

## **Part 2A of Form ADV: *Firm Brochure***

### **Creekside Investment Management, Inc.**

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06/20/2012

This brochure provides information about the qualifications and business practices of Creekside Investment Management, Inc. If you have any questions about the contents of this brochure, please contact us at 979-830-7030 or ech@creeksideinv.com. 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 Creekside Investment Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 104800. Registration with state regulatory authorities does not imply any level of skill or training.

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**Item 2.        Summary of Material Changes**

The SEC adopted new rules and rule amendments under the Investment Advisers Act of 1940 to implement provisions of the Dodd-Frank Wall Street Reform and Consumer Protection Act. As a result, we are no longer eligible for SEC registration. We are in the process of switching from federal to state oversight, and the transition must be complete by June 28, 2012. Once the transition is complete, our investment advisory business will be regulated by the Texas State Securities Board.

#### **Item 4. Advisory Business**

Creekside Investment Management, Inc. (CIMI) is an investment adviser with its principal place of business located in Brenham, Texas. CIMI is privately owned by its founder and principal, Eugene C. Hammons, President and CIO. It has been in continuous business since 1989. Creekside was previously registered with the SEC since 1990.

CIMI's sole source of income is derived from the fees paid to it by its clients.

CIMI does not act as custodian of client assets nor does it accept cash or securities from clients. All assets under the discretionary authority granted to it by clients are held by a third party provider of such services. Clients retain full ownership of all securities.

#### **Investment Supervisory Services:**

##### **Individual Portfolio Management**

Our firm provides discretionary advisory services to clients regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background. Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

The outcome of these discussions where relevant facts of an individual's personal circumstances and financial goals are determined is an asset allocation policy statement that pre-determines limits of exposure to differing asset classes such as stocks, bonds and short-term liquid assets. We deem this as the most important investment decision an investor makes as it determines the level of risk associated with the investment process and as such is the key element in risk assessment. Risk is therefore controlled through asset allocation, not individual stock or bond selection.

##### **The Investment management Process**

CIMI recognizes that the United States economy is inextricably linked with other economies around the world. The investment process begins therefore with a view of global economic dynamics and the effects on trade, between nations and ultimately the effects on global and US financial markets. We utilize a number of highly recognizable institutional sources as well as a few private sources to assist us in our conclusions. We are striving to identify both secular trends as well as tactical themes that ultimately lead to the individual stock or bond selection. We strongly believe in cross border open markets leading to investments that enjoy participation in faster growing emerging countries and markets.

Our investment recommendations are propriety to CIMI and we do not use any specific product or service offered by broker-dealers of insurance companies and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded on NASDAQ
- Foreign issuers through ADRs
- Corporate debt securities (other than commercial paper)
- Mutual fund shares
- Closed End Funds
- Master Limited Partnerships
- United States governmental securities

All clients receive timely quarterly and annual reports detailing the activities of their account over the period covered by the report. Portfolio compositions are computer generated and reconciled with custodian reports.

We make ourselves available to clients at all times for consultation and review and our goal is to retain close personal relationships of a long term nature.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

Assets Under Management:

As of 12/31/2011, we were actively managing \$44,419,189 of clients' assets on both a discretionary (\$42,812,184) and non-discretionary basis (\$1,607,005) basis.

**Item 5. Fees and Compensation**

Investment Supervisory Services

The annualized fees for Investment Supervisory Services are charged as a percentage of assets under management, according to the following schedule:

| <u>Assets Under Management</u> | <u>Annual Fee</u> |
|--------------------------------|-------------------|
| Up to \$1,000,000              | 1.00%             |
| On the next \$4,000,000        | 0.8%              |
| On the next \$5,000,000        | 0.5%              |
| On the next \$10,000,000       | 0.4%              |
| \$10,000,001 and up            | 0.3%              |

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees may be debited from the account in accordance with the client authorization in the Client Services Agreement or paid directly by the client at his or her option.

