

## **Firm Brochure**

(Part 2A of Form ADV)

### **Columbia Ridge Capital Management, Inc.**

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This brochure provides information about the qualifications and business practices of COLUMBIA RIDGE CAPITAL MANAGEMENT, INC.. If you have any questions about the contents of this brochure, please contact us at: (607) 584-4141 by email at: [mail@columbiaridgecm.com](mailto:mail@columbiaridgecm.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 COLUMBIA RIDGE CAPITAL MANAGEMENT, INC. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

March 30, 2012

## **Material Changes**

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### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

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### **Material Changes since the Last Update**

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

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### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (607) 584-4141 or by email at: [mail@columbiaridgecm.com](mailto:mail@columbiaridgecm.com).

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## **Advisory Business**

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### **Firm Description**

Columbia Ridge Capital Management, Inc. ("Columbia Ridge") is a registered investment advisor (RIA) with the Securities and Exchange Commission (SEC). Columbia Ridge was incorporated in 2003.

Our primary services include:

- Investment management for individuals, employer sponsored retirement plans, trusts and estates
- Retirement planning and cash flow projections for individuals
- Consulting and advisory services for employer sponsored 401(k) plans

Columbia Ridge is a fee-based firm in that we are compensated for the above services based on various billable fee structures. In addition, each member of our advisor team also maintains both a securities and insurance license, allowing them to sell annuities, insurance, mutual funds and other commission-oriented products when certain situations warrant the sale of such products.

An initial meeting with a prospect is free of charge and is considered an exploratory interview to determine the extent to which investment management, retirement planning or 401(k) plan advisory services may be beneficial to the client.

Columbia Ridge does not act as a custodian nor maintain control of client assets. We do, however, often maintain discretionary authority to place trades for clients under their approval through a signed limited power of attorney.

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### **Principal Owners**

Kenneth D. Rosplock is a 92% stockholder.

Kathleen Bartlow is a 4% stockholder.

Cynthia R. Rosplock is a 4% stockholder.

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## **Types of Advisory Services**

### **Investment Management**

Investment management is provided through consultation with the client and requires some or all of the following steps:

- Obtaining confidential financial and personal information
- Determination of client's financial objectives
- Assessment of risk tolerance
- Cash flow management
- Tax planning related to client's investment decisions
- Portfolio construction and ongoing management

We provide investment management services that are tailored to the specific needs and objectives of the client. Our portfolios will normally consist of:

- No load mutual funds
- Exchange-traded funds (ETFs)
- Individual stocks and bonds
- Money market funds and certificates of deposit

Investment management services are provided on either a discretionary or nondiscretionary basis, subject to such limitations as may be imposed by client(s) in writing.

Discretionary management means that we have been authorized by the client to make trades in their account(s) without having to acquire permission for each trade. Discretionary trades must, however, must be within the parameters established by Columbia Ridge and the client in the Investment Objectives and Guidelines section of the signed Investment Management Agreement.

As of December 31, 2011, Columbia Ridge manages approximately \$125,000,000 in assets for approximately 200 clients. Approximately \$78,000,000 is managed on a discretionary basis, and \$47,000,000 is managed on a non-discretionary basis.

### **Retirement Planning**

Columbia Ridge provides retirement planning services for individuals and couples who usually meet one of the following descriptions:

- Early in their careers and attempting to save for eventual retirement
- Later in their careers and trying to determine when they can retire

- Early in their retirement years and trying to maximize their current income, as well as sustain it for their lifetime(s)
- Later in their retirement years and trying to preserve their assets for increasing health care needs and ultimate passage to their heirs

Retirement plan projections are developed by our staff, using software acquired from a leading vendor in the financial planning industry. Plans are based on facts provided by the client such as assets, liabilities, income, expenses, goals and objectives, as well as on mutually agreed to assumptions such as rates of inflation and investment earnings.

The standard process is to generate a retirement plan projection through assumed dates of death in order to determine if there is a high likelihood of the client running out of money. If the results are not optimistic, we then generate “what if scenarios” such as working longer, saving more or decreasing expenses in order to accomplish the client’s desired goals and objectives.

