



GRADOW CAPITAL MANAGEMENT, LLC

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March 31, 2011

This Brochure provides information about the qualifications and business practices of Gradow Capital Management, LLC. If you have any questions about the contents of this Brochure, you may contact us at (503) 534-3636, or email steve@gradowcap.com to obtain answers and additional information. Gradow Capital Management, LLC is a registered investment advisor in the State of Oregon. Registration of an investment advisor 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 (SEC), the State of Oregon or by any other state securities authority.

Additional information about Gradow Capital Management, LLC is available on the SEC's website at www.Adviserinfo.sec.gov.

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 Clients as required by SEC Rules. This Brochure dated March 31, 2011 is a new document prepared according to the SEC’s new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only 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.

We will ensure that you receive a summary of any material 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 and will further 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 Steven M. Gradow at (503) 534-3636, or by email to steve@gradowcap.com.

GRADOW CAPITAL MANAGEMENT, LLC
Part 2A of Form ADV – *Firm Brochure*

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Item 4 – Advisory Business

- A** Gradow Capital Management, LLC, (“GCM” “firm” “we”) is an Oregon limited liability company registered as an investment advisory firm with the State of Oregon. Its principal place of business is located in Lake Oswego, Oregon. Steven M. Gradow is the Owner, President and Managing Director of the firm which he founded in 2004.
- B, C** We offer a wide range of investment advisory services to our Clients. Advice and services are tailored to the stated objectives of each Client.

PERSONAL INVESTMENT PLAN

The Personal Investment Plan (PIP) is a clear and comprehensive blueprint for the enhancement and safeguarding of each Client’s investment assets. It may also include strategies for inter-generational, estate, and trust planning, as well as for charitable gift-giving and other philanthropic endeavors. The development, implementation, and monitoring of a PIP is outlined in the following phases:

PHASE ONE

- Analyze Client’s current and future investment goals and objectives.
- Evaluate Client’s tolerance toward risk, return expectations, and time horizon to achieving desired goals.
- Outline various proposed asset allocations strategies with a focus on risk controls driving the process.
- Address long-term/short-term investment strategies against current market conditions and future forecasts.
- Integrate portfolio strategies with well-researched and cost-effective options.
- Generate a written statement that outlines objectives and provides guidelines for success.

PHASE TWO

- Review PIP with Client to ensure understanding and agreement.
- Implement investment strategies according to PIP.

PHASE THREE

- Provide ongoing analysis to ascertain relative asset valuations to each position within the portfolio.

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- Monitor and rebalance as needed and as prescribed by PIP guidelines.
- Prepare a periodic review and appraisal of holdings, portfolio transactions, and performance.
- Evaluate PIP objectives annually, revise and enhance as needed based on changes in lifestyle and goals.

D We do not participate in any wrap-fee programs.

E We manage \$15,100,000 of Client assets on a discretionary basis and no Client assets on a non-discretionary basis. These amounts were calculated as of December 31, 2010.

Item 5 – Fees and Compensation

- A** GCM is a fee-only advisory firm, meaning we are compensated only by our Clients and do not receive compensation or commissions from any other parties. We believe this method of compensation minimizes conflicts of interest.

In consideration for our services, Clients pay us a fee quarterly in arrears, with payment due within 10 days from the date of the invoice. The fee will be equal to the agreed upon rate per annum, times the market value of the account, divided by the number of days in the agreed upon year and multiplied by the number of days in the quarter.

Compensation to us for our services will be calculated in accordance with Schedule A of the Investment Advisory Agreement entered into with each Client, and may be amended from time to time upon 30-days written notice to our Clients.

