

# Ocean State Asset Management, LLC

101 Dyer Street  
Providence, Rhode Island 02903  
401-455-0030

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

## Firm Brochure

(Part 2A of Form ADV)

This Brochure provides information about the qualifications and business practices of Ocean State Asset Management, LLC. If you have any questions about the contents of this Brochure, please contact us at 401-455-0090. 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.

Ocean State Asset Management, LLC is a registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Ocean State Asset Management, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

December 30, 2010

## 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 December 30, 2010 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.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We 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 Charles Pulcano, Chief Compliance Officer/Portfolio Manager at 401-455-0030 or [cp@osamllc.com](mailto:cp@osamllc.com). Our Brochure is also available on our web site [www.osamllc.com](http://www.osamllc.com), also free of charge.

Additional information about Ocean State Asset Management, LLC is also available via the SEC’s web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with Ocean State Asset Management, LLC who are registered, or are required to be registered, as investment adviser representatives of Ocean State Asset Management, LLC.

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## **Advisory Business**

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### **Firm Description**

Ocean State Asset Management, LLC is an investment adviser registered with the Securities and Exchange Commission since 2005. Ocean State Asset Management, LLC provides investment advisory services to individuals, pension and profit sharing plans, trusts and corporations. The services offered by Ocean State Asset Management, LLC are described below. While Ocean State Asset Management, LLC is primarily responsible for investment management for all portfolios, the firm may use sub-advisors to manage certain equity portfolios. Sub-Advisory arrangements are disclosed to clients as applicable. Sub-advisors' are selected based upon a number of factors including investment style, investment expertise and are periodically evaluated for performance. Investment management fees paid to Ocean State Asset Management, LLC include fees paid to sub-advisors.

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### **Principal Owners**

Nicholas DelBrocco is the sole owner of Ocean State Asset Management, LLC. There are no intermediate subsidiaries.

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### **Investment Supervisory Services**

Ocean State Asset Management, LLC provides Investment Supervisory Services, defined as giving continuous advice to a client or making investments for a client based on the individual needs of the client. Through personal discussions, Ocean State Asset Management, LLC develops goals and objectives based upon a client's investment time horizon and risk tolerance, as well as their core financial-related values. Ocean State Asset Management, LLC assists the client in developing the client's personal investment policy, and then creates and manages a portfolio based on that policy.

Ocean State Asset Management, LLC will allocate the client's assets among various investments taking into consideration the overall management style selected by the client, either retail or institutional. Investment strategies may include long-term and short-term purchases depending upon the individual needs of the client.

Ocean State Asset Management, LLC generally manages advisory accounts on a discretionary basis, but does allow for both non-discretionary accounts and for non-discretionary investments to be held in discretionary accounts. (An example of a non-discretionary investment held in a discretionary account would be an individual stock that the client has either asked us to purchase or has transferred into the account.) Clients have the opportunity to restrict the types of investments that may be made on the client's behalf.

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## **Managed Assets**

As of December 31, 2010, Ocean State Asset Management, LLC managed \$279,126,000 in assets for thirty one clients. \$279,082,000 is managed on a discretionary basis and \$44,000 on a non-discretionary basis.

## **Fees and Compensation**

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### **Institutional**

Ocean State Asset Management, LLC's fee scale for our Diversified equity product is ninety basis points on the first \$10 million, seventy five basis points on the next \$15 million, sixty five basis points on the next \$25 million, fifty basis points on the next \$50 million and negotiable on assets over \$100 million

Ocean State Asset Management, LLC's fee scale for our Enhanced equity product is thirty five basis points on the first \$50 million, thirty basis points on the next \$50 million, and twenty basis points on assets over \$100 million.

Ocean State Asset Management, LLC's fee scale for Institutional fixed income funds is forty basis points on the first \$20 million, thirty basis points on the next \$30 million, twenty five basis points on the next \$50 million and twenty basis points on assets over \$100 million.