#### **401(k) Plan Consulting and Advisory**

Columbia Ridge provides consulting and advisory services to 401(k) retirement plans and their fiduciaries. Such services may include, but are not limited to:

- Review of the existing plan design and investments
- Preparation of an investment policy statement (IPS)
- Research and selection of initial plan investment choices
- Periodic monitoring of investment choices
- Investment education services for plan participants
- Employee communications regarding plan provisions
- Interaction between plan sponsors and third party administrators

Columbia Ridge does not provide qualified plan document preparation or third party administrative services.

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### **Tailored Relationships**

The goals and objectives for each client are documented in a variety of methods including in hard copy client files, in our client relationship management system and in the written service agreements that are signed by both a Columbia Ridge advisor and the client.

Agreements may not be assigned without client consent.



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## **Types of Agreements**

The following agreements define the typical client relationships.

### **Investment Management Agreement**

The scope of work and fee for an Investment Management Service Agreement is provided to the client in writing prior to the start of the relationship. An Investment Management Agreement includes the following services:

- An evaluation of the client's present portfolio and a determination of the client's investment objectives and risk tolerance level
- Selection of the components of an investment portfolio based on the client's individual facts and circumstances
- Implementation, monitoring and rebalancing of the portfolio through the purchase and sale of securities such as no load mutual funds, exchange-traded funds, individual equities and other securities that we deem appropriate for the situation
- Quarterly performance reports
- A periodic review of the client's portfolio allocation
- An update of the client's personal financial information, goals and objectives to determine if any changes in the portfolio design are warranted

Our standard Investment Management fee is based on a percentage of the investable assets according to the following schedule:

1.00% on the first \$500,000

0.75% on the next \$500,000

0.50% on assets above \$1,000,000

Minimum annual fee is \$500

The above fee structure is negotiable based on potential deviations from our standard Investment Management Service Agreement. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

### **Retirement Planning Agreement**

The scope of work and fee for a Retirement Planning Service Agreement is provided to the client in writing prior to the start of the relationship. A Retirement Planning Agreement includes the following services:

- Gathering of personal financial and family data in order to assess the client's current situation. This may involve the completion of a detailed fact finding questionnaire by either the client or by our staff using supporting documents provided to us by the client
- Conversation with the client regarding retirement goals such as age(s), income, assets, life-style, relocations, travel and other relevant matters
- Preparation of a retirement plan projection as described in the Retirement Planning Services section on page 3
- A thorough review of the retirement plan projection including the supporting data input and projection reports on future net worth, income, expenses and taxes
- Re-runs of projections based on changes in facts or assumptions geared toward helping the client achieve their retirement goals and objectives

Our standard Retirement Planning fee is a flat fee that ranges from \$500 to \$2,500 based on the complexity of the situation and the estimated time required to effectively perform the service. This fee is negotiable if the services desired vary from the standard service.

### **Retainer Agreement**

In some circumstances, a Retainer Agreement is executed in lieu of an Investment Management Agreement when it is more appropriate to work on a fixed-fee basis. This may be applicable in situations such as the following:

- The client requests that we periodically advise on other investments that we do not actively manage or have access to through our custodian's network ,such as retirement accounts through their employer's 401(k) plan
- The client requests that we provide both ongoing Investment Management and Retirement Planning in an effort to best achieve their personal goals and objectives by integrating the two services

Our standard Retainer fee for this consolidated service ranges from \$2,000 to \$15,000 per year based on the complexity of the situation and the estimated time required to effectively perform the service. This fee is negotiable if the services desired vary from the standard service. The fee is also reviewed periodically as the scope of services may increase or decrease over time.

### **401(k) Plan Consulting and Advisory Agreement**

The scope of work and fee for a 401(k) Plan Consulting and Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. A 401(k) Plan Consulting and Advisory Agreement includes the following services:

- Mutual fund research geared towards advising a plan trustee on the selection of an appropriate mutual fund investment menu
- Quarterly monitoring of a plan's mutual fund performance, expenses, management tenure, style drift and other relevant mutual fund factors
- Periodic group and individual meetings with plan participants to provide information on plan provisions, investment education and assistance with enrollment forms

Our standard 401(k) Consulting and Advisory fee is based on a percentage of plan assets, a flat fee or a combination of both. The fee structure depends on the services desired, complexity of the overall plan, demographics of the participant group, geographic location(s) and other factors unique to the client and the services provided.

Fees may be paid by the plan sponsor (i.e. employer), the plan participants or a combination of both according to ERISA rules and regulations. Full disclosure is provided to plan participants regarding fees assessed to them.

