1950
- BS in Accountancy, University of Illinois
- MS in Taxation, DePaul University
- Allen C. Berg helped start BNR Partners, LLC in 2003. Allen has 40 years of experience in all aspects of individual income taxation, estate and trust taxation, financial planning and investment advisory services
- Allen began his career with Seidman & Seidman (BDO) in 1972. In 1980 he founded a certified public accounting firm, Berg, DeMarco, Lewis Sawatski & Co., (BDLS) which grew to an 85 person firm. BDLS was sold to H&R Block in 1999
- Allen is also a member of the President's Council (University of Illinois) and a sponsor of the annual Johnny "Red" Kerr Memorial Tournament for the University of Illinois Athletic Association. He is a member of the Board of Directors of JCC of Chicago and a past Chairman of the Pritzker Committee of the JCC of Chicago

# Disciplinary Information

- Allen has not been the subject of any legal or disciplinary event

# Other Business Activities

- Allen is not actively engaged in any types of investment-related activities

# Additional Compensation

- Allen does not receive any additional compensation

# Supervision

All employees of BNR Partners, LLC are governed by the policies and procedures of the firm and are supervised by:

William E. Richards, CCO  
312.338.7788

# William E. Richards

BNR Partners, LLC  
20 N. Wacker Drive Suite 1300  
Chicago, IL 60606  
312.338.7788  
December 31, 2010

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# Education & Business Experience

## **William E. Richards**

- Year of Birth: 1954
- BA, Carroll University
- MBA, Keller Graduate School
- William E. Richards is a Managing Director of BNR Partners, LLC, a multi-family office, located in Chicago, Illinois. Bill has over 35 years of trust, estate and financial planning experience at Continental Illinois National Bank of Chicago, LaSalle National Bank of Chicago, American National Bank and Trust Company of Chicago where he managed personal trust and specialized in coordinating and managing the delivery of a broad range of financial services to many of the banks' most important clients
- Bill is on the board of the Civic and Arts Foundation



# Disciplinary Information

- Mr. Richards has not been the subject of any legal or disciplinary event

# Other Business Activities

- Bill participates in his family ranch

# Additional Compensation

- Bill does not receive any additional compensation

# Supervision

All employees of BNR Partners, LLC are governed by the policies and procedures of the firm. William E. Richards is supervised by:

Allen C. Berg, Managing Director  
312.338.7788

# Ryan D. Liss

BNR Partners, LLC  
20 N. Wacker Drive Suite 1300  
Chicago, IL 60606  
312.338.7788  
December 31, 2010

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# Education & Business Experience

## **Ryan D. Liss**

- Year of Birth: 1971
- Bachelor of Business Administration, University of Texas at Austin
- Master in Professional Accounting, Tax Specialty, University of Texas at Austin
- Ryan is a Certified Public Accountant with over 16 years of tax, financial planning and accounting experience at firms including Friedman & Huey Associates LLP and Family Office Exchange. His experience includes the entire range of individual, fiduciary, and business income tax returns, as well as family office services such as cash flow management, financial statement compilation, coordination of charitable giving projects and family member education. He is a member of the AICPA and Illinois Society of CPAs

# Disciplinary Information

- Ryan has not been the subject of any legal or disciplinary event

# Other Business Activities

- Ryan is not actively engaged in any types of investment-related activities



# Additional Compensation

Ryan prepares tax returns for non-BNR clients and is compensated accordingly

# Supervision

All employees of BNR Partners, LLC are governed by the policies and procedures of the firm and are supervised by:

William E. Richards, CCO  
312.338.7788

# Michelle O. Munoz

BNR Partners, LLC  
20 N. Wacker Drive Suite 1300  
Chicago, IL 60606  
312.338.7788  
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# Education & Business Experience

## **Michelle O. Munoz**

- Year of Birth: 1971
- BS, Business Administration, concentration in Accounting Columbia College of Missouri
- Masters of Accounting and Financial Management in progress at Keller Graduate School
- Senior Accountant has over 17 years accounting experience ranging from individual client accounting, business relationships and tax accounting at Berg, DeMarco, Lewis, Sawatski & Co., RSM McGladrey and Abrams & Steinberg, PC

# Disciplinary Information

- Michelle has not been the subject of any legal or disciplinary event

# Other Business Activities

- Treasurer, Kenosha Junior Woman's Club  
(non-for-profit organization)

# Additional Compensation

- Michelle does not receive any additional compensation

# Supervision

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William E. Richards, CCO  
312.338.7788



# JoAnne Monteleone

BNR Partners, LLC  
20 N. Wacker Drive Suite 1300  
Chicago, IL 60606  
312.338.7788  
December 31, 2010

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# Education & Business Experience

## **JoAnne Monteleone**

- Year of Birth: 1977
- BS in Accountancy, Dominican University
- JoAnne has over 11 years of experience working at public accounting firms. Her experience ranges from accounting, tax and business relationships. JoAnne received a Bachelor in Science in Accountancy and Business Administration from Dominican University

# Disciplinary Information

- JoAnne has not been the subject of any legal or disciplinary event

# Other Business Activities

- JoAnne is not actively engaged in any types of investment-related activities

# Additional Compensation

- JoAnne does not receive any additional compensation

# Supervision

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William E. Richards, CCO  
312.338.7788