Limited Negotiability of Advisory Fees: Although Creekside Investment Management, Inc. has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

#### Fees in General

Depending on the particular arrangement with each client, we will either invoice clients or directly debit their custodial accounts.

Fees are billed in advance at the beginning of each quarter, based upon the billable balance on the last day of the previous calendar quarter, pro-rated for additions and withdrawals.

Fees and account minimums for all services are negotiable based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.). Discounts, not generally available to our advisory clients, may be offered to family members and friends.

We may group certain related client accounts for the purposes of determining the account size and/or annualized fee.

Under no circumstances will we earn fees in excess of \$500 more than six months in advance of services rendered.

Account Termination: Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement by providing us with a 30-day written notice at our principal place of business. Upon termination of any

account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

Mutual Fund Fees and Expenses: All fees paid to our firm for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. A client could invest in a mutual fund directly, without the services of our firm. In that case, the client would not receive the services provided by us which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and the fees charged by us to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

CIMI's use of mutual funds is very limited. On the occasions where funds have been recommended, a careful review of the expense ratios (management fees plus portfolio friction costs) have been carefully reviewed before inclusion in a client's portfolio. If we can make a determination that such fees are not a material factor, then we may proceed. Fund shares have typically been useful in fulfilling a particular niche or need peculiar and special to the individual investor's objectives.

Wrap Fee Programs and Separately Managed Account Fees: Clients participating in separately managed account programs may be charged various program fees in addition to the advisory fee charged by our firm. Such fees may include the investment advisory fees of the independent advisers, which may be charged as part of a wrap fee arrangement. In a wrap fee arrangement, clients pay a single fee for advisory, brokerage and custodial services. Client's portfolio transactions may be executed without commission charge in a wrap fee arrangement. In evaluating such an arrangement, the client should also consider that, depending upon the level of the wrap fee charged by the broker-dealer, the amount of portfolio activity in the client's account, and other factors, the wrap fee may or may not exceed the aggregate cost of such services if they were to be provided separately. We will review with clients any separate program fees that may be charged to clients.

Grandfathering of Minimum Account Requirements: Pre-existing advisory clients are subject to Creekside Investment Management, Inc.'s minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

ERISA Accounts: Creekside Investment Management, Inc. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation. To avoid engaging in prohibited transactions, Creekside Investment

Management, Inc. may only charge fees for investment advice about products for which our firm and/or our related persons do not receive any commissions or 12b-1 fees.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

Brokerage and Custodian Fees: In addition to advisory fees paid to our firm, clients will also be responsible for all transaction, brokerage, and custodian fees incurred as part of their account management.

## **Item 6. Performance-Based Fees and Side-By-Side Management**

We do not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client.

## **Item 7. Types of Clients**

Our firm generally provides advisory services to individuals, high net worth individuals and pension and profit sharing plans.

## **Item 8. Methods of Analysis, Investment Strategies and Risk of Loss**

Our firm employs the following types of analysis to formulate client recommendations:

Fundamental Analysis: Fundamental analysis of a business involves analyzing its income statement, financial statements and health, its management and competitive advantages, and its competitors and markets. Fundamental analysis school of thought maintains that markets may mis-price a security in the short run but that the "correct" price will eventually be reached. Profits can be made by trading the mis-priced security and then waiting for the market to recognize its "mistake" and re-price the security. However, fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock. Therefore, unforeseen market conditions and/or company developments may result in significant price fluctuations that can lead to investor losses.

Technical Analysis: Technical analysis seeks to identify price patterns and trends in financial markets and attempt to exploit those patterns. We follow and examine such indicators as price, volume, moving averages of the price and market sentiment.

Charting: In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

Since technical analysis predictions are only extrapolations from historical price patterns, investors bear risk that these patterns will not reoccur as expected. Moreover, technical



analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

Cyclical analysis: In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security. Since cyclical analysis is based on examination of rising and falling trends, investors bear risk of mis-timing, with a specific trend lasting longer or shorter than expected.

