



Leerink Swann LLC Part 2A of Form ADV The Brochure

One Federal Street
37th Floor
Boston, MA 02110
www.Leerink.com

March 2012

This brochure provides information about the qualifications and business practices of Leerink Swann LLC ("Leerink" or "Adviser"). If you have any questions about the contents of this brochure, please contact us at 617-248-1601. 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 Leerink is also available on the SEC's website at: www.adviserinfo.sec.gov.

Material Changes

Leerink's most recent Part 2A was filed in November 2011. That update included information about asset management fees charged to employees and former employees of Leerink. This brochure is otherwise not materially different from the November 2011 brochure.

Table of Contents

Material Changes	2
Table of Contents	2
Advisory Business	2
Fees and Compensation	3
Performance Based Fees and Side-by-Side Management	5
Types of Clients	5
Methods of Analysis, Investment Strategies and Risk of Loss	5
Disciplinary Information	5
Other Financial Industry Activities and Affiliations	6
Code of Ethics, Participation or Interest in Client Transactions and Personal Trading....	6
Brokerage Practices	8
Review of Accounts	9
Client Referrals and Other Compensation	9
Custody	9
Voting Client Securities	10
Financial Information	10

Advisory Business

Leerink Swann is registered as a broker-dealer and investment adviser and was founded in 1995. Leerink Swann LLC is a wholly-owned subsidiary of Leerink Swann Holdings LLC. Leerink primarily provides customized investment management services to individuals, high-net-worth individuals and associated trusts and estates, pension and profit sharing plans, and other legal entities. Leerink provides these services through unaffiliated money managers that Leerink helps the client select, and through separate investments in equities, bonds, mutual funds, cash-equivalents, and other instruments.

Asset Management Services

Leerink provides investment consulting services regarding matters such as allocation of assets among different classes, portfolio diversification, managing portfolio risk, and other general economic and financial topics.

Leerink works with its clients to establish an appropriate investment profile. Client investment objectives are identified by assessing the client's risk tolerance based upon factors such as: age, income, education, need for cash flows, investment goals, and emotional tolerance for volatility. This information is collected during client meetings, telephone conversations, interviews, and/or questionnaires submitted by the client.

After analyzing a client's financial situation and formulating an investment strategy, Leerink helps the client implement the investment strategy through unaffiliated money managers. Capital market conditions and client circumstances are monitored and portfolio adjustments are made as appropriate to reflect significant changes in any or all of the above variables. Clients can impose reasonable restrictions on management of their accounts by the unaffiliated money managers.

Wrap Fee Programs

Leerink offers several proprietary wrap fee programs ("Programs") where client assets in the Programs are invested in separate accounts, managed by unaffiliated money managers using equities, mutual funds, bonds, cash equivalents and other instruments. These Programs are offered through Leerink and clients in the Programs pay a bundled fee for investment advice, transaction execution, and clearing of transactions. Leerink receives a portion of the wrap fee for its services which is, at present, negotiated. Please contact Leerink for a wrap fee program brochure (Part 2A, Appendix 1 of this Form ADV) ("Wrap Brochure") for more information about the Programs.

Commission Based Discretionary Accounts

Leerink also offers commission-based brokerage accounts where the individual investment advisory representative ("IAR") maintains discretionary authority to manage the client's account in accordance with the client's investment objectives. The representative will assist the client with developing an investment strategy based on their aversion to risk, income needs, and other financial circumstances specific to the client. Unless otherwise restricted by the client, there are no limitations on the types of investments that the representative may consider for the client's account. The IAR monitors account performance and makes adjustments to the portfolio on an as needed basis.

Assets Under Management

As of December 31, 2011, Leerink managed \$30,781,475 on a discretionary basis on behalf of approximately 58 clients and \$ 17,164,234 on a non-discretionary basis for approximately 20 clients. In addition, Leerink has 11 accounts under various non-discretionary Wrap Fee Programs with assets of \$2,575,212.

Fees and Compensation

Asset Management Services

Asset-based management fees will be charged quarterly in advance based on a percentage of the client's assets under management at the beginning of the calendar quarter. Investment advisory services begin with the effective date of the investment advisory agreement, which is the date the unaffiliated money manager accepts the investment advisory agreement. Fees are deducted directly from the client's custodian account at Pershing LLC, pursuant to a written agreement. For a partial calendar quarter, fees will be adjusted pro rata based upon the number of calendar days in the calendar quarter that the investment advisory agreement was effective. If a client

terminates the investment management agreement with the unaffiliated money manager in the middle of a billing period the unaffiliated money manager will invoice the client for an amount that is pro-rated based on the number of days that the account was managed. Neither Leerink nor the unaffiliated money manager will be compensated on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of the client.