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### **Termination of Agreement**

A Client may terminate any existing service agreement at any time by notifying Columbia Ridge in writing. A final fee may be assessed based on the number of days that have elapsed during the current quarter for investment management services or on the amount of time already spent on retirement planning or 401(k) advisory services prior to notification of termination

Columbia Ridge may terminate any existing service agreement at any time by notifying the client in writing.

### **Fees and Compensation**

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#### **Description**

Columbia Ridge bases its fees on the following methods, depending upon the nature and complexity of the service being provided:

- A Percentage of Assets Under Management
- Fixed One-time Project Fees

- Flat Recurring Retainer Fees

Fee schedules are described in the “Types of Agreements” section starting on page four. Fees are negotiable and subject to change for a client as the scope and complexity of services increase or decrease over time.

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## **Fee Billing**

Fees for Investment Management Services are billed quarterly, in arrears, meaning that we invoice you after the three-month billing period has ended. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for Retirement Planning are billed after completion of the stated service.

Fees for 401(k) Consulting and Advisory Services are billed in arrears on a quarterly basis.

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## **Other Fees**

Custodians such as Charles Schwab & Co. may charge transaction fees on purchases or sales of certain mutual funds, exchange-traded funds and individual stocks. These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

No portion of the transaction fees assessed by Charles Schwab & Co. are paid to Columbia Ridge.

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## **Expense Ratios**

Mutual funds and exchange-traded funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Columbia Ridge.

Performance figures quoted by mutual fund and exchange-traded fund companies in various publications are after their fees have been deducted.

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## **Past Due Accounts and Termination of Agreement**

Columbia Ridge reserves the right to stop work on any account that is more than 90 days overdue. In addition, we reserve the right to terminate any financial or retirement planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in our judgment, to providing proper financial advice.

## **Performance-Based Fees**

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### **Sharing of Capital Gains**

Performance-based fees are generally calculated as a percentage of the profits earned in a managed investment account, sometimes only after a certain minimum return has been achieved.

Columbia Ridge does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## **Types of Clients**

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### **Description**

Columbia Ridge generally provides investment advice to individuals, employer sponsored retirement plans, trusts and estates.

Client relationships vary in scope, complexity and length of service.

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### **Account Minimums**

The minimum Investment Management client account size is \$ 50,000 of assets under management, which equates to an annual fee of \$ 500. If an account falls below \$ 50,000 in value, the minimum annual fee of \$ 500 is charged.

Columbia Ridge has the discretion to waive the account minimum. Accounts of less than \$ 50,000 may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total up to the minimum \$ 50,000 within a reasonable time. Other exceptions may apply to employees of Columbia Ridge and to employees of 401(k), pension and profit sharing clients.

Clients receiving ongoing asset management services will be assessed a \$500 minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

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### **Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

Our main sources of information include:

- Professional financial and investment journals
- Mutual fund and exchange-traded fund research materials prepared by independent sources such as Morningstar and Fiduciary Analytics
- Stock rating services
- Mutual fund, exchange-traded fund and company prospectuses
- Financial newspapers and magazines
- Charles Schwab & Company's "SchwabLink" service
- The World Wide Web.

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### **Investment Strategies**

The primary investment strategy used on client accounts is a strategic asset class allocation utilizing a Core and Explore approach. The asset classes used in our portfolios are:

- Stable Value (Money Market Funds and Certificates of Deposit)
- Fixed Income (Government, Corporate and Tax-Free Municipal Bonds)
- Stocks (US and International Large, Mid and Small Cap Stocks)
- Alternatives (Precious Metals, Natural Resources and Real Estate Trusts)

The portfolio Core is built first, using passively-managed index and exchange-traded funds. The Explore component is then built by using actively-managed mutual funds, exchange-traded funds and, in some cases, individual stocks.

The Explore portion is used to achieve adequate diversification among all asset classes, to pursue strategic investment opportunities in specific industry sectors or geographic regions and to provide efficient investment flexibility when dealing with large or recurring cash deposits or withdrawals.

Portfolios are globally diversified in an effort to reduce the risk associated with investing solely in traditional markets.

The investment strategy for a specific client is based upon the objectives agreed to by the client based on personal fact finding, a risk tolerance assessment, income, net worth, age and other relative factors. The client may change these objectives at any time. Each client executes an Investment Objectives Outline that documents their objectives and desired investment strategy.

