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**Item 1 - Cover Page**

# ADV Part 2A

**Wiley Bros. – Aintree Capital, LLC**

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**Nashville, TN 37215**

**615-255-6431**

**<http://www.wileybros.com>**

**<http://www.aintreecap.com>**

**March 30, 2012**

This Brochure provides information about the qualifications and business practices of Wiley Bros. - Aintree Capital, LLC, referred to herein as (Wiley, our, us or we). When we use the words “you”, “your” and “client” we are referring to you as our client or our prospective client. We use the term “IAR” when referring to all individuals providing investment advice on our behalf. If you have any questions about the contents of this Brochure, please contact us at 615-255-6431 and/or email address. 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.

Wiley is a registered investment adviser. The registration of an investment adviser does not imply any level of skill or training. The oral and written communications made to you by Wiley, including the information contained in this Brochure, should provide you with information to determine whether to hire or retain Wiley as your adviser. 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 Wiley also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC’s web site also provides information about any persons affiliated with, registered, and required to be registered, as investment adviser representatives of Wiley.

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## Item 2 - Material Changes

Please note that there were no “material changes” made to this Brochure as of March 30, 2012, and since our last delivery or posting of the Brochure on the SEC’s public disclosure website (IAPD) [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov), effective as of December 12, 2011. However, this Brochure does include a number of minor editorial changes and the updated information on our assets under management.

Currently, our Brochure may be requested by contacting Carri Sanford at 615-255-6431. Our Brochure is also available on our web site: <http://www.wileybros.com> or <http://www.aintreecap.com>, free of charge.

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## Item 3 - Table of Contents

Item 1 - Cover Page .....	i
Item 2 - Material Changes .....	ii
Item 3 - Table of Contents .....	iii
Item 4 - Advisory Business .....	1
Ownership .....	1
Assets Under Management .....	1
Investment Products .....	1
Advisory Services .....	2
Investment Supervisory Services .....	2
Management of Investment Advisory Accounts Not Involving Investment Supervisory Services .....	2
Portfolio Manager Selection and Evaluation .....	2
Furnish Advice Not Involving Securities .....	3
Financial Planning .....	3
Pension Consulting Services .....	4
Research Report Services .....	4
Consulting .....	4
Wrap Programs .....	4
Termination .....	4
Education .....	5
Item 5 - Fees and Compensation .....	5
Item 6 - Performance-Based Fees and Side-By-Side Management .....	7
Overview .....	7
Performance Fees .....	8
Performance Manager Program Fees .....	8
Advisory Fee .....	8

---

Performance Fees .....	8
Conflicts of Interests .....	9
Item 7 - Types of Clients.....	9
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss.....	9
Analysis Methods .....	9
Fundamental.....	9
Technical.....	10
Sources of Information .....	10
Investment Strategies .....	10
Investment Strategy Risks.....	10
General Risks .....	10
Long term Purchases (securities held at least a year) .....	11
Short term purchases (securities sold within a year) .....	11
Trading (securities sold within 30 days).....	11
Option writing, including covered & uncovered options or spreading strategies.....	12
Utilization of Alternative Investments .....	13
Item 9 - Disciplinary Information .....	13
Item 10 - Other Financial Industry Activities and Affiliations .....	13
Insurance.....	13
Broker Dealer .....	13
Other Financial Industry Activities or Affiliations .....	14
Green Hill Partners.....	14
NTC Access Fund, L.P. ....	14
TSF Fund, L.P. ....	14
S.A.C. Multi-Strategy Fund, L.P. ....	14
Other Activities .....	14
Item 11 - Code of Ethics .....	15

---

Item 12 - Brokerage Practices .....	15
General.....	15
Batched Trades .....	16
Directed Brokerage .....	17
Soft Dollar Arrangements .....	17
Item 13 - Review of Accounts .....	17
Item 14 - Client Referrals and Other Compensation .....	17
Solicitor Activities.....	17
CCM Investment Advisers .....	17
Genworth Financial .....	18
Rochdale Investment Management.....	18
Brinker Capital.....	18
JP Marvel Investment Advisors .....	19
Other Compensation.....	19
Directed Brokerage .....	19
Mutual Funds Charges .....	20
Cash and Money Market Funds .....	20
Margin Loans and Non Purpose Loans.....	20
Solicitors.....	20
Transaction Flow .....	20
Item 15 - Custody .....	21
Item 16 - Investment Discretion .....	21
Item 17 - Voting Client Securities.....	21
Item 18 - Financial Information .....	21
Item 19 - Other Information .....	21
Business Continuity Plan .....	21

## Brochure Supplement(s)

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## **Item 4 - Advisory Business**

### ***Ownership***

The principal beneficial owners of Wiley are David Patterson Jr. and David Wiley, III. Wiley has been in the financial service industry since 1945 through successor companies, and has been registered with the SEC since 1990.

### ***Assets Under Management***

Wiley manages \$84,585,080 in client assets on a discretionary basis and \$170,521,546 on a non-discretionary basis. The date on which these amounts were calculated was on the December 31, 2011 being within 90 days of the date of this current amendment.

### ***Investment Products***

Wiley will recommend various investments to clients based upon a review of each client's investment needs. These investments will primarily consist of:

- Equity securities (exchange-listed, over the counter, foreign issuers)
- Warrants
- Corporate debt securities
- Commercial paper
- Certificates of deposits
- Municipal securities
- Investment Company Securities (variable life insurance, variable annuities, mutual fund shares)
- United States government securities
- Option contracts on securities
- Interests in partnerships investing in real estate, oil and gas and others

Wiley may occasionally offer investment advice relating to interests in limited partnerships raising money for acquisition of small local companies.

To the extent mutual funds are selected to fill components of the overall investment strategy, the advisory fee and performance fee does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including Rule 12b-1 fees and expenses.

Clients are advised that in addition to Wiley's annual advisory fee, the mutual funds pay an advisory fee to the funds' portfolio managers. See Item 14 - Client Referrals and Other Compensation.