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### **Individuals**

Ocean State Asset Management, LLC's fee scale for Individual client's equity accounts is one percent, and for fixed income accounts is three-fourths of one percent.

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### **Fee Billing**

The specific manner in which fees are charged by Ocean State Asset Management, LLC is established in a client's written agreement with Ocean State Asset Management, LLC. Investment Management fees are billed as a percentage of assets under management, including cash. The initial invoice is calculated based upon the fair market value of the account, including cash at the end of the first selected billing period. Thereafter, fees are calculated based upon the market value of the portfolio including cash as of the last business day of the selected billing period.

Ocean State Asset Management, LLC will bill its fees in arrears on a monthly or quarterly basis. Clients may also elect to be billed directly for fees or to authorize Ocean State Asset Management, LLC to directly debit fees from client accounts. If the client grants Ocean State Asset Management, LLC the authority to receive quarterly or monthly payments directly from the client's account held by the Broker/Custodian, the client will provide, in the Investment Management Agreement, limited authorization to withdraw the contractually agreed upon fees from the account. The Broker/Custodian is advised in writing of the limitation of Ocean State Asset Management, LLC's access to the account.

The Broker/Custodian will also send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Ocean State Asset Management, LLC.

Management fees shall not be prorated for each capital contribution and withdrawal made during the applicable calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a prorated fee.

Upon termination of any account unpaid fees will be due and payable.

Though Ocean State Asset Management, LLC will assist the client in establishing and maintaining accounts at the custodian, Ocean State Asset Management, LLC shall have no responsibility or liability with respect to custodial arrangements or the acts, omissions or other conduct of the custodian.

Ocean State Asset Management LLC's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus.

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### **Performance-Based Fees**

Ocean State Asset Management, LLC does not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

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## **Types of Clients**

Ocean State Asset Management, LLC provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, and Taft-Hartley Pension, Annuity and Health & Welfare plans.

Ocean State Asset Management, LLC requires a minimum account size of \$1,000,000. Waivers of exceptions from minimum account size may be granted at the exclusive discretion of Ocean State Asset Management, LLC.

## **Methods of Analysis**

Ocean State Asset Management, LLC believes that a disciplined approach to construction and management of both equity and fixed income portfolio's can generate excess returns. Our analysis methods include both fundamental and quantitative methods. Our main sources of information include research materials prepared by others, S&P reports, financial newspapers and magazines.

## **Investment Strategies**

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### **Diversified Large Cap Growth**

This strategy is sub-advised by HGK Asset Management, Inc. The product is a continuation of Ocean State Asset Management, LLC philosophy blended with the additional quantitative and research capabilities' of HGK Asset Management, LLC. Client's utilizing this product will be provided a complete description of the process as described in the sub-advisors ADV Part 2A

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### **Enhanced Large Cap Growth**

This strategy is sub-advised by HGK Asset Management, Inc. The product is a continuation of Ocean State Asset Management, LLC philosophy blended with the additional quantitative capabilities' of HGK Asset Management, LLC. Client's utilizing this product will be provided a complete description of the process as described in the sub-advisors ADV Part 2A



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### **Short Duration Fixed Income**

It is the general objective of Ocean State Asset Management, LLC to manage fixed income accounts in a laddered structure with preservation of principal a primary objective. Cash flows, availability of securities and client investment guidelines further dictate the structure.

Portfolios will generally consist of Government and Corporate Bonds, with a investment grade rating of A or higher. Client guidelines dictate the duration and blend of securities among government and corporate sectors. No derivative or speculative issues are utilized.

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### **High Net Worth Individuals**

It is the general objective of Ocean State Asset Management, LLC to manage High Net Worth accounts in a manner consistent with the client's stated objectives relating to cash withdrawal requirements, acceptance of risk, tax considerations and security allocation. The use of passively and actively managed mutual funds and exchange traded funds are utilized to properly diversify each portfolio over both domestic and global equity and fixed income classes. Each respective client's goals and objectives' are reviewed at least annually as dictated by client needs.