Wrap Fee Programs

The standard annual management fee for its asset management services Programs ranges between 1.0 % and 2.5% based on various factors relating to a particular client, including amount of assets under management and may be negotiated to a lower percentage than 1.0% on a case by case basis. Leerink offers its asset management services through unaffiliated portfolio managers to Leerink Swann employees and former Leerink Swann employees at a reduced investment advisory fee that ranges between 0.1% and 2.5%. The investment advisory fee is negotiated in these situations on a case by case basis depending on various factors relating to the employee or former employee. Please refer to the Wrap Brochure for information about the Programs and the associated fees.

In addition to the advisory fees, clients may incur a charge per transaction for postage and handling charges assessed by Pershing LLC. These particular charges will be passed through to clients and will be paid directly to Pershing LLC. Clients may also incur charges for other account services provided by unaffiliated portfolio managers not directly related to the execution and clearing of transactions including, but not limited to, safekeeping fees, account activity charges, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

Other Fees

Asset management and financial planning fees charged by Leerink are separate and distinct from fees and expenses charged by mutual funds, which may be recommended to clients. A description of these fees and expenses are available in each fund's prospectus. In addition, clients may incur a charge per transaction for postage and handling charges assessed by Pershing LLC. These particular charges will be passed through to clients and will be paid directly to Pershing LLC. Clients may also incur charges for other account services provided by Leerink not directly related to the execution and clearing of transactions including, but not limited to, safekeeping fees, account activity charges, interest charges on margin loans, and fees for legal or courtesy transfers of securities.

Leerink's IARs are also registered as broker-dealer agents and, in some instances as insurance agents for a related company, Leerink Swann Insurance Agency LLC, in addition to non-affiliated companies and may receive commission-based compensation for the sale of securities or insurance products to clients. The compensation we receive when a client buys and sells stocks, bonds, mutual funds, other securities or financial

instruments or insurance products through or from us or our affiliates may include commissions, spreads, mark-ups and mark-downs and distribution or other fees. This creates a conflict of interest and an incentive for IARs to recommend investments and insurance products based on the compensation received, rather than on the client's need. However, recommendations will only be made if it is in the client's best interest and is in line with their investment objectives. Clients are under no obligation to purchase any securities or insurance products that may be recommended by their IAR.

Performance-Based Fees and Side-by-Side Management

Leerink does not charge any performance fees. Some investment advisers experience conflicts of interest in connection with the side-by-side management of accounts with different fee structures. However, these conflicts of interest are not applicable to Leerink.

Types of Clients

Leerink primarily provides customized investment management services to individuals, high-net-worth individuals and associated trusts and estates, pension and profit sharing plans, and other legal entities. Clients are required to maintain a brokerage account with Leerink Swann LLC. Certain of the outside investment adviser wrap fee programs do impose a minimum investment requirement ranging between \$10,000 and \$1,000,000 depending on the program. The Russell Model Strategy Program has a minimum investment requirement of \$50,000 and the Russell LifePoints Program has a minimum investment requirement of \$10,000. The outside investment advisers reserve the discretion to waive the minimum requirement when available. Additional information regarding the minimum criteria for participation in the programs is contained in the Wrap Brochure.

Methods of Analysis, Investment Strategies and Risk of Loss

Asset Management Services

Leerink works with its clients to establish an investment profile and to develop an appropriate investment strategy. Investment strategies may include long-term and short-term purchases depending upon the individual needs of the client. The concept of asset allocation, or spreading investments among a number of asset classes (domestic stocks vs. foreign stocks; large cap stocks vs. small cap stocks; corporate bonds vs. government securities), is in the forefront of our strategies. Asset allocation seeks to achieve the most efficient diversification of assets, to lessen risk while not sacrificing the effectiveness of the portfolio to yield the client's objectives. Leerink believes that risk reduction is a key element to long-term investment.

Disciplinary Information

On December 18, 2007, the Financial Industry Regulatory Authority ("FINRA") initiated regulatory action against Leerink citing Rules 2110, 3010, and 3310. FINRA alleged

that the aggregate trade volume Leerink advertised in private service providers exceeded its executed trade volume for the same securities. Without admitting or denying the findings, Leerink agreed to an Acceptance, Waiver, and Consent ("AWC") and Leerink was censured and fined \$150,000. Leerink was required to revise its Written Supervisory Procedures. Such revisions were made in the first quarter of 2007.