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### ***Advisory Services***

Wiley may also recommend specific asset allocation targets for individual clients and offer the following advisory services:

- Investment Supervisory Services
- Management of Investment Advisory Accounts Not Involving Investment Supervisory Services
- Portfolio Manager Selection
- Furnish Advice Not Involving Securities
- Financial planning services
- Pension consulting services
- Research Report Services

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

Wiley will recommend various investments to clients based upon a review of each client's investment needs. These investments will primarily consist of equity securities and corporate debt securities, but may also include warrants, commercial paper, certificates of deposit, municipal securities, investment company securities (including mutual fund shares), United States government securities, option contracts on securities and partnership interests. Wiley may also recommend specific asset allocation targets for individual clients.

### ***Management of Investment Advisory Accounts Not Involving Investment Supervisory Services***

Wiley by written client request may track the performance of various registered investment advisers. This information will allow clients knowledgeably to select an investment adviser, investment manager and or sub-advisor who corresponds to the clients' investment needs and goals.

### ***Portfolio Manager Selection and Evaluation***

#### **Portfolio Manager Selection**

You have the option to select a portfolio manager on which Wiley has performed due diligence, select a portfolio manager that has not been reviewed by Wiley, utilized a third party portfolio manager program or allow the IAR to manage your portfolio on a discretionary or non-discretionary basis. We assume no responsibility for the selection of the portfolio manager or the suitability of the recommendations made by a portfolio manager.

#### **Third Party Portfolio Manager Selection**

Managers are generally selected utilizing one of three standards or methodologies. One is by manager recommendations from trusted industry professionals for different assets models/investment styles that meet client objectives and goals. This is followed by several teleconferences to insure that manager's strategy meets the client's objectives. The final

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meeting is conducted in person by the IAR in order to meet personnel, review offices and confirm previously gathered information.

The second is by running various managers with whom we are familiar or who have been recommended to us by industry professionals through a third party investment manager database. The managers are screened based on various characteristics, including, but not limited to, investment style, performance and risk. One-on-one discussions are held with manager representatives to learn more about the firm and confirm previously gathered information.

The third methodology is through the utilization of other manager selection platforms that are provided by third party service providers, including Lockwood, Genworth and Altegris. For complete details regarding the investment philosophy and methodology used by these firms, you should refer to Form ADV and/or other disclosure documentation which is made available by the respective firm. Lockwood, Genworth and Altegris are periodically reviewed and evaluated by Wiley and subsequent due diligence information is gathered from the respective firms and evaluated annually.

#### Performance Review

Neither Wiley nor a third-party reviews the portfolio and or sub-manager performance information to determine or verify its accuracy or its compliance with presentation standards. Additionally, you should be aware that performance information may not be calculated on a uniform and consistent basis.

#### Related Person Portfolio Management

IARs of Wiley are allowed to act as a portfolio manager for the clients of Wiley Managed Program. Their activities are monitored and there is an annual review by management of client and portfolio information so as to confirm that the program suitable for the client. This information is compiled and reviewed by the President and or chief compliance officer of Wiley. See Fees and Compensation in our Form ADV Part 2A Brochure for further discussion of our compensation and the expenses related to our portfolio manager services. When the IARs manage on the non-wrap platform, they have discretion, and when agreed to in the client agreement, they may charge a cents per share or a transaction fee, in addition to the annual fee, to cover clearing charges assessed to the IAR. This creates conflict of interest; however, we monitor their activities to confirm that the portfolio activities are consistent with the investment objectives of the client and that the IARs trading activity is consistent with his fiduciary duty to the client. This conflict is not as profound with respect to the non-discretionary wrap as the client approves all transactions.

#### ***Furnish Advice Not Involving Securities***

Wiley's financial planning services described above may include advice to individual clients relating to non-securities matters such as savings plans, spending habits, etc.

#### ***Financial Planning***

Wiley also provides financial advisory services including general financial planning and investment planning.



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### ***Pension Consulting Services***

Wiley represents various pension plans to provide educational materials to eligible participants regarding plan participation. The financial advisor provides information and educational materials to eligible participants about the benefits of plan, which include:

- Contributions,
- Withdrawals,
- Terms of the plan,
- Objectives,
- Risk and return characteristics; and
- Other material information.

General financial and investment concepts are taught as well as assisting in determining future retirement needs.

### ***Research Report Services***

A related person of Wiley prepares a weekly market commentary and generally charges a fee of \$500.00 a month for this service.

### ***Consulting***

Wiley provides advice on the investments of the clients held by Wiley, as well as those accounts held outside of Wiley. Advice is based on client's needs, objectives and instructions, and can include advice on the selection of independent investment managers who will also provide investment management services in regard to specific investments. Additionally, upon written client request, we may track the performance of various registered investment advisers.

### ***Wrap Programs***

Wiley sponsors a number of wrap programs for its clients, including the:

- Discretionary Wrap Program
- Managed Account Command (Lockwood) Program
- Performance Manager Program
- Non-Discretionary Wrap Program

For more information regarding these programs, please see the Wrap Fee Brochure, Appendix 1 of Form ADV Part 2A for Wiley.

### ***Termination***

Generally, the relationship between the Wiley and its clients may be terminated by either party upon 30 days written notice. Notwithstanding the above, if the appropriate disclosure statement was not delivered to the client at least 48 hours prior to the client entering into any written or oral advisory contract with this investment adviser, then the client has the right to terminate the contract, without a penalty, within five business days after entering into the contract. With regard to a termination made after the first five business days, the prepaid advisory fee will be

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refunded on a prorated basis, within two weeks of termination. The Client will be entitled to a pro-rata refund of any pre-paid quarterly fee based upon the number of days remaining in the quarter after termination.