Risks for all forms of analysis: Our securities analysis method relies on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

Our firm employs the following investment strategies to implement investment advice given to clients:

Long-term purchases: We mostly purchase securities with the idea of holding them in the clients account for a year or longer. We may do this because we believe the securities to be currently undervalued. We may do this because we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that, by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases: At times, we may also purchase securities with the idea of selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A risk in a short-term purchase strategy is that, should the anticipated price swing not materialize, we are left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss. In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

Equity Portfolio Management: We are not cyclical market timers. Studies have support the theory that market timing is particularly ineffective over any reasonable time frame. Rather, we make an effort to stay fully invested within the liquidity requirements imposed upon us by the individual client. We mostly purchase securities with the idea of

holding them longer than one year. This is especially applicable to equities as equities are deemed to be long duration assets and corporate management strategies take time to unfold. At the same time outside factors sometime interfere with long term investment horizons which calls for constant monitoring on our part.

Although equity exposure varies by clients' asset allocation decisions, we strive for a fairly monolithic portfolio composition. Plainly speaking, we provide simultaneous identical advice, in so-far-as possible, to all clients at the same time and in proration to the size of assets managed. We strongly believe in this process as recommendations represent the very best of our advice at the time.

After careful consideration of the macro economic factors (already discussed) are carefully considered attention is directed toward attention is then focused on seeking early entry into important emerging trends combined with a diversified portfolio designed to spread the risk, in so far as possible.

Our portfolio compositions are fairly eclectic, that is, including large, highly recognized companies but also including mid-sized and occasionally a small company. There may be some stocks that are labeled as value, growth or emerging. We are seeking opportunities for our investors as opposed to some pre-conceived notions of "style". Our goal is to not be overly cautious in the approach to portfolio composition as that paradoxically often increases risk as the value of the investment has already been discounted in the stock price leading to a stock being over owned and subject to ultimate distribution as larger institutional investor unload their positions on the market. Rather we are seeking cheap early entry into important emerging themes, buying theme levered companies with sound business models and sufficient balance sheets to carry out company strategies.

We also invest in highly recognized names with fortress like balance sheets that enjoy a virtual moat from competition. Typically, these selections are number one or two in terms of market penetration giving them a commanding lead over competition.

Fixed Income Management: As indicated in the section on Investment Portfolio Management, CIMI provides bond management as well as equities. Bonds are useful in that they tend to dampen overall portfolio volatility and provide a steady income stream of interest earned.

CIMI utilizes an intermediate maturity approach to bond selection, avoiding issues that mature beyond ten years. The reason for this is quite straight forward as longer term issues are subject to wider swings in market values from changes in interest rates, an element that is highly unpredictable. Scholars in quantitative analysis have measured the risk and return and determined that over 80% of the return available to bond investors can be obtained with bonds maturing in one to ten years with only a fraction of the risk inherent in longer term bond volatility.

***Clients should understand that investing in any securities, including mutual funds, involves a risk of loss of both income and principal.***

## **Item 9. Disciplinary Information**

From 1955 to 1973, Mr. Hammons was employed by Rauscher Pierce Securities Corp. (RPSC) as Vice President and Branch Manager in Houston, Texas. As such, in his capacity as a Registered Principal, Mr. Hammons was an Office of Supervisory Jurisdiction as that term is used by the National Association of Securities Dealers (NASD). He was fined \$500.00 in 1974 by the NASD for failure to supervise a registered representative within his jurisdiction.

