

Item 1 – Cover Page

Brookside Capital, Inc.
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May 24, 2012

This Brochure provides information about the qualifications and business practices of Brookside Capital, Inc. (Brookside). If you have any questions about the contents of this Brochure, please contact us at (415)233-4640. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Brookside Capital, Inc. is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about Brookside Capital, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – 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, Brookside Capital, Inc. is 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, Brookside Capital, Inc.'s investment advisory business will be regulated by the California Department of Corporations.

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Item 4 – Advisory Business

Brookside was formed in 1989 as a Registered Investment Advisory company by James T. Rea, its principal owner. We provide investment management services to individuals, families, retirement accounts, trusts and non-profit organizations. Account assets are not held by Brookside. Instead, they are held at a bank trust department or a securities brokerage firm.

Accounts are individually managed and tailored to the needs, circumstances, risk parameters and time horizons of our clients. Investment decisions are selected and purchased on a discretionary basis, which is without advanced consent of the client. Portfolio investments may include domestic and foreign equities, fixed income securities, mutual funds, exchange traded funds and limited partnerships, as well as, cash equivalents. For taxable accounts, tax free bonds may also be included. Clients may limit the types of investments considered for their portfolios. As of December 31, 2011 Brookside manages \$30,167,623 in assets subject to these requirements.

California Clients: All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding our firm, our representative(s) and any employees, which could be reasonable expected to impair the rendering of unbiased and objective advice.

Item 5 – Fees and Compensation

Brookside's management fee schedule is based on the market value of the assets in the client's portfolio. The annual fee schedule is as follows: 1.5% for the first \$2,500,000, 1.00% on the next \$2,500,000, 0.75% on the next \$5,000,000, 0.50% on assets in excess of \$10,000,000. In some circumstances, a lower fee schedule may be applied for accounts of eleemosynary institutions. Alternative fee schedules may apply to clients that had a different fee schedule in effect at the time they became clients.

California Clients: Subsection (j) of Rule 260.238, California Code of Regulations, requires that all investment advisers disclose to their advisory clients that lower fees for comparable services may be available from other sources.

The specific manner in which fees are charged by Brookside is established by the client's written agreement with Brookside. Brookside will generally bill its fees on a quarterly basis in advance for each calendar quarter. Clients may elect to be billed directly for fees or to authorize Brookside to debit fees from client accounts. Management fees shall be prorated for capital contributions made during the applicable calendar quarter, with the exception of de minimis contributions. Accounts initiated during a calendar quarter will be charged a prorated fee. Accounts terminated by Brookside or the client will receive a prorated refund of prepaid fees subject to a written 30 day notice.

Brookside's fees do not include brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, or third parties. These fees could include custodial fees, brokerage fees, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, and may charge sales fees which are disclosed in a fund's prospectus. Brookside does not receive any portion of these commissions, fees, and expenses.

Item 12 further describes the factors that Brookside considers in selecting or recommending broker dealers for client transactions and determining the reasonableness of their compensation.

Item 6 – Performance-Based Fees

Brookside does not charge any performance-based fees which are fees based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7 – Types of Clients

Brookside provides portfolio management services to individuals, high net worth individuals, retirement accounts, corporate pension and profit-sharing plans, charitable institutions, foundations, endowments, and trusts. Our required minimum account size to open an account varies with the type and location of the client, as well as the client's relationship to existing clients. In general, however, for new accounts after the published date of this document the minimum size is \$2,500,000.

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

The core of Brookside's investment philosophy is that an understanding of long term Social, Economic and Political themes (what we call SEP's) are essential in the investment selection process. Some examples of the SEP's would include Water Shortage, The Growing Economy in Brazil, An Aging Population Base, Technology in Education, and Environmental Issues. There are numerous other SEP's.

Brookside's Board of Advisors meets to discuss new and existing SEP's. Members of our Board of Advisors may be found on our website, www.brooksidecapital.com. In addition to our Board of Advisors, we use outside research firms to study SEP's, as well as, general and financial publications.

We do not focus on any specific type of stock such as "growth" or "value" stocks. Additionally, the size of the company we invest in can vary widely.

Fundamental analysis of the company is an important element in our selection process. We are especially interested in management quality, return on invested capital, sales and earnings growth rates and the current valuation of the company in the market. For fixed income investments, the credit quality and maturity are additional considerations in our investment analysis.

Changes in the financial conditions of a company, including management changes, will affect the price of a security. The value of smaller, less well known companies can be more volatile than that of larger companies. Foreign securities and securities issued by U.S. companies with substantial foreign operations can involve additional risks, including fluctuations in foreign currencies. There is also the risk that our view of long term trends (SEP's) could turn out to be incorrect. For fixed income investments, risks include changing overall interest rates and changes in the financial health of the underlying issuer.