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## **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then a lengthy refining process occurs before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Disciplinary Information**

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### **Legal and Disciplinary**

The firm and its employees have not been involved in any legal or disciplinary events related to past or present investment clients.

## **Other Financial Industry Activities and Affiliations**

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### **Financial Industry Activities**

Columbia Ridge is a Registered Investment Advisor (RIA). We are not a securities broker-dealer firm.

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### **Affiliations**

Columbia Ridge and its advisor staff have an arrangement that is material to its advisory business and its clients. Kenneth D. Rosplock, Kathleen Bartlow and Amanda R. Campbell are each registered securities representatives with Cadaret, Grant & Co., Inc., a registered broker dealer and member of FINRA and SIPC. As registered representatives, they are able to sell investment securities which generate commissions to Columbia Ridge. In addition, they each maintain an insurance license which allows them to sell insurance and annuity products which also generate commissions to Columbia Ridge.

The sale of such commissionable products to clients is outside the scope of our discretionary advisory services. If an advisory client purchases an investment, insurance or annuity product through one of our licensed advisors, a commission will be earned and paid to Columbia Ridge which is separate and distinct from fees charged for advisory services.



The ability to sell such products and generate commissions presents a potential conflict of interest. We believe that those potential conflicts of interest are mitigated by the following firm practices:

- Columbia Ridge has adopted a standard of conduct under its Code of Ethics which emphasizes putting the client's interest first
- All commissionable transactions are reviewed by senior management, with an eye towards avoiding potential conflicts of interest and providing advice that's in the client's best interest
- Commissionable products should only be sold when they are beneficial to the client as the best possible solution to an investment or financial planning issue
- Full disclosure of the up-front sales charges, ongoing asset based fees and potential surrender charges should always be presented to the client before purchase
- The client is not obligated to purchase investments, insurance or annuity products through one of our advisors
- The sale of a commissionable investment may be appropriate when the expenses or sales charges incurred by the client are less than our minimum investment management fees
- All Columbia Ridge employees, including owners and advisors, are compensated on an hourly or salaried basis as opposed to on a commissions-generated basis
- There is no direct impact on an advisor's compensation by the sale of a commissionable product
- We do not charge investment management fees on accounts that generated a commission when purchased, even if we are providing discretionary management services on the account
- In some instances, depending on the size of the transaction, investment management fees may be discounted or offset, at our discretion

## **Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

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### **Code of Ethics**

The employees of Columbia Ridge have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The following is a summary of this Policy:

- Adoption of Standards of Conduct which emphasize putting our client's interests first and avoiding any conflicts of interest
- Requirement that employees comply with all Federal Securities Laws
- Protection of clients' nonpublic, confidential information
- Requirement that employees pre-clear certain types of personal securities transactions
- Prohibition against the use of material, nonpublic information ("Insider Trading")
- Requirement to report any violations of these policies to senior management

We will provide a copy of our Code of Ethics to any client or prospective client upon request.

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

Columbia Ridge and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees must comply with the provisions of the Columbia Ridge Compliance Manual and Code of Ethics.

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## **Personal Trading**

The Chief Compliance Officer of Columbia Ridge is Kenneth D. Rosplock. He reviews all employee trades on a monthly basis. His trades are reviewed by Kathleen Bartlow. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

## **Brokerage Practices**

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### **The Custodian and Broker We Use**

Columbia Ridge does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account for payment of investment management fees. We recommend that our clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated

with Schwab. Schwab will hold client assets in a brokerage account and buy and sell securities when we instruct them to. While we recommend that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we may assist you in doing so.

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## How We Select Brokers/Custodians

We seek to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors including among others:

- Combination of transaction execution services and asset custody services (generally without a separate fee for custody)
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payments, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds [ETFs], etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate the prices
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “*Products and Services Available to Us From Schwab*”)

## **Your Brokerage and Custody Costs**

For our clients' accounts that Schwab maintains, Schwab generally does not charge you separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle in your Schwab account. Columbia Ridge does not share in any of these fees assessed by Schwab.