STANDARD FEE SCHEDULE:

Schedule A

<u>Assets</u>	<u>Maximum Annual Fee**</u>
\$ 0 to \$350,000	1.25%
\$350,000 to \$1 million	1.00%
\$1 million to \$3 million	0.75%
\$3 million to \$10 million	0.60%
\$10 million and above	Negotiable

**Minimum Annual Fee: \$ 4000.00

FIXED INCOME ONLY:

Fixed Income Only Fee Schedule

<u>Assets</u>	<u>Maximum Annual Fee**</u>
\$350,000 to \$2 million	0.55%
\$2 million to \$7 million	0.45%
\$7 million to \$10 million	0.40%
\$10 million and above	Negotiable

For purposes of determining value, securities and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded (or, if there shall be no sales on such date, then at the mean between the closing bid and asked prices on such date). Other readily

marketable securities shall be priced using a pricing service or through quotations from one or more dealers. All other assets shall be valued at fair value by GCM whose determination shall be conclusive. We may modify the terms in this Section prospectively on at least 30-days prior written notice. Notwithstanding the above, fees are generally negotiable.

- B** Our fees may be paid directly to us from the account by the custodian upon submission of an invoice to custodian showing the amount of fees, the value of the Client's assets on which the fees are based, and the specific manner in which the fees are calculated. In addition, all brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account will be paid out of the assets of the account. Payment of fees may result in the liquidation of a Client's securities if there is insufficient cash in the account. Copies of the fee invoices will be mailed to each Client as required. Clients bear the responsibility for verifying the accuracy of fee calculations.
- C** In addition to our fee and any sub-advisor's fees, Clients may be required to pay a proportionate share of any mutual fund's fees and charges. We also charge a one-time initial administrative set-up fee of \$350 which we bill separately.
- D** The market value will be construed to equal the sum of the values of all assets in the account, not adjusted by any margin debit. Fees for partial quarters at the commencement or termination of this Agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter. Quarterly fee adjustments for additional assets received into the account during a quarter or for partial withdrawals will also be provided on the above pro rata basis.
- E** As described above, we are a fee-only investment advisory firm paid on a percentage of Client assets managed. This means that no supervised person associated with us receives or accepts any compensation for the sale of securities or investment products.

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

We do not currently charge any performance-based fees for our services. However, we reserve the right to possibly do so in the future on a select basis. Any account or Client for whom performance-based fees apply will be given additional, thorough disclosures as to this fee structure and potential conflicts of interests that may result.

Item 7 – Types of Clients

We provide investment advice to corporations, individuals, family foundations, and trusts, estates or charitable organizations. Because each Client is unique, they must be willing to be involved in the planning and ongoing processes. Such involvement does not have to be time consuming, however we want our Clients to remain informed and have a sense of security about their investments.

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

A We offer advice on investments primarily including (but not limited to) the following:

- Equity securities such as:
 - Exchange-listed securities
 - Securities traded over-the-counter
 - Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Investment company securities:
 - Mutual fund shares
- U.S. government securities including mortgage backed securities
- Options contracts on:
 - Securities
- Interests in partnerships investing in:
 - Real estate
 - Oil and gas interests

We primarily research and analyze securities using traditional fundamental analysis. The primary investment strategies used to implement investment advice given to Clients include long-term (securities held at least one year) and short-term (securities sold within a year) purchases, as well as trading (securities sold within 30 days)

The main sources of information we rely upon when researching and analyzing securities include traditional research materials such as financial newspapers and magazines, research materials prepared by others, annual reports, prospectuses, filings with the Securities and Exchange Commission; and company press releases.

B We will use our best judgment and good faith efforts in rendering services to our Clients. However, we cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. Clients assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understands that investment decisions made for this account are subject to various market, currency, economic, political and business risks.

Except as may otherwise be provided by law, we are not liable to Clients for:

- any loss that Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by us with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- any loss arising from our adherence to Client's instructions; or
- any act or failure to act by a custodian of Client's account. However, nothing in this Agreement shall relieve us from any responsibility or liability we may have under state or federal statutes.

It is the responsibility of each Client to give us complete information and to notify us of any changes in financial circumstances or goals.

- C** Our advisory services generally do not primarily recommend a particular type of security.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. We have no information to disclose applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

We do not participate in any other material activities and have no other financial industry affiliations to disclose.