### ***Education***

Our advisory personnel are expected to have education and business backgrounds that enable them to perform their respective responsibilities effectively. In assigning responsibilities, we consider academic background (including studies in college and graduate schools, as well as degrees earned), industry training, licenses and certifications. Work experience in a related field, such as investments, commodities, insurance, banking or accounting, is also considered. No formal, specific standards have been set, but appropriate education and experience are required. See Form ADV Part 2B Brochure Supplement for additional information on each IAR.

## **Item 5 - Fees and Compensation**

Based on the services provided, we are compensated for investment services by the following means:

- A percentage of assets under management
- Hourly charges
- Subscription fees (for a newspaper or periodical)
- Fixed fees (other than subscription fees)
- Commissions
- Transaction Fee
- Performance based fees
- Other: Performance fees

Although many fees are individually negotiated, some common fees are included on our fee schedule for your review and described further below:

<b>Fee Schedule</b>		
<b>Fee Type</b>	<b>Fee Cost</b>	<b>When Charged</b>
Advisory Fee	The client shall pay an advisory fee based on a percentage of assets, with a cap of 3.0% of assets under management annually.  Other fees associated with conducting a brokerage business may also be charged. The average amount of assets in the Client Account each quarter shall be based on the value of the assets on the last trading day of each month during the quarter. Fees are negotiable at the discretion of the IAR generally, which may	This fee shall be paid in advance or arrears on a quarterly basis.

	result in different fees being charged for accounts similar in makeup and objectives.	
Financial Planning Fee	These services are be billed at an hourly rate or as a fixed fee as agreed upon with client. Wiley may waive its fee in its discretion. A separate financial planning services contract is executed with each client using this service. An initial deposit for the minimum time available, one hour, may be required upon execution of contract. The remaining fee is payable upon delivery of the financial plan to client.	As agreed
Research Report Services Fee	A related person of Wiley prepares a weekly Market Commentary and may charge a fee of \$500.00 a month for this service.	As agreed
Pension Plan Educational Services	The fees paid are in an amount not to exceed 3.0% multiplied by the market value of the plan assets as of the last day of the preceding quarter. The fees for this service are paid to Wiley by the plan sponsor and are generally paid quarterly in advance	Fees are paid quarterly
Consulting	Negotiated	Fees are paid as negotiated
Brokerage Fees	See Cash Referrals and Other Compensation for information regarding brokerage fees.	
Transaction fees, service fees, (includes commission, ticketing, brokerage commission, mark-ups, mark-downs, odd-lot differentials, stock exchange fees credits, and/or dealer spreads, other out-of-pocket costs)	Generally commissions paid are in the range of \$0.08 - .09 /share or less for equity transactions and/or \$45 per transaction for equity and mutual fund transactions. Bonds are rarely purchased as principal with a mark-up and sales credit/commission is determined by the IAR and fixed income Principal. Bonds are primarily purchased on an agency basis with no commission. A general range is provided for transaction fees as fees may vary from client to client due to the particular circumstances of the client, additional or differing levels of servicing, or as otherwise contractually agreed upon with specific clients. Wiley will receive transaction based compensation from clients from such transactions. Employee related accounts may pay transaction fee rates that are lower than other clients. Transfer taxes or other charges	Contemporaneously

	mandated by law will be separately charged to the client's account. See Cash Referrals and Other Compensation for information regarding brokerage fees.	
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The standard investment advisory contract has an initial term of one year and is automatically renewed for an unlimited number of one-year terms. Either party may terminate at any time by giving 30 days prior written notice. Wiley shall refund any unearned, prepaid advisory fees for any period following the Termination Date.

Wiley's fees for are generally payable quarterly, in advance and shall be calculated by multiplying the value of the assets under management by the appropriate annual fee rate set forth in the fee schedule. The quarterly payment will be calculated by multiplying the value of the account shown on the last monthly statement for the preceding calendar quarter by the negotiated fee. This amount is then divided by 365 days (366 during leap year) and multiplied by the exact number of days in that quarter. However, if the account(s) uses Black Diamond Performance Reporting, the quarterly payment will be calculated by multiplying the value of the assets in the Client Account(s) as of the last day of the preceding calendar quarter by the Annual Fee. That amount is then divided by four (4) to compute the quarterly payment. This amount shall be payable in advance and such fees may be deducted from client's account(s) quarterly or as appropriate within thirty (30) days from the beginning of the quarter for which said fees will be incurred. Accounts opened in mid-quarter will be assessed a pro-rated management fee. The market value of the assets under management shall be based on the market value of account assets on the last business day of the previous quarter. While the annual fee for Wiley's services and the services of the investment advisor is generally computed and paid on a quarterly basis, at the direction of client, it may be computed and paid on an annual or monthly basis

Additionally, other fees associated with conducting a brokerage business may also be charged the client, including certain costs or charges associated with securities transactions with or through a broker-dealer other than Wiley, including brokerage commissions and dealer mark-ups or mark-downs in principal transactions or odd-lot differentials, stock exchange fees and other direct out-of-pocket costs incurred by Wiley as a result of it providing the services contemplated under this Agreement. Transfer taxes or other charges mandated by law will be separately charged to the client's account.

See also Item 14 – Client Referrals and Other Compensation for information regarding additional compensation received by Wiley.

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

### ***Overview***

In some cases, Wiley has entered into performance fee arrangements (Performance Fee) with qualified clients based upon individualized negotiation with each such client. Wiley will

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structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of Performance-Fees, we include realized and unrealized capital gains and losses.

### ***Performance Fees***

Performance Fees are individually negotiated and generally based on the performance of each sub-advisor selected by a client relative to the stated benchmark index. The client generally pays a performance fee equal to 20% of the net excess appreciation on the securities in the account over and above the Index and net of all fees, commissions and the advisory fee.

However, if the client's securities underperform the Index, Wiley will not collect a performance fee until the cumulative net excess appreciation on the securities in the account exceeds the Index cumulative returns from the effective date of the agreement.