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### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Clients face investment risks including the following: Market Risk, Financial Risk, Reinvestment Risk, Loss of Principal Risk, Interest Rate Risk, Inflation Risk and Liquidity Risk. Investing in securities involves risk of loss that clients should be prepared to bear.

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### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Ocean State Asset Management, LLC or the integrity of Ocean State Asset Management, LLC's management.

In February 2004 the National Association of Securities Dealers sanctioned Charles Pulcano. Without admitting or denying the allegations, Mr. Pulcano consented to the sanctions that in 1997 he abetted violations of Title 18, Section 1954 of the US code in connection with another Registered Representatives involvement in the unlawful and knowing, direct and indirect, giving and offering of fees, commissions, gifts and money from dealings with a member of a Board of Trustees. Mr. Pulcano was fined \$10,000 and suspended from association with any NASD broker-dealer firm for six months.

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### **Other Financial Industry Activities**

Ocean State Asset Management, LLC does not participate in any other industry business activities.

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### **Other Financial Industry Affiliations**

While Ocean State Asset Management, LLC is primarily responsible for the investment management of all portfolios, the firm may use sub-advisors to manage certain equity portfolios. Sub-Advisory arrangements are disclosed to clients as applicable. Sub-advisors' are selected based upon a number of factors including investment style, investment expertise and are periodically evaluated for performance. Investment management fees paid to Ocean State Asset Management, LLC include fees paid to sub-advisors.

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### **Code of Ethics**

Ocean State Asset Management, LLC has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All supervised persons at Ocean State Asset Management, LLC must acknowledge the terms of the Code of Ethics annually, or as amended.

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### **Participation or Interest in Client Transactions**

Ocean State Asset Management, LLC anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which Ocean State Asset Management, LLC has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which Ocean State Asset Management, LLC, its affiliates and/or clients, directly or indirectly, have a position of interest. Ocean State Asset Management, LLC's employees and persons associated with Ocean State Asset Management, LLC are required to follow Ocean State Asset Management, LLC's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of Ocean State Asset Management, LLC and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for Ocean State Asset Management, LLC's clients.

The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Ocean State Asset Management, LLC will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of Ocean State Asset Management's clients.

In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading activity.

Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between Ocean State Asset Management, LLC and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with Ocean State Asset Management, LLC's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. Ocean State Asset Management, LLC will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

Ocean State Asset Management, LLC's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Charles Pulcano.

It is Ocean State Asset Management, LLC's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. Ocean State Asset Management, LLC will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

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## Brokerage Practices

Generally, in the absence of specific written instructions from a client, Ocean State Asset Management, LLC will have complete discretion with respect to the accounts of clients without any limitations on its authority. However, whether an account is accepted or the management of an account is continued may depend upon the nature and extent of the instructions given by a client.

Ocean State Asset Management, LLC accepts any reasonable limitation or restriction to discretionary authority on the account placed by the client. For instance, restrictions in securities of companies whose operations are not consistent with moral teachings or whose behavior raises serious questions concerning social justice, weapons production, abortion, or other ethical and social issues. Clients may also place restrictions on the percentage of assets under management, which may be held in one company. All limitations and restrictions placed on account must be presented to Ocean State Asset Management, LLC in writing.

Ocean State Asset Management, LLC generally determines the broker through whom securities transactions are to be effected. In selecting brokers for portfolio transactions, Ocean State Asset Management, LLC generally considers without limitation, the overall direct net economic results to an account, including both price paid or received and any commissions and other costs paid, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the availability of the broker to stand ready to execute difficult transactions in the future, responsiveness to Ocean State Asset Management, LLC and the financial strength and stability of the broker.

It is Ocean State Asset Management, LLC policy to seek the best execution available with respect to each transaction, in light of the overall quality of brokerage and research services provided to it or its clients. Best execution is not limited to obtaining the lowest commissions but involves seeking the most favorable terms for a transaction under the circumstances.

