

**MODEL BROCHURE SUPPLEMENT
(PART 2B OF FORM ADV)**

Item 1. Cover Page

Brochure Supplement

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This brochure supplement provides information about Daniel D. Khoshaba that supplements the KSA Capital Management, LLC brochure. You should have received a copy of that brochure. Please contact Daniel Khoshaba, CCO if you did not receive the KSA Capital Management, LLC brochure or if you have any questions about the contents of this supplement.

Additional information about Daniel D. Khoshaba is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2. Educational Background and Business Experience

Mr. Khoshaba was born in September 4, 1959. Daniel received his MBA in Economics from the University of Chicago in 1991 and earned a Bachelors degree in Accounting from De Paul University, Chicago in 1987. Prior to forming the Adviser, from 1999 to 2003, Mr. Khoshaba was employed by Bankers Trust/Deutsche Bank as Managing Director, Senior Analyst researching the packaging, electrical equipment and multi-industry sectors in the basic industries. From 1997 to 1999, Daniel was Managing Director, Senior Analyst following the packaging industry and the Associate Director of U.S. Research at Bankers Trust. Prior to that, from 1991 to 1997, Daniel was Managing Director, Senior Analyst following the packaging industry at Salomon Brothers. In addition to his investing experience, Daniel worked for ten years in the cutting tool industry serving clients in the aerospace, capital goods, automotive and general manufacturing sectors.

Item 3. Disciplinary Information

This Item is not applicable.

Item 4. Other Business Activities

This Item is not applicable.

Item 5. Additional Compensation

This item is not applicable.

Item 6. Supervision

Mr. Khoshaba is the managing member of the Adviser.

Item 7. Requirements for State-Registered Advisers

This Item is not applicable.

GLOSSARY OF TERMS

1. **Advisory Affiliate:** Your advisory affiliates are (1) all of your officers, partners, or directors (or any **person** performing similar functions); (2) all **persons** directly or indirectly **controlling** or **controlled** by you; and (3) all of your current **employees** (other than **employees** performing only clerical, administrative, support or similar functions).

If you are a “separately identifiable department or division” (SID) of a bank, your **advisory affiliates** are: (1) all of your bank’s **employees** who perform your investment advisory activities (other than clerical or administrative **employees**); (2) all **persons** designated by your bank’s board of directors as responsible for the day-to-day conduct of your investment advisory activities (including supervising the **employees** who perform investment advisory activities); (3) all **persons** who directly or indirectly **control** your bank, and all **persons** whom you **control** in connection with your investment advisory activities; and (4) all other **persons** who directly manage any of your investment advisory activities (including directing, supervising or performing your advisory activities), all **persons** who directly or indirectly **control** those management functions, and all **persons** whom you **control** in connection with those management functions. [Used in: Part 1A, Items 7, 11, DRPs; Part 1B, Item 2]

2. **Annual Updating Amendment:** Within 90 days after your firm’s fiscal year end, your firm must file an “annual updating amendment,” which is an amendment to your firm’s Form ADV that reaffirms the eligibility information contained in Item 2 of Part 1A and updates the responses to any other Item for which the information is no longer accurate. [Used in: General Instructions; Part 1A Instructions, Introductory Text, Item 2; Part 2A, Instructions, Appendix 1 Instructions; Part 2B, Instructions]
3. **Brochure:** A written disclosure statement that you must provide to **clients** and prospective **clients**. See SEC rule 204-3; Form ADV, Part 2A. [Used in: General Instructions; Used throughout Part 2]
4. **Brochure Supplement:** A written disclosure statement containing information about certain of your supervised persons that your firm is required by Part 2B of Form ADV to provide to clients and prospective clients. See SEC rule 204-3; Form ADV, Part 2B. [Used in: General Instructions; Used throughout Part 2]
5. **Charged:** Being accused of a crime in a formal complaint, information, or indictment (or equivalent formal charge). [Used in: Part 1A, Item 11; DRPs]
6. **Client:** Any of your firm’s investment advisory clients. This term includes clients from which your firm receives no compensation, such as members of your family. If your firm also provides other services (e.g., accounting services), this term does not include clients that are not investment advisory clients. [Used throughout Form ADV and Form ADV-W]
7. **Control:** Control means the power, directly or indirectly, to direct the management or policies of a **person**, whether through ownership of securities, by contract, or otherwise.
 - Each of your firm’s officers, partners, or directors exercising executive responsibility (or **persons** having similar status or functions) is presumed to control your firm.
 - A **person** is presumed to control a corporation if the **person**: (i) directly or indirectly has the right to vote 25 percent or more of a class of the corporation’s voting securities; or (ii) has the power to sell or direct the sale of 25 percent or more of a class of the corporation’s voting securities.
 - A **person** is presumed to control a partnership if the **person** has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the partnership.