If the account is terminated during a period of underperformance, Wiley will not be required to refund any portion of the performance fee already paid by the client.

Wiley will also be entitled to reimbursement from client for all costs and expenses (including taxes) incurred by Wiley because of providing its investment advisory services to clients.

### ***Performance Manager Program Fees***

Performance Manager Program Fees are a negotiable fee generally assessed to advisory clients that may consist of two components:

#### ***Advisory Fee***

The Advisory Fee is computed as a percentage of the average gross assets under management in the account with a cap of 3.0%. The average amount of assets in the Client Account each quarter shall be based on the value of assets on the last trading day of each month during the quarter. Fees are negotiable at the discretion of the IAR generally, which may result in different fees being charged for accounts similar in makeup and objectives.

#### ***Performance Fees***

Performance Fees are based on the performance of each sub-advisor selected by a client relative to the stated benchmark index. Fee is equal to 20% of the net excess appreciation the securities in the account over and above the Index and net of all fees, commissions and the advisory fee. If the client's securities underperform the Index, Wiley will not collect a performance fee until the cumulative net excess appreciation on the securities in the account exceeds the Index cumulative returns from the effective date of the agreement. If the account is terminated during a period of underperformance, Wiley will not be required to refund any portion of the performance fee already paid by the client. Wiley will also be entitled to reimbursement from client for all costs and expenses (including taxes) incurred by Wiley because of providing its investment advisory services to clients.

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### ***Conflicts of Interests***

Performance based fee arrangements may create an incentive for Wiley to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. Wiley has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Any performance-based fee will be arranged subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions, including the exemption set forth in Rule 205-3. See also Item 5 - Fees and Compensation above.

### **Item 7 - Types of Clients**

We offer portfolio management and investment advice to the following types of clients:

- Individuals
- Families
- High net worth individuals
- High net worth families
- Pension and profit sharing plans (other than participants)
- Charitable organizations
- Foundations
- Universities
- Trusts
- Estates
- Private business owners
- Corporations
- State or municipal government entities

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

Investing in securities involves risk of loss that clients should be prepared to bear.

#### ***Analysis Methods***

Security analysis methods utilized by Wiley include the following:

##### ***Fundamental***

Fundamental analysis maintains that markets may misprice a security in the short run, but that the "correct" price will eventually be reached by the market. The fundamental analysis of a business involves analyzing a businesses': financial statements and health, management and

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competitive advantages, and competitors and markets. When applied to futures and forex, it focuses on the overall state of the economy, interest rates, production, earnings, and management.

### ***Technical***

Technical analysis maintains that all information is already reflected in the stock price. Technical analysis is a discipline for forecasting the direction of prices through the study of past market data, primarily price and volume. Generally, technical analysis employs models and trading rules based on price and volume transformations, such as the relative strength index, moving averages, regressions, inter-market and intra-market price correlations, business cycles, stock market cycles or, classically, through recognition of chart patterns.

### ***Sources of Information***

The main sources of information that Wiley uses to analyze these investment strategies is:

- Financial newspapers and magazines
- Research materials prepared by others
- Annual reports, prospectuses, filings with the SEC
- Company press releases
- Electronic Subscriptions

### ***Investment Strategies***

The investment strategies Wiley uses to implement any investment advice give to clients includes the following:

- Long term Purchases (securities held at least a year)
- Short term purchases (securities sold within a year)
- Trading (securities sold within 30 days)
- Option writing, including covered options, uncovered options or spreading strategies
- Utilization of Alternative Investments (Partnerships, Hedge Funds, etc)

### ***Investment Strategy Risks***

#### ***General Risks***

***Lack of Diversification:*** Portfolio investments may be concentrated and diversification may be limited. There are no limits with respect to position sizes. Any assets or combination of assets that can be held in a securities account can be purchased or sold.

***Liquidity:*** The Accounts will be invested in liquid securities and private investments are not permitted. It is possible, however, that securities become less liquid during the holding period.

***Cash and Cash Equivalents:*** Accounts may maintain significant cash positions from time to time and the client will pay the Investment Management Fee based on the net asset value of the Account, including cash and cash equivalents. Furthermore, the Account may forego

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investment opportunities to hold cash positions if we consider it in the best interests of the Accounts.

***Leverage:*** We may use leverage in investing. Such leverage may be obtained through various means. The use of short-term margin borrowings may result in certain additional risks to Accounts. For example, should the securities pledged to a broker to secure a margin account decline in value, a “margin call” may be issued pursuant to which additional accounts would be required to be deposited with the broker or the broker would effect a mandatory liquidation of the pledged securities to compensate for the decline in value. We might not be able to liquidate assets quickly enough to pay off the margin debt and the Accounts may therefore also suffer additional significant losses as a result of such default. Although borrowing money increases returns if returns on the incremental investments purchased with the borrowed accounts exceed the borrowing costs for such accounts, the use of leverage decreases returns if returns earned on such incremental investments are less than the costs of such borrowings.

***Interest Rate Fluctuation:*** The prices of securities in which the Advisor may invest are sensitive to interest rate fluctuations and unexpected fluctuations in interest rates could cause the corresponding prices of the long and short portions of a position to move in directions which were not initially anticipated. In addition, interest rate increases generally will increase the interest carrying costs of borrowed securities and leveraged investments.

***Long term Purchases (securities held at least a year)***

***Liquidity:*** The portfolio will be invested in liquid securities and private investments are not permitted. It is possible, however, that securities become less liquid during the holding period.

***Short term purchases (securities sold within a year)***

***Market Risks:*** The success of a significant portion of the program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline, including due to other market participants developing similar programs or techniques.

***Trading (securities sold within 30 days)***

***Market Risks:*** The success of a significant portion of a trading program will depend, to a great extent, upon correctly assessing the future course of the price movements of the securities traded. There can be no assurance that the trading program will be able to predict accurately these price movements. Additionally, over time, the effectiveness of the trading program may decline, including due to other market participants developing similar programs or techniques.