## **Products and Services Available to Us From Schwab**

Schwab Advisor Services™ (formerly called Schwab Institutional®) is the arm of Schwab that serves independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage—trading, custody, reporting, and related services—many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts, while others help us manage and grow our business. Schwab's support services generally are available on an unsolicited basis (we don't have to request them) and at no charge to us as long as our clients collectively maintain a total of at least \$10 million of their assets in accounts at Schwab. If our clients collectively have less than \$10 million in assets at Schwab, Schwab may charge us quarterly service fees of \$1,200. Following is a more detailed description of Schwab's support services:

**Services That Benefit You.** Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

**Services That May Not Directly Benefit You.** Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. We may use this research to service all or a substantial number of our clients' accounts, including accounts not maintained at Schwab. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)

- Facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our clients' accounts
- Assist with back-office functions, recordkeeping, and client reporting

**Services That Generally Benefit Only Us.** Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human resource consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab may also discount or waive its fees for some of these services or pay all or a part of a third party's fees. Schwab may also provide us with other benefits, such as occasional business entertainment of our personnel.

### **Our Interest in Schwab's Services**

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don't have to pay for Schwab's services as long as our clients collectively keep a total of at least \$10 million of their assets in accounts at Schwab. Beyond that, these services are not contingent upon us committing any specific amount of business to Schwab in trading commissions or assets in custody.

The \$10 million minimum may give us an incentive to require that you maintain your account with Schwab, based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest. We believe, however, that our selection of Schwab as custodian and broker is in the best interests of our clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "*How We Select Brokers/Custodians*") and not Schwab's services that benefit only us. We have approximately \$ 78 million in client assets under discretionary management and we do not believe that requiring our clients to collectively maintain at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

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## **Best Execution**

Columbia Ridge reviews the execution of trades at each custodian each quarter. The review is documented in the Columbia Ridge *Compliance Manual*. Trading fees charged by the custodians is also reviewed on a quarterly basis. Columbia Ridge does not receive any portion of the trading fees.

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## **Soft Dollars**

Columbia Ridge does not have any arrangements or commitments to utilize research, research-related products and other services obtained from broker-dealers and / or custodians on a soft dollar commission basis.

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## **Order Aggregation**

Most trades that we execute for clients are mutual funds. Trade aggregation (i.e. "block trades") do not benefit any client because all buys and sells of the same mutual fund during a day receive the per share closing price at the end of the day.

For exchange-traded funds and individual stocks, it is our policy to process block trades when we buy or sell the same security for multiple clients at approximately the same time. Block trades will be averaged as to price and transaction costs and will be allocated equitably among all clients for whom we are buying or selling a security. In the case of an order which is only partially filled, we will allocate the shares pro-rata based on the percentage of shares each clients order bears to the total order amount. Columbia Ridge receives no additional compensation of any kind as a result of aggregating client trades. Trades for employees of Columbia Ridge are not aggregated with those of clients.

## **Review of Accounts**

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### **Periodic Reviews**

Account reviews are performed quarterly by our advisor team which consists of Kenneth Rosplock, CEO, Kathleen Bartlow, COO and Amanda R. Campbell, Financial Advisor. Account reviews are also performed more frequently when volatile market conditions dictate or when a client makes a relatively large deposit to or withdrawal from their managed portfolio.

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## **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information or changes in a client's own situation.

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## **Regular Reports**

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis. Investment Management and Retainer Agreement clients receive written quarterly updates. The written updates may include a net worth statement which includes their investable assets, a portfolio statement which summarizes the quarter and year-to-date return on their Schwab accounts, a general Investment Review client letter, and a brief note addressing high priority issues related to their overall financial objectives.

## **Client Referrals and Other Compensation**

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### **Incoming Referrals**

Columbia Ridge has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees and other similar sources. The firm does not compensate referring parties for these referrals.

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### **Referrals Out**

Columbia Ridge does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

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### **Other Compensation**

Columbia Ridge receives commission compensation from the sale of certain types of investment securities, insurance and annuities by its licensed advisors (Kenneth D. Rosplock, Kathleen Bartlow and Amanda R. Campbell).

See a full description the potential conflicts of interest and how our firm deals with that potential conflict in the "Affiliations" section on page eleven (11).

## **Custody**

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### **Account Statements**

All assets are held at qualified custodians who provide account statements directly to clients at their address of record at least quarterly. Each quarter, we send a letter to a sample group of clients asking them to confirm that they are, in fact, receiving account statements directly from the custodian.

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### **Performance Reports**

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Columbia Ridge.

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### **Net Worth Statements**

Clients are frequently provided "Investment Summary" statements which include balances and asset class allocations of accounts that we manage and, in some instances, other accounts which we do not manage if the client provides us with that information on a timely basis. The main purpose of the Investment Summary is to provide a simple one page snapshot of a client's invested assets and the asset class allocation of those investments.

