

ASCENT CAPITAL MANAGEMENT, INC.

One Morningside Drive

New York, NY 10025

T-212-828-3906

F-212-828-3908

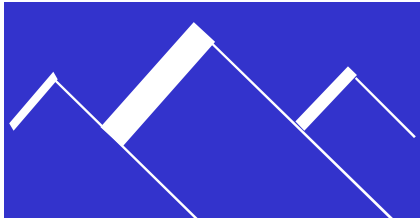
www.ascentcompanies.com

peggyfarley@hotmail.com

March 15, 2011

This brochure provides information about the qualifications and business practices of Ascent Capital Management. If you have any questions about the contents of this brochure, please contact us. 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 Ascent Capital Management also is available on the SEC'S website at www.adviserinfo.sec.gov



ASCENT CAPITAL MANAGEMENT, INC.

Table of Contents

Advisory Business	3
Fees and Compensation	4
Clients	5
Portfolio Management	6
Other Financial Industry Activities and Affiliations/Code of Ethics	7
Brokerage Practices	8
Review of Accounts	9
Custody	10
Investment Discretion	11
Voting Client Securities	12



ASCENT CAPITAL MANAGEMENT, INC.

Ascent Capital Management, Inc. is incorporated in New York State and manages portfolios of equity and fixed income securities for wealthy individuals, eleemosynary institutions, and other organizations. Ascent was incorporated in 2004 and the majority ownership position is held by Peggy A Farley, its Chief Executive Officer, who has been CEO of investment advisory firms and managing securities portfolios since 1985.

All portfolios are managed on an individual and discretionary basis, with Peggy Farley as the principal decision maker on portfolio content. However, clients may ask Ascent to refrain from purchases of the securities of certain companies, i.e., the defense industry. In general, the portfolios are growth portfolios: selection of companies is based not on dividends, but rather on the underlying company's ability to expand revenues and grow profits. Portfolios contain a mix of large, mid-, and small capitalization stocks from diverse industries, with some over-representation of the information technology and medical industries. Portfolio management uses as a tool cash balances to protect against downward fluctuation in the markets.

At present, assets under management total \$14 million.



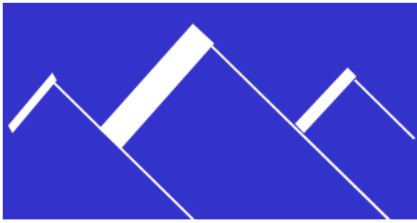
ASCENT CAPITAL MANAGEMENT, INC.

Clients are charged 1% per annum for portfolio management. Fees are deducted from portfolios at the beginning of each quarter in advance. The amount of the quarterly fee is based on the value of the portfolio at the end of the prior quarter. The quarterly fee is 25% of the annual fee, or 0.25 of 1%. Fees for a period that is less than a full quarter are computed on a pro rata basis, based on the exact period under management.

Fees are not negotiable.

Clients do not pay for custody of their portfolios.

Brokerage fees, or commissions, are incurred for transactions and form part of the cost of buying or return from selling a stock or fixed income instrument. In general, Morgan Stanley is the broker used by Ascent and the brokerage fee is \$0.05 per share, in the case of stocks, unless that amount constitutes more than 5%, in which case the commission is reduced to 5% or less.

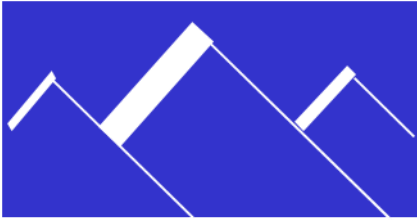


ASCENT CAPITAL MANAGEMENT, INC.

Ascent's clients include wealthy individuals, pension and other retirement accounts including IRA's, trusts, and investment companies. There is no minimum account size.

Ascent is happy to provide services for clients such as monthly withdrawals from accounts, scheduling Required Minimum Distributions from IRA's, custodying stock certificates for private company investments, and the like.

With broad and deep investment and corporate finance experience, Ascent is positioned to help its clients to address a diverse range of investment needs and questions and is happy to do so.



ASCENT CAPITAL MANAGEMENT, INC.

Ascent uses several techniques to contain risk in the portfolios it manages. One method is to ensure that each portfolio contains the shares of 20-30 different companies, with no company representing more than 5% of the portfolio. In this way, a sudden downturn in that company's share price will not affect the portfolio in a dramatic way. Similarly, no industry sector represents more than 20% of a portfolio. From time to time, certain industries go out of favor with investors for long periods so that over-representation of any industry should be avoided. Finally, each portfolio contains a mix of small, mid-, and large capitalization stocks so that during periods when any capitalization group is out of favor, the entire portfolio is not subject to a downturn.

In general, Ascent outperforms the principal indices when the markets trend upwards and, when the markets turn downward, Ascent has sometimes seen underperformance. Over the long term, Ascent has outperformed the markets very significantly. However, clients should understand that there is no guarantee of positive returns and that there is no strategy that can protect clients from loss of principal for periods of time. Such losses, however, should not be seen as permanent, for markets and stocks rebound as is their nature.