- A **person** is presumed to control a limited liability company (“LLC”) if the **person**: (i) directly or indirectly has the right to vote 25 percent or more of a class of the interests of the LLC; (ii) has the right to receive upon dissolution, or has contributed, 25 percent or more of the capital of the LLC; or (iii) is an elected manager of the LLC.
- A **person** is presumed to control a trust if the **person** is a trustee or **managing agent** of the trust.

[Used in: General Instructions; Part 1A, Instructions, Items 2, 7, 10, 11, 12, Schedules A, B, C, D; DRPs]

8. **Custody:** Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them. You have custody if a related person holds, directly or indirectly, client funds or securities, or has any authority to obtain possession of them, in connection with advisory services you provide to clients. Custody includes:
 - Possession of client funds or securities (but not of checks drawn by clients and made payable to third parties) unless you receive them inadvertently and you return them to the sender promptly but in any case within three business days of receiving them;
 - Any arrangement (including a general power of attorney) under which you are authorized or permitted to withdraw client funds or securities maintained with a custodian upon your instruction to the custodian; and
 - Any capacity (such as general partner of a limited partnership, managing member of a limited liability company or a comparable position for another type of pooled investment vehicle, or trustee of a trust) that gives you or your supervised person legal ownership of or access to client funds or securities. [Used in: Part 1A, Item 9; Part 1B, Instructions, Item 2; Part 2A, Items 15, 18]
9. **Discretionary Authority or Discretionary Basis:** Your firm has discretionary authority or manages assets on a discretionary basis if it has the authority to decide which securities to purchase and sell for the **client**. Your firm also has discretionary authority if it has the authority to decide which investment advisers to retain on behalf of the **client**. [Used in: Part 1A, Instructions, Item 8; Part 1B, Instructions; Part 2A, Items 4, 16, 18; Part 2B, Instructions]
10. **Employee:** This term includes an independent contractor who performs advisory functions on your behalf. [Used in: Part 1A, Instructions, Items 1, 5, 11; Part 2B, Instructions]
11. **Enjoined:** This term includes being subject to a mandatory injunction, prohibitory injunction, preliminary injunction, or a temporary restraining **order**. [Used in: Part 1A, Item 11; DRPs]
12. **Felony:** For jurisdictions that do not differentiate between a felony and a **misdemeanor**, a felony is an offense punishable by a sentence of at least one year imprisonment and/or a fine of at least \$1,000. The term also includes a general court martial. [Used in: Part 1A, Item 11; DRPs; Part 2A, Item 9; Part 2B, Item 3]
13. **FINRA CRD or CRD:** The Web Central Registration Depository (“CRD”) system operated by FINRA for the registration of broker-dealers and broker-dealer representatives. [Used in: General Instructions, Part 1A, Item 1, Schedules A, B, C, D, DRPs; Form ADV-W, Item 1]
14. **Foreign Financial Regulatory Authority:** This term includes (1) a foreign securities authority; (2) another governmental body or foreign equivalent of a **self-regulatory organization** empowered by a foreign government to administer or enforce its laws relating to the regulation of **investment-related** activities; and (3) a foreign membership organization, a function of which is

to regulate the participation of its members in the activities listed above. [Used in: Part 1A, Items 1, 11; DRPs; Part 2A, Item 9; Part 2B, Item 3]