Receipt of products or services other than brokerage or research is generally not a deciding factor in allocating brokerage.

Ocean State Asset Management, LLC performs investment advisory services for various clients. Ocean State Asset Management, LLC may give advice, and take actions with respect to any of those, which may differ from the advice given, or the timing or nature of action taken, to any one client. Over a period Ocean State Asset Management, LLC, to the extent practical allocates investment opportunities to each account on a fair and equitable basis relative to other similarly situated client accounts.

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### **Client Directed Brokerage**

Ocean State Asset Management, LLC will accept direction from clients regarding the brokers to be used. Clients may have existing arrangements permitting them to offset certain administration, accounting, custody, consultant, or other fees in relation to the amount of brokerage transactions handled by a specific broker. At the same time, Ocean State Asset Management, LLC may have arrangements to receive products or services provided by the same intermediary, which are separate from the arrangement negotiated by the client. Nevertheless, in following the client's direction to use a particular broker to execute either or part of the brokerage transactions from their accounts, clients must be aware that, in so doing they may adversely affect Ocean State Asset Management, LLC's ability to, among other things, follow its normal trade allocation policies, obtain volume discounts on bunched orders and/or achieve best execution.

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### **Blocked Orders**

Ocean State Asset Management, LLC seeks, but is not obligated, to block orders for the purchase or sale of the same security for client accounts where Ocean State Asset Management, LLC deems this be appropriate in the best interests of the client accounts, and consistent with applicable regulatory requirements. When a bunched order is filled in its entirety, each participating client account will participate at the average share prices for the bunched order on the same business day, and the transaction costs shall be shared pro rata based on each client's participation in the bunched order.

When a blocked order is only partially filled, the securities purchased will be allocated on a pro rata basis to each account participating in the blocked order based upon the initial amount requested for the account, subject to certain exceptions such as de-minimis orders, and each participating account will participate at the average share prices for the bunched order on the same business day.

When effecting blocked orders, Ocean State Asset Management, LLC attempts to include transactions of clients who have directed the use of a particular broker in the blocked order. In such transactions, the executing broker must agree to transfer that portion of a blocked order relating to a client who has directed the use of a particular broker to the broker specified by the client (Step-Out Trades). If the executing broker does not agree to make this transfer, the order for the same security on behalf of a client who has directed the use of a particular broker executed through the specified broker, and the cost of the transaction may be greater.

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### **Brokerage Discretion – Client Directed Brokerage**

Ocean State Asset Management, LLC may recommend that clients establish brokerage accounts with certain brokers to maintain custody of clients' assets and to effect trades for their accounts.

Clients may direct Ocean State Asset Management, LLC in writing to use a particular broker or dealer to execute transactions for client's account, of which the client will negotiate terms and arrangements with that broker or dealer. Ocean State Asset Management, LLC will not seek better execution services or prices from other brokers or dealers and as a result, client could pay higher commissions, other transaction costs, greater spreads, or receive less favorable net prices on transactions for client's account than would otherwise be the case.

In directing the use of a particular broker dealer, it should be understood that Ocean State Asset Management, LLC will not have authority to negotiate commissions or obtain volume discounts, and best execution may not be achieved. In addition, a disparity in commission charges may exist between the commissions charged to other clients. Ocean State Asset Management, LLC does not have the discretion to determine the commission to be paid. When a client selects the Broker/Custodian commissions may be charged which are higher or lower than commission rates at other broker dealers.

Subject to the policy of seeking best execution of orders, Ocean State Asset Management, LLC may execute transactions with brokerage firms that also provide research services and products, as defined in Section 28(e) of the Securities Exchange Act of 1934. Section 28(e) provides a "safe harbor" to investment managers who use commission dollars of their advised accounts to obtain investment research and brokerage services and products. These arrangements are often called soft dollar arrangements.