Ascent's liking for the information technology and medical sectors tend to offset one another. Information technology companies can be volatile while medical companies tend to be defensive, holding steady in times of severe market downturns. The key to success is in stock selection. While it is beneficial to focus on innovative technology advances, it is also important to maintain those companies whose products command market longevity.

With respect to fixed income, Ascent sees interest-bearing portfolios as critical to client financial safety rather than as a vehicle for risk and gain. Therefore, Ascent emphasizes the highest quality short and intermediate term instruments for its portfolios. The risk inherent in long term and lesser quality instruments is avoided totally.

Our portfolio management has as its goals a combination of wealth generation and income production.



ASCENT CAPITAL MANAGEMENT, INC.

Ascent has been the advisor to two private equity funds: the Ascent Medical Technology Fund, LP and the Ascent Medical Technology Fund II, LP. The life of the first of these funds has ended after 10 years, with a number of productive harvests. Fund II was closed in 2007 and has a 10 year life. From time to time, Ascent is aware of investment opportunities in the companies in which these funds have invested and can bring these opportunities to its clients attention.

Peggy Farley always invests in the same securities as those in her clients portfolios. She never buys or sells in advance. She buys or sells securities with her clients. All purchases and sales of securities are effected as a block transaction and shares or sale proceeds are divided pro rata among client portfolios.

Ascent's Code of Ethics is available to clients upon request.



ASCENT CAPITAL MANAGEMENT, INC.

Ascent does not accept soft dollar benefits from its brokers, nor does it seek from its brokers client referrals, nor does it allow clients to direct brokerage.

Ascent ensures that its brokerage transactions are executed in the most favorable way possible: with attention to efficiency and price sensitivity. Ascent always pays close attention to price when buying and selling and gives brokerage orders at a set price that are good for that day only.

As stated before, client portfolio transactions are aggregated; that is, Ascent gives an order for a transaction as a block and divides the shares or the sale proceeds pro rata among its portfolios. This ensures efficiency, and negates any potential conflicts of interest.



ASCENT CAPITAL MANAGEMENT, INC.

Ascent's market and stock surveillance is continual. Throughout every day, Ascent watches the markets, portfolio contents, and prospective purchases through a real time data tracking base. Actions are taken when warranted and differ based on each holding's characteristics. For example, if a stock rises a great deal over a short period, and the profit on that stock is in excess of 20%, Ascent may sell part of the stock position to lock in the profit, leaving the remainder to rise. In that way, the stock position continues to be less than 5% of the portfolio. At times, however, Ascent will sell the entire position at a profit. This may occur when Ascent's experience is that the particular company is vulnerable to rises and falls within a specific range which is never exceeded and the top of that range has been hit. Sale of full positions may also occur when a downturn in the market is anticipated and Ascent wishes to lock in the profit and have cash on hand.

Each portfolio is reviewed weekly from the perspective of cash on hand. If there is insufficient cash in any portfolio (as a result of a withdrawal, for example), Ascent may elect to raise cash. This review is conducted by the VP of IT.

Portfolios are also reviewed regularly, on an individual basis, by Peggy Farley to ensure that the balance of positions, both stock and sector, are maintained.

Monthly reports are sent directly to clients by Ascent's custodian. These reports provide information on portfolio content, on the value of the portfolio, on transactions in the portfolio during the month, and on cash position.

Performance reports are sent to clients by Ascent itself at the beginning of each year, addressing performance during the prior year, and comparing Ascent's performance to the relevant indices.



ASCENT CAPITAL MANAGEMENT, INC.

Ascent client portfolios are in safekeeping with a bank's trust department. That bank acts as custodian of the securities, and is responsible for settlement of transactions in the portfolios. The custodian ensures that anything that is sent from an account is sent to the owner of the account unless there is a written instruction from the owner of the account to send a security or cash to someone else.

Each portfolio is in a separate account with the custodian whether or not the client has more than one portfolio. Account statements are sent to clients directly by the custodian monthly, noting contents, transactions, value, and cash positions. It is expected that the client will review these statements and, if there are questions, ask Ascent or the custodian for answers.



ASCENT CAPITAL MANAGEMENT, INC.

Ascent has discretion over the selection of securities that are in client portfolios. All clients sign an advisory agreement with Ascent. One of the sections in the agreement relates to Ascent having the power of attorney over the account, with the ability to select the contents of the portfolio, in other words, investment authority.

It should be noted that this power of attorney extends only to investments. It does not authorize Ascent to ask for withdrawals from an account unless specifically requested in writing by the client.

It has occurred the specific requests by clients to avoid having specific securities in a portfolio have been made. For example, a client may wish to avoid the defense industry or a certain company. Ascent will entertain such requests and has always been able to accommodate them.



ASCENT CAPITAL MANAGEMENT, INC.

In general, Ascent receives and executes proxies for shareholder meetings of the companies in client portfolios. In most cases, Ascent will not attend shareholder meetings. If a client wishes to ask Ascent to vote the shares in a portfolio in a specific way, he or she may contact Ascent and make the request. Ascent will endeavor to adhere to the client's wishes. If it arises that there will be a conflict of interest inherent in Ascent's completing a proxy, Ascent will send the proxies to its clients for voting. Information on Ascent's exercise of proxy completion can be requested by the client.

All clients have the right to request a copy of Ascent's proxy voting policies and procedures.