On June 15, 2007, the National Association of Securities Dealers ("NASD") initiated regulatory action against Leerink alleging that Leerink failed to report symbols and transaction types, failed to disclose Leerink's capacity to customers, and failed to submit required Order Audit Trail System ("OATS") information violating order reporting, handling, best execution, short sales, trading halts and books and records rules. Leerink agreed to an AWC and Leerink was censured and fined \$25,000. Leerink was required to revise written supervisory procedures regarding firm personnel registration and qualification, order handling, best execution, trade reporting, order marking and short sales requirements, trading halts, OATS reporting, and books and records requirements.

During a routine exam by the NASD in May 2004, NASD staff found that from about July 2002 to March 2005, Leerink omitted certain facts and/or used conditional or indefinite language in required disclosures on research reports and during public appearances. During the exit interview on September 10, 2004, the NASD identified instances of such omissions. Leerink enacted corrective measures during the May examination and agreed to an AWC on May 10, 2005. Leerink was censured and fined \$15,000.

Other Financial Industry Activities and Affiliations

Leerink is a full-service FINRA member broker-dealer firm. Its business includes the retail sale of various traditional investment products. As such, Leerink's employees are registered as broker-dealer agents and may receive commission-based compensation for the sale of securities products to clients.

Leerink is also affiliated with Leerink Swann Insurance Agency LLC and Leerink's IAR may be registered as insurance agents for Leerink Swann Insurance Agency LLC and non-affiliated insurance companies. Clients are under no obligation to purchase any securities or insurance products that may be recommended by their IAR.

It is estimated that 10% to 20% of Leerink's Wealth Management Group Manager's time will be dedicated to advisory activities with the balance being comprised of traditional retail and institutional brokerage services.

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

Leerink has adopted a written Code of Ethics ("Code") to mitigate any potential conflicts of interest involving personal trades. The Code includes formal personal securities and insider trading policies and procedures. Among other things, employees are required to:

- Act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees, colleagues in the investment profession, and other participants in the global capital markets;
- Place the integrity of the investment profession, the interests of clients, and the interests of Adviser above one's own personal interests;
- Adhere to the fundamental standard that employees should not take inappropriate advantage of their position;
- Avoid any actual or potential conflict of interest;
- Conduct all personal securities transactions in a manner consistent with this policy;
- Use reasonable care and exercise independent professional judgment when conducting investment analysis, making investment recommendations, taking investment actions, and engaging in other professional activities;
- Practice and encourage others to act in a professional and ethical manner that will reflect credit on yourself and the profession;
- Promote the integrity of, and uphold the rules governing, capital markets;
- Maintain and improve professional competence and strive to maintain and improve the competence of other investment professionals; and
- Comply with applicable provisions of the federal securities laws.

The Adviser's Code also requires employees to: pre-clear all personal securities transactions and to instruct the broker-dealer(s) to send duplicate account statements directly to Leerink. Leerink's restrictions on personal securities trading apply to employees, as well as employees' family members living in the same household. Unless approval is received from the employee's supervisor and Leerink's Chief Compliance Officer, brokerage accounts are to be maintained at Leerink.

A copy of Leerink's Code shall be provided to any client or prospective client upon request.

As mentioned above, Leerink is a full service broker-dealer firm that engages in traditional retail and institutional brokerage services. On an occasional basis, Leerink may engage in or effect a transaction on behalf of a client while acting as principal for its own account. Leerink has a potential conflict of interest in transactions where it knowingly sells to or purchases securities from its own clients. Leerink will place the interests of its clients ahead of its own and of its officers, directors and employees and will not make such a recommendation unless it is determined to be in the best interest of the client. To mitigate any potential conflict of interest, Leerink will disclose in writing, prior to the completion of the transaction, the capacity in which Leerink is acting and obtain client consent to the transaction.

Leerink, its officers, partners, directors and/or employees may, on a restricted basis, buy or sell the same securities that are recommended to clients. IARs and their related accounts may trade in the same securities on the same side of the market (buy/sells) with customers on the same day only if the trade is executed in an average price

account or Leerink's clients will be given the more advantageous price at the end of the day absent special circumstances.

Brokerage Practices

Leerink requires that clients arrange for their assets to be held with Pershing LLC and transactions are effected through Leerink as broker-dealer and are routed to Pershing for execution. Leerink seeks to pay reasonable commissions and other transaction costs to reputable broker-dealers in exchange for high-quality execution services. While Leerink has the ability to use other brokers to place trades, all trades will be placed through Pershing, the custodian for client funds and securities. Leerink Swann has evaluated Pershing's service arrangements, capabilities, the expense and quality of the executions provided by Pershing. Based on that evaluation, Leerink has determined that routing client orders to Pershing meets the obligations stated above. Leerink does not have any arrangements to compensate or be compensated by any broker-dealer for advisory client referrals or trades. Leerink may not accept clients who direct use of other broker-dealers or custodians.