Research and brokerage services and products that provide lawful and appropriate assistance to Ocean State Asset Management, LLC in performing investment decision-making responsibilities fall within the safe harbor.

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### **Soft Dollar Arrangement**

Ocean State Asset Management, LLC has a soft dollar arrangement, with Capital Institutional Services. In addition to order execution, research and other client services, CIS provides soft dollar support to Ocean State Asset Management, LLC in its investment decision-making duties. CIS provides .01 per share credit on eligible equity trades and a percentage of eligible mark-ups/mark-downs on fixed income trades for credit against research provided by various independent research firms which assists Ocean State Asset Management, LLC in its investment decision process.

Capital Institutional Services commission charges are in line with (or better than) commissions at any brokerage firm without soft dollar arrangements, and are generally \$0.02/share. Research obtained through soft dollars is used for the benefit of all accounts under management, regardless of the source of commissions used to pay for it.

Ocean State Asset Management, LLC is under no obligation to any broker as a result of any soft dollar arrangement. Brokers are chosen solely on the basis of other, more relevant criteria, such as trading costs and execution abilities. Soft dollar arrangements are then set up after the relationship is cemented, and without any expectation by the broker that soft dollars will be employed.

The broker therefore has no reason to adjust commissions in the expectation of a soft dollar arrangement. The process of paying for some investment decision making products via soft dollars may be viewed as a potential conflict of interest between the adviser and the client in those cases where the adviser might have paid for the research using its own funds.

Ocean State Asset Management, LLC may receive a benefit from the research products and services that is not passed on to the client in the form of a direct monetary benefit. Further, research services and products may be useful to Ocean State Asset Management, LLC in providing investment advice to any of the clients it advises.

Likewise, information and services made available to Ocean State Asset Management, LLC from brokerage firms effecting securities transactions for a client may be utilized on behalf of another client.

Research furnished by brokers maybe used to service any or all of Ocean State Asset Management, LLC clients and may be used in connection with accounts other than those making the payment to the broker providing the research as permitted by Section 28(e). Considering the limited amount of commissions available to apply for research services, and significant demand for research across the organization, commissions generated by equity clients may result in services that are of benefit to fixed-income clients and vice-versa.

There may be no correlation between the amount of brokerage commissions generated by a particular client and the indirect benefits received by that client. The fact that the proportion of commissions allocated with brokers to receive research services is higher than other firms can also be attributed to the same factors. In no case will Ocean State Asset Management, LLC make binding commitments as to the level of brokerage commissions it will allocate to a broker, nor will it commit to pay cash if an informal target is not met.

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## **Review of Accounts**

Reviews are performed under the direction of the Chief Executive Officer and the Chief Compliance Officer / Portfolio Manager. Investment management accounts are monitored daily. Informal reviews are conducted weekly by the CEO and CCO. Formal account reviews are performed quarterly as to client policies and portfolio structure. Retirement Plans are generally reviewed each quarter. Reviews could also occur at the time of new deposits, material changes in client's financial information, and changes in economic cycles, at Ocean State Asset Management, LLC's discretion, or as often as the client may direct. Reviews entail analyzing securities, sensitivity to overall markets, economic changes, investment results and asset allocation, etc., to ensure the investment strategy and expectations are structured to continue to meet clients' objectives. Clients are obligated to promptly notify Ocean State Asset Management, LLC of any changes in the client's financial status to ensure that investment strategies continue to meet the client's changing needs.

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## **Reports**

Account and performance reviews can be provided to clients on a quarterly basis if requested. Reviews can be provided on a monthly basis if required. A typical review will include a brief market commentary, portfolio holdings, transactions occurring during the quarter, and performance numbers for all relative periods. Clients receive holding and activity reports at least quarterly from custodial and brokerage firms.