***Trading is Speculative:*** There are risks are involved in trading securities. Market movements are difficult to predict and are influenced by, among other things, government trade, fiscal, monetary and exchange control programs and policies; changing supply and demand



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relationships; national and international political and economic events; changes in interest rates; and the inherent volatility of the marketplace. In addition, governments from time to time intervene, directly and by regulation, in certain markets, often with the intent to influence prices directly. The effects of governmental intervention may be particularly significant at certain times in the financial instrument markets and such intervention (as well as other factors) may cause these markets to move rapidly.

***Turnover:*** Our trading activities may be made on the basis of short-term market considerations. The portfolio turnover rate could be significant, potentially involving substantial brokerage commissions, and related transactional fees and expenses.

***Option writing, including covered & uncovered options or spreading strategies***

***Options and Other Derivatives:*** We may purchase or sell options, warrants, equity related swaps or other derivatives that trade on an exchange. Both the purchasing and selling of call and put options entail risks. An investment in an option may be subject to greater fluctuation than an investment in the underlying securities. The effectiveness of purchasing or selling stock index options as a hedging technique depends upon the extent to which price movements in the portion of the Accounts' hedged correlate with price movements of the stock index selected. Because the value of an index option depends upon movements in the level of the index rather than the price of a particular security, whether an Account realizes a gain or loss will depend upon movements in the level of security prices in securities markets generally rather than movements in the price of a particular security.

***Uncovered Risks:*** We may employ various "risk-reduction" techniques designed to minimize the risk of loss in Accounts. Nonetheless, substantial risk remains that such techniques will not always be possible to implement and when possible, will not always be effective in limiting losses. Hedging against a decline in the value of a portfolio position does not eliminate fluctuations in the values of portfolio positions or prevent losses if the value of such positions decline, but utilize other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedge transactions also limit the opportunity for gain if the value of a portfolio position should increase. Moreover, it may not be possible for us to hedge against a fluctuation that is so generally anticipated that we are not able to enter into a hedging transaction at a price sufficient to protect from the decline in value of the portfolio position anticipated as a result of such a fluctuation. The success of the hedging transactions will be subject to the ability to correctly predict market fluctuations and movements. Therefore, while we may enter into such transactions to seek to reduce risks, unanticipated market movements and fluctuations may result in a poorer overall performance for the Accounts Portfolio than if we had not engaged in any such hedging transactions. Finally, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio position being hedged may vary.

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### ***Utilization of Alternative Investments***

Alternative investment products, including hedge funds, commodity hedged accounts and managed futures, involve a high degree of risk, often engage in leveraging and other speculative investment practices that may increase the risk of investment loss, can be highly illiquid, are not required to provide periodic pricing or valuation information to investors, may involve complex tax structures and delays in distributing important tax information, are not subject to the same regulatory requirements as mutual funds, often charge high fees which may offset any trading profits, and in many cases the underlying investments are not transparent and are known only to the investment manager.

## **Item 9 - Disciplinary Information**

Wiley and an associated person were found to have failed to procure an enforceable life insurance policy for the client, notwithstanding the Client's failure to read their insurance application. The award was \$1,000,000, plus pre-judgment interest and associated court costs.

Additionally, Wiley accepted a Letter of Acceptance, Waiver and Consent (AWC) October 1, 2010 from FINRA in regard to a late trade reporting in violation with Rule G-14 in the first quarter of 2009. The Firm was also fined \$7,500.

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

### ***Insurance***

Certain associated persons of ours are licensed insurance brokers, and as such, do on occasion sell insurance products to our advisory clients. When such transactions occur, the associated persons receives insurance commissions for such activities. The amount of time spent on these activities is no more than 2%.

### ***Broker Dealer***

Wiley is registered as broker-dealer with the SEC and various state jurisdictions, and is a member of the Financial Industry Regulatory Authority (FINRA). Advisory personnel of Wiley are generally also registered representatives as to the brokerage activities of Wiley.

We may be used to execute portfolio transactions for our investment advisory clients. These transactions will be conducted subject to proper, and customary, disclosure including (but not limited to) compensation received by Wiley and its registered representatives. Compensation will be received by Wiley, as a broker-dealer, and/or its registered representatives when portfolio transactions are effected on behalf of investment advisory clients, and Wiley and its registered representatives may receive compensation as a result of acting in one or both capacities. Additionally, Wiley, as a broker-dealer, may buy securities for itself from, or sell securities it owns to clients of Wiley, at which time commissions and or other markups/markdowns may be charged to those clients.

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## ***Other Financial Industry Activities or Affiliations***

### ***Green Hill Partners***

Related persons of Wiley, David W. Wiley, III and David G. Patterson, Jr., are general partners of Green Hill Partners, LLC (“Green Hill Partners”). Green Hill Partners is the sole general partner of NTC Access Fund, L.P. a private investment partnership in which advisory clients may invest. Clients of Wiley may also be clients of NTC Access Fund, LP and as such may have agreements and pay fees to both the Wiley and to NTC Access Fund, L.P. Green Hill Partners, the general partner of NTC Access Fund, will assess an annual one percent (1%) management and administration fee to each limited partner in the partnership. This fee will be assessed quarterly in advance. In addition, investors will be responsible for a proportionate share of the fees and expenses of the funds.

### ***NTC Access Fund, L.P***

NTC Access Fund (“NTC Access Fund”) is a limited partnership organized to operate as a private investment partnership. The net proceeds from the sale of the limited partnership interests in NTC Access Fund will be invested in TSF Fund, L.P. which will invest substantially all of its assets in S.A.C. Multi-Strategy Fund, L.P. The general partner of NTC Access Fund is Green Hills Partners, LLC (“Green Hills”). The founders and principals of Green Hills are David W. Wiley, III and David G. Patterson, Jr. Green Hills will assess an annual one percent (1%) management and administration fee to each Limited Partner in NTC Access Fund.