The following is to the best of Mr. Hammons' recollection: In the 1973 time period, RPSC was the lead underwriter in an offering of common stock for a small motor carrier in Dallas, Texas, Frozen Food Express (FEE). It was not a successful offering, declining in price several days after issue. It did, however, manage to trade at a slight premium initially, and thereby became classified as a "hot" issue under the definition in the NASD Rules of Fair Practice pertaining to distributing securities to the public. There were a number of what might be termed "flagrant violations" that occurred in the Dallas corporate headquarters of RPSC in the underwriting of this issue. Some of the securities were confirmed to relatives of Dallas RPSC brokers and actual dummy accounts were set up for the purpose of immediate gain. All of this occurred in Dallas. These violations were wholly unrelated to Mr. Hammons in Houston. As a result of these Dallas office violations, the NASD decided to undertake a thorough review of the entire offering in all offices of RPSC. This review indicated that one registered representative in Mr. Hammons' Houston office did, in fact, confirm an odd lot of FEE to one customer of that office that had been recently appointed an officer of a state bank in Houston. With that appointment, the customer thereby came under the definition of "non-public person" within NASD rules. A review of the facts surrounding this customer revealed that when he opened his account with RPSC he was not employed by the bank. Furthermore he had a history of purchasing original issues. At the time that Mr. Hammons approved the transaction in FEE, he had no knowledge that the customer's status had changed to "non-public person." The registered representative failed to inform Mr. Hammons of the change in status. Nevertheless, Mr. Hammons was found to be technically at fault for failure to supervise the activities of a registered representative in the matter.

In October 2007 Mr. Hammons received a reprimand from the State Securities Board. Mr. Hammons' registration lapsed during the transition to electronic filing for annual renewal in the state of Texas. The firm's registration with the SEC was not affected and remains in compliance.

## **Item 10. Other Financial Industry Activities and Affiliations**

Neither our firm nor our employees engage in any other financial industry activities or have any other financial industry affiliations.

## **Item 11. Code of Ethics, Participation in Client Transactions and Personal Trading**

### Code of Ethics Disclosure

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Creekside Investment Management, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Creekside Investment Management, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to ech@creeksideinv.com, or by calling us at 979-830-7030.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees 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.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

As these situations represent actual or potential conflicts of interest to our clients, we have established the following policies and procedures for implementing our firm's Code of Ethics, to ensure our firm complies with its regulatory obligations and provides our clients and potential clients with full and fair disclosure of such conflicts of interest:

- No principal or employee of our firm may put his or her own interest above the interest of an advisory client.
- No principal or employee of our firm may buy or sell securities for their personal portfolio(s) where their decision is a result of information received as a result of his or her employment unless the information is also available to the investing

public.

- It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account. This prevents such employees from benefiting from transactions placed on behalf of advisory accounts.
- Our firm requires prior approval for any IPO or private placement investments by related persons of the firm.
- We maintain a list of all reportable securities holdings for our firm and anyone associated with this advisory practice that has access to advisory recommendations ("access person"). These holdings are reviewed on a regular basis by our firm's Chief Compliance Officer or his/her designee.
- We have established procedures for the maintenance of all required books and records.
- All of our principals and employees must act in accordance with all applicable Federal and State regulations governing registered investment advisory practices.
- We require delivery and acknowledgement of the Code of Ethics by each supervised person of our firm.
- We have established policies requiring the reporting of Code of Ethics violations to our senior management.
- Any individual who violates any of the above restrictions may be subject to termination.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts. Further, employees must wait 24 hours before placing a purchase or sale of a security implemented in advisory clients' accounts **THEREBY AVOIDING ANY CONFLICTS OF INTEREST WITH CLIENT ACCOUNTS.**

#### **Item 12. Brokerage Practices**

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits.

We do not request or accept the discretionary authority to determine the broker dealer to be used for client accounts. Clients must direct us as to the broker dealer to be used for all client securities transactions. In directing the use of a particular broker or dealer, it should be understood that we will not have authority to negotiate commissions among various brokers, and best execution may not be achieved, resulting in higher transaction costs for clients. *Not all advisers require their clients to direct brokerage.*