Item 11 – Standard of Care Owed to Clients, Participation or Interest in Client Transaction & Personal Trading

A STANDARD OF CARE OWED TO OUR CLIENTS

We subscribe to an ethical and high standard of conduct in all our business conduct in order to fulfill the fiduciary duty we owe to our Clients. Included in these ethical obligations is the duty to put our Client's interests ahead of our own along with duties of loyalty, fairness, and good faith towards our Clients.

B-D PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

GCM or individuals associated with our firm may buy and sell some of the same securities for our own account that we buy and sell for our Clients. In all instances, where appropriate we will purchase a security for all of its existing accounts for which the investment is appropriate before purchasing any of the securities for our own account and, likewise, when it determines that securities should be sold, where appropriate will cause these securities to be sold from all of our advisory accounts prior to permitting the selling of the securities from our accounts. In some cases we may buy or sell securities for our own account for reasons not related to the strategies adopted by our Clients.

When we are newly engaged by an investment advisory Client for whom we expect to recommend securities in which GCM or our principal, Steven Gradow, hold a position, we will notify the new Client of any policies in respect to principals trading for their own account.

Item 12 – Brokerage Practices

- A** Our Clients' assets are held by independent third-party custodians. Except to the extent that a Client directs otherwise, we may use our discretion in selecting or recommending the custodian. Clients are not obligated to effect transactions through any custodian recommended by us. In recommending a custodian we will comply with our fiduciary duty in accordance with the Securities Exchange Act of 1934, to obtain best execution and will take into account such relevant factors as:
- Price;
 - The custodian's facilities, reliability and financial responsibility;
 - The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
 - The research and related brokerage services provided by such custodian to us, notwithstanding that the account may not be the direct or exclusive beneficiary of such services; and
 - Any other factors that we consider to be relevant.
- B** We are authorized in our discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and other transactions in the same or similar securities or instruments for our other Clients. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price so obtained. Stock exchange regulations may in certain instances prevent the executing broker-dealer from delivering to the account a confirmation slip with respect to its participation in the aggregated transaction and, in such event, we will advise the Client in writing of any purchase or disposition of instruments for the account with respect to any such aggregated transaction. We will direct that confirmations of any transactions effected for the account will be sent, in conformity with applicable law, to our Clients.

Item 13 – Review of Accounts

- A** GCM principal Steven M. Gradow reviews the status of the securities in Clients' accounts. An overall assessment is performed on at least an annual basis. All reviews are based on Clients' stated investment objectives.
- B** More frequent reviews may be triggered by a change in Client's investment guidelines, tax considerations, large deposits or withdrawals, large security sales or purchases, or changes in the macro-economic climate.
- C** All of our Clients receive standard account statements from the custodian of their accounts on a monthly basis.

Item 14 – Client Referrals and Other Compensation

We have no arrangements, written or oral, in which we are compensated for referrals.

Item 15 – Custody

We do not take custody of the assets in any Client accounts. Accordingly, we have no liability to Clients for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation (“SIPC”) or any other insurance which may be carried by the custodian. Clients understand that SIPC provides only limited protection for the loss of property held by a broker-dealer.

Item 16 – Investment Discretion

Except as otherwise instructed, Clients grant us ongoing and continuous discretionary authority to execute our investment recommendations in accordance with Advisor's Statement of Investment Policy (or similar document used to establish each Client's objectives and suitability), without the Client's prior approval of each specific transaction. Pursuant to this discretionary authority, Clients allow us to purchase and sell securities and instruments in their accounts, arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on their behalf in most matters necessary or incidental to the handling of their account, and the monitoring certain assets.

In some limited circumstances, Clients grant us non-discretionary authority to execute its investment recommendations in accordance with GCM's Statement of Investment Policy (or similar document used to establish Client's objectives and suitability). Pursuant to this Non-discretionary authority, we are required to obtain a Client's prior approval for each transaction prior to executing investment recommendations. Under non-discretionary authority, we are also required to obtain a Client's approval prior to selecting and retaining sub-advisors to the account such as AssetMark Investment Services, Inc.

Item 17 – Voting Client Securities

Unless specifically directed otherwise in writing by the Client, we are not authorized to receive and vote proxies on issues held in Client accounts or receive annual reports.