### ***TSF Fund, L.P.***

The purpose of TSF Fund, L.P. (“TSF”) shall be to invest substantially all of its assets in S.A.C. Multi-Strategy Fund, L.P., (“S.A.C.”), a limited partnership, or to otherwise directly or indirectly through S.A.C., invest in and trade equity or debt securities.

### ***S.A.C. Multi-Strategy Fund, L.P.***

S.A.C. Multi-Strategy Fund’s (“S.A.C. Multi-Strategy Fund”) investment objective is to achieve superior risk-adjusted returns over a multi-year period, while maintaining a focus on capital preservation. To effect its investment program, S.A.C. Multi-Strategy Fund may invest its assets directly or may invest in certain existing portfolio funds managed by the Investment Manager.

## ***Other Activities***

Wiley and certain of its principal executive officers may engage in the following activities:

- As a principal, effecting securities transactions for compensation for advisory clients who do not otherwise designate another brokerage firm to perform such services. In this role, Wiley may buy securities for itself from clients or sell securities it owns to clients. When a principal transaction occurs, we will disclose to the client, in writing before the completion of the transaction, the capacity in which we are acting, and will obtain the consent of the client to such transaction. Wiley may purchase initial public offerings for

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certain advisory client accounts who have expressed an interest in the purchase of these issues. Wiley has procedures in place to include its current practice of allocating these offerings.

- As a broker or agent, effecting securities transactions through Wiley for compensation for advisory clients of Wiley and registered investment advisers, investment managers or sub-advisors who do not otherwise designate another brokerage firm to perform such services.
- As a broker, effecting agency cross transactions through which client securities are sold to or bought from a brokerage customer.
- Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest.
- Buying or selling for securities for its account that it also recommends to clients.

## **Item 11 - Code of Ethics**

Wiley has adopted a Code of Ethics to ensure that securities transactions by Wiley's employees are consistent with the Wiley's fiduciary duty to its clients and to ensure compliance with legal requirements and the Wiley's standards of business conduct. The Code requires that employees obtain prior approval for personal securities transactions and requires transaction confirmation and quarterly reporting of such transactions. A written copy of the Wiley's Code of Ethics is available upon request.

Additionally, as a matter of policy we will not permit itself or its employees to trade in front of or in any manner that is prejudicial or disadvantageous to advisory clients. Similarly, if we are participating in an underwriting or sale of limited partnership interests, it will not generally recommend these securities to discretionary advisory accounts without prior consent of client on each transaction. Personal trading by our employees are required to be conducted in compliance with all applicable laws and procedures adopted by us. We allow affiliated persons to participate in aggregate trades to insure that affiliated persons do not receive a better execution than advisory accounts.

## **Item 12 - Brokerage Practices**

### ***General***

Wiley is registered as a broker/dealer with the SEC and various state jurisdictions, and is a member of FINRA. Wiley generally will be used to execute portfolio transactions for investment advisory clients of Wiley. These transactions will be conducted subject to proper, and customary, disclosure including (but not limited to) compensation received by Wiley and its registered representatives. Compensation will be received by Wiley, as a broker dealer, and/or its

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registered representatives when portfolio transactions are effected on behalf of investment advisory clients, and Wiley and its registered representatives may receive compensation as a result of acting in one or both capacities. Additionally, Wiley, as a broker-dealer, may buy securities for itself from, or sell securities it owns to clients of Wiley, at which time commissions and or other markups/markdowns may be charged to those clients.

It is generally anticipated that Wiley will be designated by the client as the broker-dealer for the execution of securities transactions which are directed by Wiley. To the extent that we are designated as the broker-dealer, we will execute, as a broker, all purchases and/or sales on behalf of a client's account through Pershing Advisor Solutions (PAS) or Pershing. In this situation, Wiley will not negotiate brokerage commissions on the client's behalf, and, therefore, the client may be paying more in sales commissions than those that might be negotiated by the client. For trades not directed to Wiley by the advisory client, Wiley will use its best efforts to obtain execution on the best terms reasonably available. When our advisory clients direct us to execute all or a portion of its transactions effected on their behalf with a specific broker, we do not negotiate commission rates on behalf of its clients unless specifically directed to do so, and we do not determine whether commission rates charged by a broker selected by its clients are the lowest available.

Based upon the similarity of investments among client accounts having similar investment objectives, and the fact that Wiley may direct the purchase of securities for more than one account simultaneously, and the possible appearance of similarity in the treatment of clients, all client accounts are handled under the following basic conditions, designed to prevent pooling of assets and/or the management of accounts on a de facto pooled basis, resulting in the existence of an investment company. The custody of accounts held by the custodian on behalf of Wiley is structured such that each client's securities are held in nominee name only for ministerial purposes and each client's account is maintained as a separate account. The client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the client's securities in the account.

Further, each client retains any and all rights afforded under the federal securities laws to proceed directly against the issuer of any underlying security in the client's account. Each client may withdraw, hypothecate, vote or pledge securities in their account upon written notice to Wiley and each client has the authority to instruct Wiley from directing the purchase of certain securities through Wiley that might otherwise be purchased in the client's account. To insure the account's investments are in keeping with the customer's investment objectives, the client's circumstances are generally monitored through annual interviews.

### ***Batched Trades***

When Wiley places orders to buy or sell the same security for more than one advisory account managed by Wiley, Wiley may, but is not under any obligation to, batch transactions for such clients for the purpose of obtaining best execution. Generally, such batched transactions will be

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allocated proportionally to all advisory accounts for which such security is determined to be suitable based on relative account size. Wiley may make exceptions to this procedure due to special portfolio constraints, cash position, client or regulatory restrictions, odd-lot size of an available transaction, or other equitable fiduciary reason. It is often not possible to receive the same price or time of execution for all of the securities purchased or sold in an aggregated order. Therefore, such aggregated order may be executed in one or more transactions at varying prices and each client's order will receive the average price for the day with respect to such transaction.