Soft Dollar Benefits

Leerink does not receive research or other products or services ("soft dollars") other than execution from a broker-dealer or a third party in connection with advisory client securities transactions.

Client Referrals

Leerink does not consider referrals from a broker-dealer or third party when selecting or recommending broker-dealers and Leerink does not compensate any custodian or broker/dealer for referring client accounts.

Directed Brokerage

Leerink does not permit clients to direct brokerage and Leerink will not accept clients who do not utilize it as the broker-dealer.

Aggregated Trades

When possible, discretionary account orders for the same security are combined or "batched" to facilitate best execution concerns. Due to the time it takes to obtain client approval from clients with non-discretionary accounts, batched transactions will be effected for discretionary account owners and orders for non-discretionary clients will be executed as instructed by the client, subject to market conditions. Adviser will effect batched transactions in a manner designed to ensure that no client participating in a batched transaction, including any proprietary account, is favored over any other client. Specifically, each client that participates in a batched transaction will participate at the average share price for all of the Adviser's discretionary transactions in that security on that business day, with respect to that batched order. Securities purchased or sold in a batched transaction are allocated pro-rata, when possible, to the participating client accounts in proportion to the size of the order placed for each account. Leerink may, however, increase or decrease the amount of securities allocated to each account if necessary to avoid holding odd-lot or small numbers of shares for particular clients.

Additionally, if Leerink is unable to fully execute a batched transaction and determines that it would be impractical to allocate a small number of securities among the accounts participating in the transaction on a pro-rata basis, Leerink may allocate such securities in a manner determined in good faith to be a fair allocation.

Review of Accounts

(Asset Management Services only)

Generally, client accounts are reviewed no less frequently than quarterly by the investment advisor representative and his/her supervisor. These reviews are designed to monitor and analyze client transactions, positions, and investment levels. Particular attention may be given to changes in company fundamentals, industry outlook, market outlook and/or price levels. Leerink will contact clients at least annually to determine whether any changes have occurred with respect to client's financial situation or investment objectives. Reviews of client accounts may also be triggered if a client changes his or her investment objectives, or if the market, political, or economic environment changes materially.

Statements will be issued monthly which will contain account value, allocation, positions, transactions and activity. Regular written reports are issued quarterly for accounts managed by a third-party manager. These reports are reviewed as described above.

Client Referrals and Other Compensation

Leerink does not receive an economic benefit for providing investment advice or advisory services to clients from someone who is not a client.

Leerink does not directly or indirectly compensate any person for client referrals.

Custody

All clients' accounts are held in custody by Pershing, LLC, an unaffiliated qualified custodian, and the advisory fee is deducted directly from the Client's account by Pershing based upon the Client's instructions that have been forwarded to Pershing by Leerink. Leerink does not have access to Client's funds or securities. Account statements are sent by Pershing directly to the account owners on at least a quarterly basis. Clients should carefully review these statements, and should compare these statements to any account information provided by Leerink.

Clients can place reasonable restrictions on Leerink's investment discretion in writing. For example, some clients have asked Leerink not to buy securities issued by companies in certain industries, or not to sell certain securities where the client has a particularly low tax basis.

Because Leerink manages more than one account, there may be conflicts of interest over Leerink's time devoted to managing any one account and the allocation of investment opportunities among all accounts managed by Leerink. Leerink will attempt

to resolve all such conflicts in a manner that is generally fair to all of its clients. Leerink may give advice and take action with respect to any of its clients that may differ from advice given or the timing or nature of action taken with respect to any particular client so long as it is the Adviser's policy, to the extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to other clients.

Leerink is not obligated to acquire for any account any security that Adviser or its officers, partners, members or employees may acquire for its or their own accounts or for the account of any other client, if in the absolute discretion of Leerink, it is not practical or desirable to acquire a position in such security.

Voting Client Securities

Leerink will not vote (by proxy or otherwise) in any matter for which a shareholder vote is solicited by, or with respect to, issuers of securities beneficially held in a client's account. With regard to all other matters for which shareholder action is required or solicited with respect to securities beneficially held by the client's account such as (i) all matters relating to class actions, including without limitation, matters relating to opting in or opting out of a class and approval of class settlements and (ii) bankruptcies or reorganizations), Leerink affirmatively disclaims responsibility for voting (by proxies or otherwise) on such matters and will not take any action with regard to such matters. Clients will receive their proxies or other solicitations directly from Pershing. If a proxy was inadvertently received by Leerink in the name of the client, it would be forwarded to the client. Leerink provides no opinion on how a client should vote.

Financial Information

Leerink does not require or solicit pre-payment of fees six months or more in advance.

Leerink has never filed for bankruptcy and is not aware of any financial condition that is expected to affect its ability to manage client accounts.