Item 18 – Financial Information

- A** Under no circumstances will GCM solicit or require prepayment of more than \$500, six months or more in advance, from any Client for advisory services.
- B** We do not take custody of Client's funds or securities.
- C** We have no financial commitment which impairs our ability to meet contractual and fiduciary commitments to our Clients, and have not been the subject of any bankruptcy proceedings.

Item 19 – Requirements for State-Registered Advisers

- A** **Steven M. Gradow**, President/Owner and Managing Director
Born: 1956

EDUCATION

Mr. Gradow received a BA (With Honors) in Economics from the University of California at Los Angeles (UCLA) and an MBA in Finance from the Leonard N. Stern School of Business at New York University.

BUSINESS BACKGROUND

September 2004 to Present:	President/Owner, Gradow Capital Management, LLC, a fee only registered investment advisory firm located in Lake Oswego, OR
2002 to 2003:	Director of Investments, Gartmore Morley Financial, Lake Oswego, OR
1996 to 2002	Managing Director, Allied Investment Advisors, Baltimore, MD
1992 to 1995	Senior Investment Officer, Washington State Investment Board, Olympia, WA
1987 to 1991	Investment Officer – Senior Trader/Credit Analyst, CALPERS, (California Public Employees Retirement System), Sacramento, CA

B OTHER BUSINESS ACTIVITIES

Mr. Gradow provides expert witness consulting on fiduciary and investment analysis for trust and estate cases. Mr. Gradow's time devoted to expert witness consulting is minimal – approximately one or two cases per quarter.

- C** We do not presently receive performance-based fees.
- D** We have not been subject to any arbitration claims or any other proceedings (civil, self-regulatory organization or administrative).
- E** We have no relationship or arrangements with any securities issuers.

STEVEN M. GRADOW

GRADOW CAPITAL MANAGEMENT, LLC

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This brochure supplement provides information about Steven M. Gradow, President of Gradow Capital Management, LLC.

We require any supervised person involved in the practice of giving investment advice or consulting to Clients to have at a minimum, a bachelor degree from an accredited university. These persons must also pass appropriate licensing examinations and are strongly encouraged to seek continuing education opportunities available in the industry, including appropriate certifications or designations.

Item 2 – Educational Background and Business Experience

Steven M. Gradow, President/Owner and Managing Director

Born: 1956

EDUCATION

Mr. Gradow received a BA (With Honors) in Economics from the University of California at Los Angeles (UCLA) and an MBA in Finance from the Leonard N. Stern School of Business at New York University.

BUSINESS

September 2004 to Present:	President/Owner, Gradow Capital Management, LLC, a fee only registered investment advisory firm located in Lake Oswego, OR
2002 to 2003:	Director of Investments, Gartmore Morley Financial, Lake Oswego, OR
1996 to 2002	Managing Director, Allied Investment Advisors, Baltimore, MD
1992 to 1995	Senior Investment Officer, Washington State Investment Board, Olympia, WA
1987 to 1991	Investment Officer – Senior Trader/Credit Analyst, CALPERS, (California Public Employees Retirement System), Sacramento, CA

Item 3 – Disciplinary Information

I have not been subject to any legal or disciplinary proceedings which would be considered material (or otherwise) to a Client's evaluation of me or any of the services Gradow Capital Management, Inc. provides.

Item 4 – Other Business Activities

I am not involved in any other investment-related business or occupation

Item 5 – Additional Compensation

We do not receive additional compensation or economic benefit for providing advisory services.

Item 6 – Supervision

As President of the Firm, I am responsible for all services and advice provided to Clients of Gradow Capital Management, LLC. I prepare all investment policies, forms and procedures for working with Clients and for managing the firm.

Item 7 – Requirements for State-Registered Advisers

I have never been subject to any arbitration claim or any other proceedings (civil, self regulatory organization or administrative) related to investments, fraud, theft, bribery or dishonest, unfair or unethical practices. I have never been the subject of any bankruptcy petition.