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## **Client Referrals and Other Compensation**

Ocean State Asset Management, LLC may enter into written arrangements to pay cash referral fees to individuals or companies ("Solicitors") who recommend prospective clients to the Firm. In these cases, there will be a written agreement between Ocean State Asset Management, LLC and the Solicitors, which clearly defines the duties and responsibilities of the solicitor under this arrangement. In addition, each Solicitor is required to provide a written disclosure document, which explains to the prospective client the terms under which the Solicitor is working with the Firm and the fact that the Solicitor is being compensated for the referral activities.

The Solicitor is also required to furnish a copy of the Firm's written disclosure document (Form ADV Part II) to the prospective client and obtain a written acknowledgement from the client that both the Solicitor's and Ocean State Asset Management, LLC's disclosure documents have been received. Payments to Solicitors will range both in percentage and in length of time and will be separately negotiated with each Solicitor. A potential client referred to Ocean State Asset Management, LLC by a Solicitor who becomes a client of Ocean State Asset Management, LLC will not pay higher investment fees because of the referral.



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## **Custody**

Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Ocean State Asset Management, LLC urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Client assets shall be held in the custody of a bank, trust company or brokerage firm (Broker/Custodian) agreed upon by the client and Ocean State Asset Management, LLC. The Broker/Custodian will also send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of advisory fees paid directly to Ocean State Asset Management, LLC. Though Ocean State Asset Management, LLC will assist the client in establishing and maintaining accounts at the custodian, Ocean State Asset Management, LLC shall have no responsibility or liability with respect to custodial arrangements or the acts, omissions or other conduct of the custodian

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## **Investment Discretion**

Ocean State Asset Management, LLC usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

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

Investment guidelines and restrictions must be provided to Ocean State Asset Management, LLC in writing.

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### **Voting Client Securities**

Ocean State Asset Management, LLC votes proxies in accordance with Ocean State Asset Management, LLC Policies and Procedures. Charles Pulcano, Chief Compliance Officer/Portfolio Manager, is ultimately responsible for ensuring that all proxies received by Ocean State Asset Management, LLC are voted in a timely manner and in a manner consistent with Ocean State Asset Management, LLC's determination of each client's best interests. Although many proxy proposals can be voted in accordance with Ocean State Asset Management, LLC's established guidelines, Ocean State Asset Management, LLC recognizes that some proposals require special consideration, which may dictate that Ocean State Asset Management, LLC makes an exception to the guidelines. Such exceptions will be noted and kept on file in accordance with Rule 204-2 under the Adviser Act. Ocean State Asset Management, LLC will provide clients with information about how proxies were voted upon written request to Mr. Pulcano. Clients may obtain a copy of Ocean State Asset Management, LLC's complete proxy voting policies and procedures upon request. Clients may also obtain information from Ocean State Asset Management, LLC about how Ocean State Asset Management, LLC voted any proxies on behalf of their account(s).

For those accounts where a sub-advisor is engaged, voting of proxies will be the responsibility of the sub-advisor.

Unless directed Ocean State Asset Management does not vote proxies for High Net Worth, Individual and Corporate clients.

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### **Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Ocean State Asset Management, LLC's financial condition.

Ocean State Asset Management, LLC has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## **Business Continuity Plan**

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### **General**

Ocean State Asset Management, LLC has a business continuity plan in place that provides Detailed steps to mitigate and recover from the loss of office space, communications' or services.

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### **Disasters**

The business continuity plan covers natural disasters such as snow storms, hurricanes, tornados, fire and flooding. The plan covers man-made disasters such as loss of electrical power, fire, bomb threat, nuclear emergency, chemical event, biological event, communications line outage, internet outage, and aircraft accident. Electronic files are backed up daily and archived on and off site.

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### **Alternate Offices**

Alternate work locations are indentified to support ongoing operations in the event the main office is unavailable. Clients will be contacted as soon as practical in the event we are required to move our offices.

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## **Information Security Program**

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### **Information Security**

Ocean State Asset Management, LLC maintains an information security program to reduce the risk that personal and confidential information may be compromised.

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### **Privacy Notice**

Ocean State Asset Management, LLC is committed to ensuring your financial privacy.