Our firm participates in the Schwab Institutional (SI) services program offered to independent investment advisers by Charles Schwab & Company, Inc. ("Schwab"), a FINRA-registered broker dealer. Clients in need of brokerage and custodial services will have Schwab recommended to them. As part of the SI program, our firm receives benefits that it would not receive if it did not offer investment. These benefits include: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk serving SI participants exclusively; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; ability to have investment advisory fees deducted directly from client account; access, for a fee, to an electronic communication network for client order entry and account information; receipt of compliance publications; and access to mutual funds which generally require significantly higher minimum initial investments or are generally available only to institutional investors. The benefits received through participation in the SI program may or may not depend upon the amount of transactions directed to, or amount of assets custodied by, Charles Schwab & Co., Inc. Participation in the SI program results a potential conflict of interest for our firm, as the receipt of the above benefits creates an incentive for us to recommend Schwab to clients.

Nonetheless, we have reviewed the services of Schwab and recommend the services based on a number of factors. These factors include the professional services offered, commission rates, and the custodial platform provided to clients. While, based on our business model, we will not seek to exercise discretion to negotiate trades among various brokers on behalf of clients, we will, however, periodically attempt to negotiate lower commission rates for our clients with Schwab.

Trade Aggregation: CIMI will block equity trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. Block trading may permit equity trades to be executed in a timelier and more equitable manner while allowing CIMI to obtain an average share price for clients participating in the block. Partial fills of blocked trades will generally be allocated on a pro rata basis. However, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account or to avoid deviations from pre-determined minimum/maximum holdings limits established for any account.

### **Item 13. Review of Accounts**

#### Investment Supervisory Services

Eugene C. Hammons, President and CIO, will continuously monitor the underlying securities in client accounts and perform at least annual reviews of account holdings for all clients. Accounts are reviewed for consistency with client investment strategy, asset allocation, risk tolerance and performance relative to the appropriate benchmark. More frequent reviews may be triggered by changes in an account holder's personal, tax or financial status. Economic and macroeconomic specific events may also trigger reviews.

In addition to the monthly statements and confirmations of transactions that clients receive from their broker dealer, our firm will provide quarterly holdings and/or performance reports.

**Item 14. Client Referrals and Other Compensation**

Our firm does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

**Item 15. Custody**

We urge all of our management clients to carefully review and compare their quarterly reviews of account holdings and/or performance results to those they receive from their custodian.

**Item 16. Investment Discretion**

For clients granting us discretionary authority to determine which securities and the amounts of securities that are to be bought or sold for their account(s), we request that such authority be granted in writing, typically in the executed advisory agreement.

Should the client wish to impose reasonable limitations on this discretionary authority, such limitations shall be included in this written authority statement. Clients may change/amend these limitations as desired. Such amendments must be submitted to us by the client in writing.

**Item 17. Voting Client Securities**

Advisory clients may elect to delegate their proxy voting authority to us. Alternatively, clients may, at their election, choose to receive proxies related to their own accounts, in which case we may consult with clients as requested. (With respect to ERISA accounts, we will vote proxies unless the plan documents specifically reserve the plan sponsor's right to vote proxies.) To direct us to vote a proxy in a particular manner, clients should contact Mr. Eugene C. Hammons by telephone, electronic mail, or in writing.

When we have discretion to vote proxies for our clients, we will vote those proxies in the best interests of its clients and in accordance with our established policies and procedures. Our firm will retain all proxy voting books and records for the requisite period of time, including a copy of each proxy statement received, a record of each vote cast, a copy of any document created by us that was material to making a decision how to vote proxies, and a copy of each written client request for information on how the adviser voted proxies. If our firm has a conflict of interest in voting a particular action, we will notify the client of the conflict and retain an independent third-party to cast a vote.

Clients may obtain a copy of our complete proxy voting policies and procedures by contacting Jacquie Padfield directly. Clients may request, in writing, information on how

proxies for his/her shares were voted. If any client requests a copy of our complete proxy policies and procedures or how we voted proxies for his/her account(s), we will promptly provide such information to the client.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

#### **Item 18. Financial Information**

Under no circumstances will we earn fees in excess of \$500 more than six months in advance of services rendered.