15. **Found:** This term includes adverse final actions, including consent decrees in which the respondent has neither admitted nor denied the findings, but does not include agreements, deficiency letters, examination reports, memoranda of understanding, letters of caution, admonishments, and similar informal resolutions of matters. [Used in: Part 1A, Item 11; Part 1B, Item 2; Part 2A, Item 9; Part 2B, Item 3]
16. **Government Entity:** Any state or political subdivision of a state, including (i) any agency, authority, or instrumentality of the state or political subdivision; (ii) a plan or pool of assets **controlled** by the state or political subdivision or any agency, authority, or instrumentality thereof; and (iii) any officer, agent, or employee of the state or political subdivision or any agency, authority, or instrumentality thereof, acting in their official capacity. [Used in: Part 1A, Item 5]
17. **High Net Worth Individual:** An individual with at least \$750,000 managed by you, or whose net worth your firm reasonably believes exceeds \$1,500,000, or who is a “qualified purchaser” as defined in section 2(a)(51)(A) of the Investment Company Act of 1940. The net worth of an individual may include assets held jointly with his or her spouse. [Used in: Part 1A, Item 5]
18. **Home State:** If your firm is registered with a **state securities authority**, your firm’s “home state” is the state where it maintains its **principal office and place of business**. [Used in: Part 1B, Instructions]
19. **Impersonal Investment Advice:** Investment advisory services that do not purport to meet the objectives or needs of specific individuals or accounts. [Used in: Part 1A, Instructions; Part 2A, Instructions; Part 2B, Instructions]
20. **Investment Adviser Representative:** Investment adviser representatives of SEC-registered advisers may be required to register in each state in which they have a **place of business**. Any of your firm’s **supervised persons** (except those that provide only **impersonal investment advice**) is an investment adviser representative, if –
 - the **supervised person** regularly solicits, meets with, or otherwise communicates with your firm’s **clients**,
 - the **supervised person** has more than five **clients** who are natural persons and not **high net worth individuals**, and
 - more than ten percent of the **supervised person’s** clients are natural persons and not **high net worth individuals**.

NOTE: If your firm is registered with the **state securities authorities** and not the SEC, your firm may be subject to a different state definition of “investment adviser representative.”

[Used in: General Instructions; Part 1A, Item 7; Part 2B, Item 1]

21. **Investment-Related:** Activities that pertain to securities, commodities, banking, insurance, or real estate (including, but not limited to, acting as or being associated with an investment adviser, broker-dealer, municipal securities dealer, government securities broker or dealer, issuer, investment company, futures sponsor, bank, or savings association). [Used in: Part 1A, Items 7, 11, DRPs; Part 1B, Item 2; Part 2A, Items 9 and 19; Part 2B, Items 3, 4 and 7]
22. **Involved:** Engaging in any act or omission, aiding, abetting, counseling, commanding, inducing, conspiring with or failing reasonably to supervise another in doing an act. [Used in: Part 1A, Item 11; Part 2A, Items 9 and 19; Part 2B, Items 3 and 7]

23. **Management Persons:** Anyone with the power to exercise, directly or indirectly, a **controlling** influence over your firm's management or policies, or to determine the general investment advice given to the **clients** of your firm.

Generally, all of the following are management persons:

- Your firm's principal executive officers, such as your chief executive officer, chief financial officer, chief operations officer, chief legal officer, and chief compliance officer; your directors, general partners, or trustees; and other individuals with similar status or performing similar functions;
- The members of your firm's investment committee or group that determines general investment advice to be given to **clients**; and
- If your firm does not have an investment committee or group, the individuals who determine general investment advice provided to **clients** (if there are more than five people, you may limit your firm's response to their supervisors).

[Used in: Part 1B, Item 2; Part 2A, Items 9, 10 and 19]

24. **Managing Agent:** A managing agent of an investment adviser is any **person**, including a trustee, who directs or manages (or who participates in directing or managing) the affairs of any unincorporated organization or association that is not a partnership. [Used in: General Instructions; Form ADV-NR; Form ADV-W, Item 8]
25. **Minor Rule Violation:** A violation of a **self-regulatory organization** rule that has been designated as "minor" pursuant to a plan approved by the SEC. A rule violation may be designated as "minor" under a plan if the sanction imposed consists of a fine of \$2,500 or less, and if the sanctioned **person** does not contest the fine. (Check with the appropriate **self-regulatory organization** to determine if a particular rule violation has been designated as "minor" for these purposes.) [Used in: Part 1A, Item 11]
26. **Misdemeanor:** For jurisdictions that do not differentiate between a **felony** and a misdemeanor, a misdemeanor is an offense punishable by a sentence of less than one year imprisonment and/or a fine of less than \$1,000. The term also includes a special court martial. [Used in: Part 1A, Item 11; DRPs; Part 2A, Item 9; Part 2B, Item 3]
27. **Non-Resident:** (a) an individual who resides in any place not subject to the jurisdiction of the United States; (b) a corporation incorporated in or having its **principal office and place of business** in any place not subject to the jurisdiction of the United States; and (c) a partnership or other unincorporated organization or association that has its **principal office and place of business** in any place not subject to the jurisdiction of the United States. [Used in: General Instructions; Form ADV-NR]
28. **Notice Filing:** SEC-registered advisers may have to provide **state securities authorities** with copies of documents that are filed with the SEC. These filings are referred to as "notice filings." [Used in: General Instructions; Part 1A, Item 2; Execution Page(s); Form ADV-W]
29. **Order:** A written directive issued pursuant to statutory authority and procedures, including an order of denial, exemption, suspension, or revocation. Unless included in an order, this term does not include special stipulations, undertakings, or agreements relating to payments, limitations on activity or other restrictions. [Used in: Part 1A, Items 2 and 11; Schedule D; DRPs; Part 2A, Item 9; Part 2B, Item 3]