Ocean State Asset Management, LLC has the following policy with respect to nonpublic personal information about its customers.

Only such information received from you, through application forms or otherwise and information about your securities transactions with us will be collected.

No information about you (or our former customers) will be disclosed to anyone, except as permitted by law (which includes disclosure to employees or other companies that service your account).

Policies and procedures (including physical, electronic and procedural safeguards) are in place that is designed to protect the confidentiality of such information.

## **Brochure Supplement (Part 2B of Form ADV)**

### **Supervised Persons**

**Nicholas DelBrocco and Charles Pulcano**

**Ocean State Asset Management, LLC**

**101 Dyer Street**

**Providence, Rhode Island 02903**

**401-455-0030**

**December 31, 2010**

**This Brochure Supplement provides information about Nicholas DelBrocco and Charles Pulcano that supplements the Ocean State Asset Management, LLC Brochure. You should have received a copy of that Brochure. Please contact Charles Pulcano, CCO/PM at [cp@osamllc.com](mailto:cp@osamllc.com) if you did not receive Ocean State Asset Management, LLC's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Nicholas DelBrocco and Charles Pulcano is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

## **NICHOLAS DELBROCCO**

### **Educational Background and Business Experience**

Nicholas DelBrocco, born 1963, a 1987 graduate (B.S.) of Cleveland State University, has been President and Chief Executive Officer of Ocean State Asset Management, LLC since its inception. From June 2003 thru August 2005, Mr. DelBrocco had been Senior Vice President and Regional Sales Manager of The New England Group of Boyd Watterson Asset Management, LLC. Prior to June 2003, Mr. DelBrocco was Senior Vice President of New England Trust Company, NA. Prior to that, Mr. DelBrocco was Vice President and Relationship Manager for Taft Hartley Trust Administration Services at National City Bank and held various other positions therewith since 1983 including Trust Officer, Assistant Vice President and Controller of Institutional Trust.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

### **Other Business Activities**

Mr. DelBrocco is not engaged in any other business activities.

### **Additional Compensation**

Mr. DelBrocco receives no additional compensation from other sources.

### **Supervision**

Mr. DelBrocco investment management activities are supervised by Charles Pulcano, Chief Compliance Officer. Activities are reviewed through frequent office, phone and email interactions.

## **CHARLES PULCANO**

### **Educational Background and Business Experience**

Charles Pulcano, born 1954, attended Hofstra University, has been Chief Compliance Officer of Ocean State Asset Management since its inception and Portfolio Manager since July 2008. From June 2004 thru August 2005, Mr. Pulcano was an independent consultant. Mr. Pulcano was the Chief Operating Officer of a New York based consulting firm from April 1991 thru January 2004. Prior to 1991, Mr. Pulcano held various positions with major NYC banks, including Branch Manager, Assistant Vice President and Vice President of the Long Island, N.Y. Corporate Lending Group. Mr. Pulcano holds the Series 65 (Investment Adviser Representative) license and has previously passed the Series 7 and Series 63 license exams

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice.

In February 2004 the National Association of Securities Dealers sanctioned Mr. Pulcano. Without admitting or denying the allegations, Mr. Pulcano consented to the sanctions that in 1997 he abetted violations of Title 18, Section 1954 of the US code in connection with another Registered Representatives involvement in the unlawful and knowing, direct and indirect, giving and offering of fees, commissions, gifts and money from dealings with a member of a Board of Trustees. Mr. Pulcano was fined \$10,000 and suspended from association with any NASD broker-dealer firm for six months.

### **Other Business Activities**

Mr. Pulcano is not engaged in any other business activities.

### **Additional Compensation**

Mr. Pulcano receives no additional compensation from other sources.

### **Supervision**

Mr. Pulcano investment management activities are supervised by Nicholas DelBrocco, Principal. Activities are reviewed through frequent office, phone and email interactions. Portfolio management activities are reviewed through on Advent Portfolio Management System.