Occasionally, an Investment Summary may include approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. In this case, the purpose of the Investment Summary may be for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

## **Investment Discretion**

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### **Discretionary Authority for Trading**

Columbia Ridge accepts discretionary authority to manage securities accounts on behalf of clients. This discretionary authority allows us to determine and implement, without obtaining specific client consent for each trade, the securities to be bought or sold, and the amount of the securities to be bought or sold as long as such trades are done within the framework of the Investment Policy Statement or Investment Objectives Agreement that the client has previously agreed to.



The client approves the custodian to be used and the commission rates paid to the custodian. Columbia Ridge does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

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## **Limited Power of Attorney**

A limited power of attorney (LPOA) is a trading authorization that you provide us so that we can make trades in your account(s) on a discretionary basis as stated above. The LPOA approval requires your signature or initials on the custodians account application form. The LPOA may be revoked by you at any time.

## **Voting Client Securities**

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### **Proxy Votes**

Columbia Ridge does not vote proxies on securities. Clients are expected to vote their own proxies. Clients will receive proxies or other solicitations directly from their custodian or transfer agent.

## **Financial Information**

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### **Financial Condition**

Columbia Ridge does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Columbia Ridge does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Business Continuity Plan**

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### **General**

Columbia Ridge has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

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### **Disasters**

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

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### **Alternate Offices**

Columbia Ridge maintains two fully-equipped and staffed offices in both Johnson City, NY and Raleigh, NC. This automatically provides us with an alternate office arrangement to support ongoing operations in the event either office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving either office to an alternate location.

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### **Loss of Key Personnel**

Columbia Ridge operates on a team approach as to providing investment advisory services and maintaining administrative support functions for our clients. Our staff includes multiple investment advisors and an experienced administrative staff at both offices. This combination of a multiple office and staff structure, as well as our team approach, provides a strong level of security to our clients in the event of an untimely death or disability among any of our owners, advisors or administrative personnel.

## **Information Security Program**

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### **Information Security**

Columbia Ridge maintains an information security program to reduce the risk that your personal and confidential information may be breached.

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## Privacy Notice

Columbia Ridge is committed to maintaining the confidentiality, integrity and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies (i.e. credit reports). We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm (i.e. Charles Schwab & Co.) in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

In addition, all of our employees are required to sign an agreement each year stating that they understand and will abide by the firm's privacy policy. Clients will receive a copy of our Privacy Policy at the onset of the advisory relationship. We also deliver a current copy of the privacy notice to each client on an annual basis.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

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

### **Item 1 Cover Page**

#### **Education and Business Standards**

Columbia Ridge requires its advisors to have acquired either a Bachelors Degree and a minimum two years of related work experience or at least five years of related work experience that demonstrates their aptitude for investment management and financial planning. In addition, all advisors are required to complete at least 20 hours per year of continuing education relevant to the investment and financial planning profession.

The following individuals are advisors of Columbia Ridge Capital Management, Inc. (Columbia Ridge).

- Kenneth D. Rosplock
- Kathleen Bartlow
- Amanda R. Campbell

**This brochure supplement provides information about the above named persons that supplements the Columbia Ridge brochure. You should have received a copy of that brochure. Please contact 607-584-4141 or email Columbia Ridge at [mail.columbiaridgecm.com](mailto:mail.columbiaridgecm.com) if you did not receive Columbia Ridge's brochure or if you have any questions about the contents of this supplement.**

**Additional information about the Kenneth D. Rosplock, Kathleen Bartlow and Amanda R. Campbell is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

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

### **Kenneth D. Rosplock: Born 1954.**

- *Education and Professional Designations*  
B.S. State University of New York Albany 1976  
Received Certified Public Accountant (CPA) designation 1978  
Received Certified Financial Planner (CFP®) certification 2003
- *Business Background*  
October 2005 to Present: President, Chief Executive Officer and Chief Compliance Officer for Columbia Ridge  
March 1992 to September 2005: President for Bay Ridge Group/Bay Ridge Advisors  
1989 to Present: Registered Representative of Cadaret, Grant & Co., Inc., Broker Dealer