#### **Item 19. Requirements for State-Registered Advisers**

Information regarding the formal education and business background of Eugene Hammons is provided in his respective Brochure Supplement which is included in this Firm Brochure.

As disclosed in Item 9 above, in October 2007 Mr. Hammons received a reprimand from the State Securities Board.

Mr. Hammons' registration lapsed during the transition to electronic filing for annual renewal in the state of Texas. The firm's registration with the SEC was not affected and remains in compliance.

Additionally, as also disclosed in Item 9 above, Mr. Hammons was fined \$500.00 in 1974 by the NASD for failure to supervise a registered representative within his jurisdiction. For further details, please refer to item 9 of this Firm Brochure.

Mr. Hammons has no relationship too or any arrangement with any issuer of securities.



**Part 2B of Form ADV: *Brochure Supplement***

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06/20/2012

**This brochure supplement provides information about Eugene C. Hammons that supplements the Creekside Investment Management, Inc. brochure. You should have received a copy of that brochure. Please contact Eugene C. Hammons if you did not receive Creekside Investment Management, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Eugene C. Hammons is available of the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2. Educational Background and Business Experience**

Eugene C. Hammons, President and (CIO)

Year of Birth: 1931

### Education:

Mr. Hammons attended University of Houston 1949-1954

### Business Background:

1955-1973: Employed by Rauscher Pierce Securities Corp. as Vice-President and branch manager. As such, in his capacity as a Registered Principal, Officer of Supervisory Jurisdiction as that term is used or was used by the NASD.

1973-1974: Employed by Kurkendahl and Schneider in same capacity as above.

June, 1974-May, 1982: Vice-President, Rotan Mosle, a New York Stock Exchange member firm. Registered Principal. Initiated investment performance and asset allocation services to corporate sponsors of qualified retirement plans.

May, 1982-March, 1985: Vice President and Regional Director of Meidinger Asset Planning Services, a registrant under the Investment Company Act of 1940. Principle duty: to provide investment guidance and advice to institutional investors.

March, 1985-February, 1988: Vice-President, Regional Manager, Corporate Secretary and Director, M H Investment Counsel, a division of Manufacturers Hanover Bank of New York.

February, 1988-November, 1989: M H Investment Counsel was acquired by Mitchell Hutchins Investments. Vice-President and manager of Dallas office.

December, 1989 to present: Founder, President and Chief Investment Officer of Creekside Investment Management, Inc., an independent investment advisory firm located in Brenham, Texas.

## **Item 3. Disciplinary Information**

As disclosed in item 9 of the Creekside Firm Brochure, due to a clerical error, Mr. Hammons' registration in the state of Texas was not transitioned onto the electronic filing system maintained by FINRA in a timely manner. Mr. Hammons continued to provide investment advice for compensation in Texas to clients of Creekside Investment Management Inc. When the matter was brought to his attention by the State Securities Board, he immediately made the required Form U4 filing and, after review of his case, the Securities Commissioner found that, at times when he was not registered with the Securities Commissioner as an Investment Adviser representative in violation of Section 12.B of the Texas Securities Act and Section 116.1(B)(1) of the Texas Board Rules. Mr. Hammons was reprimanded and filed the required Form U4 and his registration was reinstated.

**Item 4. Other Business Activities**

Mr. Hammons is not engaged in any other business or occupation.

**Item 5. Additional Compensation.**

Mr. Hammons does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

**Item 6. Supervision**

As Mr. Hammons is the President, CIO and Owner of Creekside Investment Management, Inc., he is responsible for all supervision and formulation and monitoring of investment advice offered to clients. Mr. Hammons reviews and oversees all material investment policy changes and conducts periodic testing to ensure that client objectives and mandates are being met.

**Item 7. Requirements for State-Registered Advisers**

Except as disclosed in Item 9 of the Creekside Brochure and Item 3 of this Brochure Supplement, Mr. Hammons has not been the subject of any disciplinary action nor has he been the subject of a bankruptcy filing/petition.