### ***Directed Brokerage***

While not a requirement of participating as a registered investment adviser, investment manager or sub-manager for clients of Wiley or any programs offered, some registered investment advisers, investment managers and sub-advisors utilized by Wiley may have other advisory clients who custody assets through Wiley with the Custodian, and as a result of such relationship, Wiley receives commissions and other compensation from transactions executed in such accounts. See also the discussion in the section herein titled "Other Compensation - Directed Brokerage".

### ***Soft Dollar Arrangements***

We have no written soft dollar arrangements.

## **Item 13 - Review of Accounts**

All advisory accounts and proposals for fees are reviewed on an ongoing basis (monthly, quarterly and annually) by the compliance director(s) or their series 24 designee. Accounts will be reviewed for suitability, among other things. More frequent reviews may be triggered by a request from the client and/or changes such as the client's individual circumstances or market, economic or political environment.

Clients are provided with quarterly account position statements as required by the Financial Industry Regulatory Authority, Inc. and the Securities and Exchange Commission. Additionally, clearing, custody, statements and confirms will be provided by Pershing LLC ("Pershing") and PAS.

## **Item 14 - Client Referrals and Other Compensation**

### ***Solicitor Activities***

#### ***CCM Investment Advisers***

Wiley has entered into a Solicitor Agreement with CCM Investment Advisers (CCM) whereby Wiley may refer clients to CCM. Wiley will retain contact with these clients solicited as long as they remain clients of CCM. Wiley will not provide any investment management services or render any investment advice on behalf of CCM. Wiley shall deliver to each

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prospective client a current copy of CCM's brochure together with the Solicitor's Separate Written Disclosure Statement ("Disclosure Statement"). For each client referral Wiley makes to CCM as long as the client maintains such account with Wiley, CCM re-allows to Wiley a portion of the management fees earned and collected per fees disclosed in contract between firms. The specific terms of the compensation will be disclosed to the client in the Disclosure Statement as delivered by Wiley.

***Genworth Financial***

Wiley has entered into a Solicitor Agreement with Genworth Financial (Genworth) whereby Wiley may refer clients to Genworth. Wiley will retain the contact with these clients solicited as long as they remain clients of Genworth. Wiley will not provide any investment management services or render any investment advice on behalf of Genworth. Wiley shall deliver to each prospective client a current copy of Genworth's brochure together with the Solicitor's Separate Written Disclosure Statement ("Disclosure Statement"). For each client referral Wiley makes to Genworth as long as the client maintains such account with Wiley, Genworth will pay an amount from the management fees earned and collected per fees disclosed in contract between firms. The specific terms of the compensation will be disclosed to the client in the Disclosure Statement as delivered by Wiley.

***Rochdale Investment Management***

Wiley has entered into a Solicitor Agreement with Rochdale Investment Management ("Rochdale"), whereby Wiley may refer clients to Rochdale. Wiley may retain contact with these clients solicited as long as they remain clients of Rochdale. Wiley will not provide any investment management services or render any investment advice on behalf of Rochdale. Wiley shall deliver to each prospective client a current copy of Rochdale's brochure together with the Solicitor's Separate Written Disclosure Statement ("Disclosure Statement"). For each client referral Wiley makes to Rochdale, as long as the client maintains such account with Wiley, Rochdale re-allows to Wiley a portion of the management fees earned and collected per fees disclosed in contract between firms. The specific terms of the compensation will be disclosed to the client in the Disclosure Statement as delivered by Wiley.

***Brinker Capital***

Wiley has entered into a Solicitor Agreement with Brinker Capital ("Brinker"), whereby Wiley may refer clients to Brinker. Wiley may retain contact with these clients solicited as long as they remain clients of Brinker. Wiley will not provide any investment management services or render any investment advice on behalf of Brinker. Wiley shall deliver to each prospective client a current copy of Brinker's brochure together with the Solicitor's Separate Written Disclosure Statement ("Disclosure Statement"). For each client referral Wiley makes to Brinker, as long as the client maintains such account with Wiley, Brinker will pay an amount from the management fees earned and collected per fees disclosed in contract between firms. The specific terms of the compensation will be disclosed to the client in the Disclosure Statement as delivered by Wiley. If requested by the Client to facilitate a lending arrangement between the

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client and a bank affiliate of the custodian using the securities in the Client's account as collateral, Brinker may receive a finder's fee, a portion of which will be given to Wiley. Brinker shall select, in its sole discretion, third party investment advisers ("Separate Account Managers"). Brinker shall monitor, or cause to be monitored, the performance of such Separate Account Managers. Brinker may, from time to time, in its sole discretion, remove and replace one or more Separate Account Managers used in the program. Wiley will work with each client to determine client's financial situation, investment objectives, time horizons, risk tolerance and Investment needs. Wiley reviews reports with clients and offers advice.

### ***JP Marvel Investment Advisors***

Wiley has entered into a Solicitor Agreement with JP Marvel Investment Advisors (JPM) whereby Wiley may refer clients to JPM. Wiley will retain contact with these clients solicited as long as they remain clients of JPM. Wiley will not provide any investment management services or render any investment advice on behalf of JPM. Wiley shall deliver to each prospective client a current copy of JPM's brochure together with the Solicitor's Separate Written Disclosure Statement ("Disclosure Statement"). For each client referral Wiley makes to JPM, JPM will pay an amount from the management fees earned and collected per fees disclosed in contract between firms as long as the client maintains such account with Wiley. The specific terms of the compensation will be disclosed to the client in the Disclosure Statement as delivered by Wiley.