### **Kathleen Bartlow: Born 1955**

- *Education and Professional Designations*  
Attended State University of New York at Binghamton, 1980-1982  
Received Certified Fund Specialist (CFS) designation 1994  
Received Certified Financial Planner (CFP®) certification 2003
- *Business Background*  
October 2005 to Present: Chief Operations Officer for Columbia Ridge  
March 1992 to September 2005: Director of Research for Bay Ridge Group/Bay Ridge Advisors  
1990 to Present: Registered Representative of Cadaret, Grant & Co., Inc., Broker Dealer

### **Amanda R. Campbell: Born 1985**

- *Education*  
B.S. Business Administration University of North Carolina – Chapel Hill 2008
- *Business Background*  
September 2008 to Present: Financial Advisor for Columbia Ridge  
August 2008 to Present: Registered Representative of Cadaret, Grant & Co., Inc., Broker Dealer

## **Professional Designation Explanations and Required Qualifications**

### **Certified Public Accountant (CPA)**

Current requirements vary by state, but in general, in order to sit for the CPA exam, applicants must have a bachelor's degree with 120 semester hours. To obtain the CPA designation, applicants must pass the 14 hour Uniform CPA Exam that consists of four sections:

- Auditing and Attestation
- Financial Accounting and Reporting
- Regulation
- Business Environment and Concepts

They must also gain relevant work experience and meet continuing education requirements.

### **Certified Financial Planner (CFP®)**

Certified Financial Planners are licensed by the CFP Board to use the CFP mark. Current certification requirements:

- Bachelor's degree from an accredited college or university
- Completion of the financial planning education requirements set by the CFP Board ([www.cfp.net](http://www.cfp.net))
- Successful completion of the 10 hour CFP® Certification Exam
- Three-year qualifying full-time work experience
- Successfully pass the Candidate Fitness Standards and background check
- Meet on going educational requirements

### **Certified Fund Specialist (CFS)**

Current certification requirements:

- Must have a bachelor's degree or one year of financial services work experience
- Candidate must complete a Six Module Study Program covering the following topics:
  - Modern Portfolio Theory
  - Risk measurements and minimization
  - Fund and personal tax issues
  - REITs, ETFs, CEFs, UITs, and structured notes
  - Time value analysis and market indicators
  - Fund management and selection
  - Mutual fund costs
  - Asset class description, historical returns and risks
- Successfully complete three exams and a case study
- Meet on going educational requirements

### **Item 3 Disciplinary Information**

Kenneth D. Rosplock, Kathleen Bartlow and Amanda R. Campbell have no disciplinary events to report.

### **Item 4 Other Business Activities**

Advisors of Columbia Ridge; Kenneth D. Rosplock, Kathleen Bartlow and Amanda R. Campbell all are Registered Representatives of Cadaret, Grant & Co., Inc. a Broker Dealer and member of FINRA and SIPC. As a result, a potential conflict may arise between a client's interest and Investment Adviser Representative's interest in executing transactions through the above mentioned Broker Dealer.

Advisors of Columbia Ridge may receive compensation by recommending Cadaret, Grant Co., Inc. for brokerage services outside the scope of its' discretionary advisory services. If an advisory client executes recommended transactions and or purchase of an insurance product through an advisor of Columbia Ridge in their separate capacities as registered representatives of a broker dealer or insurance agent, these individuals will earn commissions which are separate and distinct from fee charged for advisory services. Advisors of Columbia Ridge will only recommend Cadaret, Grant & Co., Inc. when that recommendation is consistent with Columbia Ridge's fiduciary duties to its clients. The client is under no obligation to implement the financial recommendations by executing the transactions through Cadaret, Grant & Co., Inc.

### **Item 5 Additional Compensation**

Advisors of Columbia Ridge do not receive additional compensation.

### **Item 6 Supervision**

Kenneth D. Rosplock, President, CEO and Chief Compliance Officer, is responsible for the supervision of Kathleen Bartlow and Amanda R. Campbell. Mr. Rosplock can be reached at (607) 584-4141.

Kathleen Bartlow, Chief Operating Officer, is responsible for the supervision of Kenneth D. Rosplock. Ms. Bartlow can be reached at (607) 584-4141.

Supervision of the three advisors listed is handled through their work as a team. These advisors make up the investment committee and work in tandem on client accounts. Trades and recommendations are reviewed and approved by Kenneth Rosplock and Kathleen Bartlow. Adherence to Columbia Ridge's Compliance Manual and Code of Ethics is enforced.