30. **Performance-Based Fee:** An investment advisory fee based on a share of capital gains on, or capital appreciation of, **client** assets. A fee that is based upon a percentage of assets that you manage is not a performance-based fee. [Used in: Part 1A, Item 5; Part 2A, Items 6 and 19]
31. **Person:** A natural person (an individual) or a company. A company includes any partnership, corporation, trust, limited liability company ("LLC"), limited liability partnership ("LLP"), sole proprietorship, or other organization. [Used throughout Form ADV and Form ADV-W]
32. **Principal Place of Business or Principal Office and Place of Business:** Your firm's executive office from which your firm's officers, partners, or managers direct, **control**, and coordinate the activities of your firm. [Used in: Part 1A, Instructions, Items 1 and 2; Schedule D; Form ADV-W, Item 1]
33. **Proceeding:** This term includes a formal administrative or civil action initiated by a governmental agency, **self-regulatory organization** or **foreign financial regulatory authority**; a **felony** criminal indictment or information (or equivalent formal charge); or a **misdemeanor** criminal information (or equivalent formal charge). This term does not include other civil litigation, investigations, or arrests or similar charges effected in the absence of a formal criminal indictment or information (or equivalent formal charge). [Used in: Part 1A, Item 11; DRPs; Part 1B, Item 2; Part 2A, Item 9; Part 2B, Item 3]
34. **Related Person:** Any **advisory affiliate** and any **person** that is under common **control** with your firm. [Used in: Part 1A, Items 7, 8, 9; Schedule D; Form ADV-W, Item 3; Part 2A, Items 10, 11, 12, 14; Part 2A, Appendix 1, Item 6]
35. **Self-Regulatory Organization or SRO:** Any national securities or commodities exchange, registered securities association, or registered clearing agency. For example, the Chicago Board of Trade ("CBOT"), FINRA and New York Stock Exchange ("NYSE") are self-regulatory organizations. [Used in: Part 1A, Item 11; DRPs; Part 1B, Item 2; Part 2A, Items 9 and 19; Part 2B, Items 3 and 7]
36. **Sponsor:** A sponsor of a **wrap fee program** sponsors, organizes, or administers the program or selects, or provides advice to **clients** regarding the selection of, other investment advisers in the program. [Used in: Part 1A, Item 5; Schedule D; Part 2A, Instructions, Appendix 1 Instructions]
37. **State Securities Authority:** The securities commission (or any agency or office performing like functions) of any state of the United States, the District of Columbia, Puerto Rico, the Virgin Islands, or any other possession of the United States. [Used throughout Form ADV]
38. **Supervised Person:** Any of your officers, partners, directors (or other **persons** occupying a similar status or performing similar functions), or **employees**, or any other **person** who provides investment advice on your behalf and is subject to your supervision or **control**. [Used throughout Part 2]
39. **Wrap Brochure or Wrap Fee Program Brochure:** The written disclosure statement that **sponsors** of **wrap fee programs** must provide to each of their **wrap fee program clients**. [Used in: Part 2, General Instructions; Used throughout Part 2A, Appendix 1]
40. **Wrap Fee Program:** Any advisory program under which a specified fee or fees not based directly upon transactions in a **client's** account is charged for investment advisory services (which may include portfolio management or advice concerning the selection of other investment advisers) and the execution of **client** transactions. [Used in: Part 1, Item 5; Schedule D; Part 2A, Instructions, Item 4, used throughout Appendix 1; Part 2B, Instructions]