Investing in securities involves risk of loss that clients should be prepared to bear. The value of a portfolio of investments changes daily based on changes in market conditions and interest rates and in response to other economic, political or financial developments. When investments are sold, they may be worth more or less than what the client paid for them.

Item 9 – Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Brookside Capital or the integrity of Brookside Capital's management. Brookside Capital has no information applicable to this item.

Item 10 – Other Financial Industry Activities and Affiliations

Brookside Capital has no other financial industry activities other than those described in this document. We also have no other financial industry affiliations.

Item 11 – Code of Ethics

Brookside Capital has adopted a Code of Ethics for all employees of the firm. It describes its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, and a prohibition of rumor mongering. It also places restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items. Personal securities trading procedures are also part of the Code. All supervised persons at Brookside Capital must acknowledge the terms of the Code of Ethics annually or as amended.

Brookside Capital anticipates that it will place transactions for clients for the purchase or sale of securities in which Brookside Capital, or clients, directly or indirectly, have a position or interest. Subject compliance with our Code of Ethics and applicable laws, officers, directors and employees of Brookside Capital may trade for their own accounts in securities which are purchased for Brookside Capital's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of Brookside will not interfere with making decisions in the best interest of our clients.

Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would not materially interfere with the best interest of Brookside's clients. In addition, the Code requires preclearance of many transactions, and restricts trading closely in time to client trading activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between Brookside and its clients.

Brookside Capital's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting James T. Rea.

Item 12 – Brokerage Practices

Brookside Capital prefers to select brokers for client transactions, although occasionally the client may direct the use of a particular broker to execute portfolio transactions.

In selecting a broker for any transaction, Brookside may consider a number of factors, including the net price of the trade, financial strength and stability, efficiency of execution, block trading abilities and custody services.

Brookside Capital may also purchase from a broker certain research services, economic and market information, pricing services and portfolio accounting software. These are called "soft dollar" transactions. With respect to software used for both research and non-research uses, Brookside allocates the costs of such products between their research and non-research uses, and uses soft dollars to pay only for the portion allocated to research purposes.

Brookside Capital does not obligate itself to obtain the lowest commission or best net price on any particular transaction. It is likely that Brookside will affect securities transactions that will cause an account to pay a commission that exceeds what another broker would have charged. In such a case, however, Brookside determines in good faith that the commission is reasonable in consideration of the values of the research and other services provided by the broker. The benefits of products or services provided by the broker apply to all accounts under management or to the firm as a whole.

Brookside Capital's relationship with brokerage firms that provide soft dollar services may influence Brookside's judgment in allocating brokerage business and create conflicts of interest in selecting brokerage firms. These conflicts of interest are particularly strong to the extent that Brookside Capital receives benefits it would otherwise have to pay for directly.

Soft dollar benefits are not limited to those clients who may have generated a particular benefit to Brookside through transaction activity. Soft dollar benefits are not proportionally allocated to any accounts that may generate different amounts of soft dollar benefits.

Item 13 – Review of Accounts

Brookside Capital provides ongoing reviews of its clients portfolios. When a development in the financial markets warrants a review of the portfolios, a prompt review will be made to determine if investments should be changed to conform to the current investment strategy and policy. Brookside Capital's President is the reviewer. In addition, Investment strategy is reviewed weekly, unless the President believes that circumstances call for an interim review. Client objectives are reviewed at least annually.

Each Client receives a quarterly account statement containing a detailed reports of investments and transactions for the quarter and year to date. The report includes portfolio performance which is measured monthly and reported quarterly.

Item 14 –Client Referrals and Other Compensation

Brookside Capital does not provide any compensation for client referrals to our firm.

Item 15 – Custody

Brookside does not hold client assets except in accounts where we have custody. Our firm is deemed to have constructive custody of one client's account for which our principal owner is the trustee. As required, we undergo surprise annual examinations by an independent certified public accountant. Assets are held by a securities brokerage firm or a bank custodian. Clients should receive at least quarterly statements from the broker, bank or other qualified custodian that holds and maintains client's investment assets. Brookside Capital urges you to carefully review such statements and compare such official custodial records to the account statements that we provide to you. Our statements may vary from the custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

Brookside Capital receives discretionary authority from the client at the outset of a client relationship to select the specific security and amount of securities to be bought or sold. This selection is done without the prior approval of the client. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives of the client. The discretionary authority is provided by a limited power of attorney signed by the client.

When selecting securities and determining amounts, Brookside Capital observes the investment policies, limitations and restrictions of the clients for which it advises. Any investment guidelines and restrictions must be provided to Brookside Capital in writing by the client.