### ***Other Compensation***

#### ***Directed Brokerage***

While not a requirement for being recommended to act as a registered investment adviser, investment manager or sub-manager for our advisory clients, we may recommend that advisory clients utilize registered investment advisers, investment managers and or sub-managers who utilize us for custody and execution services through the Custodian. While this allows us to control transaction costs, Wiley may receive commissions from transactions executed in such accounts. Additionally, (i) Wiley receives brokerage commissions for trading on behalf of the clients of third party manager's institutional clients, who are not direct client's of Wiley and whose assets are custodied outside of Wiley; and (ii) certain third party managers have caused certain of their clients to open brokerage and advisory accounts with Wiley, for which Wiley receives commissions, other fees and or advisory fees, based on the respective relationship between Wiley and such third party money managers. Additionally, these relationships create a conflict of interest in that it can be perceived that such investment managers and or sub-managers may be subject to a lower standard of due diligence; notwithstanding that conflict of interest, Wiley monitors such relationships to assure that we maintain our fiduciary duty to our advisory clients. To the extent such relationship exists between Wiley and such third party money manager, the advisory client of Wiley will be advised of such relationship and the related conflict of interest.



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### ***Mutual Funds Charges***

To the extent mutual funds are selected by Wiley to fill components of the overall investment strategy, Wiley endeavors to purchase such mutual fund shares at Net Asset Value ("NAV") or no load. Thus, the client will not be subject to any initial distribution cost (front-end sales charge) or redemption fee (back-end sales charge), if any, that might normally be incurred upon the purchase or sale of shares of mutual fund shares. However, Wiley will receive Rule 12b-1 fees from the issuers of such mutual funds, and this will be in addition to the advisory fee paid herein.

### ***Cash and Money Market Funds***

Certain money market, municipal money market and government money-market funds pay Wiley a distribution fee in its capacity as a broker dealer. This compensation is in addition to other fees, etc. received from client accounts. The IARs may also receive additional compensation based on client account balances being held in certain money-market funds. Cash balances arising from the sales of securities, redemption of debt securities, dividend and interest payments and funds received from clients are generally invested automatically on a daily basis. When securities are sold, funds (less any changes) are generally credited on the first business day after trade date. Due to the foregoing practices, Wiley realizes some economic benefit because of the delay in investing these funds.

### ***Margin Loans and Non Purpose Loans***

To the extent you utilize the custodian for margin loan financing and or non-purpose loans secured by client accounts, both the IAR and we will receive interest sharing compensation related to such margin loans.

### ***Solicitors***

Wiley is compensated as a solicitor by certain registered investment advisors for referring advisory clients to such investment advisors. Please refer to Item 14 - Client Referrals and Other Compensation for more details.

### ***Transaction Flow***

When securities are sold, funds may be deposited on the first business day after settlement date. Funds placed in a client's account by personal check usually will not be invested until the second business day following the day that the deposit is credited to the client's account. Due to the foregoing practices, Wiley may obtain federal funds prior to the date that deposits are credited to client accounts and thus may realize some economic benefit because of the delay in investing these funds. Where an unaffiliated broker-dealer or other entity acts as custodian of the client's account assets, we have no control over the manner in which the cash reserves will be handled. You and or the custodian will make the determination.

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## **Item 15 - Custody**

We utilize Pershing and Pershing Advisor Solutions (PAS) as custodian for our client's assets. Clients should receive at least quarterly statements from the broker dealer, bank or other qualified custodian that holds and maintains client's investment assets. Wiley urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 - Investment Discretion**

Our standard investment advisory agreement provides us with discretionary authority to supervise and direct the investment and reinvestment of a client's account, making and implementing investment decisions without prior consultation with the client. If Wiley is not otherwise directed in writing to execute trades through a particular broker-dealer, Wiley will execute, as a broker, all purchases and/or sales on behalf of a client's account through PAS or Pershing.

## **Item 17 - Voting Client Securities**

It is generally our policy not to vote proxies, however, with respect to those accounts for which we have voting authority; it does so in accordance with client instructions and in a manner in which we believe it to be in the best interests of our clients. Wiley generally votes in accordance with the recommendations of the issuer's existing management, unless it is not prudent to do so. A written copy of the proxy policies and procedures are available upon request.

## **Item 18 - Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about Wiley's financial condition. Wiley 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.

## **Item 19 - Other Information**

### ***Business Continuity Plan***

We have developed a Business Continuity Plan to address how we will respond to events that may disrupt its business. Since timing and impact of disasters is unpredictable, the firm will have to be flexible in responding to the events as they occur.

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Contact Information - If after a significant business disruption the main telephone line is inactive, the emergency number is 615-353-9875. If the emergency line is down, please contact PAS at 1-877-870-7230 or Pershing, LLC at 201-413-3635.

This Plan is designed to permit us to resume operations as quickly as possible, given the scope and severity of the significant business disruption. The Business Continuity Plan covers data back-up and recovery, mission critical systems financial and operational assessments, alternative communications, alternate business locations, bank and counter-party impact, regulatory reporting and the assurance of prompt access to funds and securities for our customers.

Varying Disruptions – Significant business disruptions can vary in their scope, such as emergencies affecting only a single building housing our firm, the business district where our firm is located, the city where we are located, or the whole region. Within each of these areas, the severity of the disruption can also vary from minimal to severe. In a disruption to only our firm or a building housing our firm, we will transfer our operations to an emergency-ready local site, moving a select group of trained employees and expecting to recover and resume business within four hours. In a disruption affecting our business district, city, or region, we will move appropriate staff to a site outside of the affected area to be able to communicate with PAS or Pershing on behalf of our clients. In either situation, we plan to continue in business, transferring operations to our clearing firm if necessary. If the significant business disruption is so severe that it prevents us from remaining in business, our clearing firm is one of the largest financial institutions in the world, assuring our customer's prompt access to their funds and securities. If you have questions about our Business Continuity Plan, please feel free to contact 1) David Wiley III (President) [dwiley@wileybros.com](mailto:dwiley@wileybros.com) at (615) 252-6200 or 2) Lisa James (FINOP) at [ljames@wileybros.com](mailto:ljames@wileybros.com) at (615) 252-6196.