Item 17 – Voting Client Securities

As a matter of firm policy and practice, Brookside Capital does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios. However, Brookside Capital may provide advice to clients regarding the clients' voting of proxies.

Item 18 – Financial Information

Registered Investment Advisers are required to provide you with certain financial information or disclosures about Brookside Capital's financial condition. Brookside Capital has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Brookside Capital does not require or solicit prepayment of more than \$500 in fees per client, six or more months in advance.

Item 19 Requirements for State-Registered Advisers

The following individuals are the principal executive officers and management persons of Brookside Capital, Inc.:

- James T. Rea, President and Chief Compliance Officer
- Marsha M. Rea, Shareholder

Information regarding the formal education and business background for James T. Rea is provided in his respective Brochure Supplement. The education and business background for Marsha M. Rea is as follows:

Marsha M. Rea

Education:

- University of Arizona, attended 1964-1966, area of study: Economics

Business Background

- Brookside Capital, Inc., Shareholder, 1990 – Present
- Hawthorne Retirement Group, Executive Chef, 2008 – 2010
- Self-employed Non-Profit Consultant, 2003 – 2010
- Ventura County Community Foundation, Program Director, 2000 – 2003

Brookside Capital is not engaged in any business activity other than giving investment advice.

Neither Brookside Capital nor our supervised persons are compensated for advisory services with performance-based fees.

We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted. Our firm and our management personnel have no reportable disciplinary events to disclose.

Neither Brookside Capital nor our management personnel have a relationship or arrangement with any issuer of securities.

Part 2B of Form ADV: *Brochure Supplement*

James T. Rea

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May 23, 2012

This brochure supplement provides information about James T. Rea that supplements the Brookside Capital, Inc. brochure. You should have received a copy of that brochure. Please contact James T. Rea if you did not receive Brookside Capital, Inc.'s brochure or if you have any questions about the contents of this supplement.

Additional information about James T. Rea is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for James T. Rea is 4362235.

Item 2. Educational Background and Business Experience

James Thomas Rea

Year of Birth: 1945

Education & Business Background:

Mr. Rea entered the investment counseling profession in 1969, and has been in that business continuously since.

He was the Founder of Rea, Nelson & Staight, Inc., and James T. Rea & Associates, Inc. Both firms were Registered Investment Advisers and provided investment counseling services to individuals, families, trusts, pension and profit sharing plans and charitable organizations.

In 1985, James T. Rea & Associates, Inc. became affiliated with Bank in Liechtenstein (Vaduz). Mr. Rea was appointed Senior Vice President and West Coast Regional Manager for BIL Management, Inc., Bank in Liechtenstein's U.S. investment counseling subsidiary. James T. Rea & Associates, Inc. was purchased by Bank in Liechtenstein in 1987. He was appointed Managing Director and West Coast Regional Manager. He served on the Board of Directors of the company, and on the Board of Directors of BIL, Trainer Wortham Trust Company of New York. In 1989, he left Bank in Liechtenstein to form Brookside Capital, Inc.

Mr. Rea attended the Menlo College School of Business Administration, and graduated Cum Laude in 1967 with a Bachelor of Science Degree in Business Administration. Postgraduate work was continued at The University of California and Stanford University, including the Investment Management Program at Stanford University's Graduate School of Business in 1981.

He is a member of the CFA Institute (Chartered Financial Analyst), The Security Analysts of San Francisco, the International Society of Ecological Economics, and the Wealth Advisor Institute. In 1993, he was appointed to the Board of Trustees of the School of Management at the St. Petersburg University in Russia. He was a participant in the charter State of the World Forum in 1995, sponsored by the Gorbachev Foundation. In 2010 he became a member of the Board of Trustees of Menlo College.

Item 3. Disciplinary Information

Mr. Rea has no history of any disciplinary events. OR include disciplinary events.

Item 4. Other Business Activities

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

Item 5. Additional Compensation

Mr. Rea 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 President and Chief Compliance Officer of Brookside Capital, Inc., James T. Rea is responsible for the supervision and monitoring of investment advice offered to advisory clients of Brookside Capital, Inc.. He can be reached at (415) 233-4640 Mr. Rea will review all employee personal securities transactions on a quarterly basis, oversee all material investment policy changes, and conduct periodic testing to ensure that client objectives and mandates are being met.

Item 7. Requirements for State-Registered Advisers

Mr. Rea has never been the subject of a bankruptcy petition nor has he ever been involved in any of the following events:

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - (a) an investment or an investment-related business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.
2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:
 - (a) an investment or an investment-related business or activity;
 - (b) fraud, false statement(s), or omissions;
 - (c) theft, embezzlement, or other wrongful taking of property;
 - (d) bribery, forgery, counterfeiting, or extortion; or
 - (e) dishonest, unfair, or unethical practices.