

**FORM ADV Uniform Application for Investment Adviser Registration**  
**Part 2A: Investment Adviser Brochure**  
**Item 1: Cover Page**

**Westport Capital Markets, LLC**

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CRD # 41562

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*This brochure provides information about the qualifications and business practices of Westport Capital Markets, LLC and its supervised personnel. If you have any questions about the contents of this brochure, please contact us at the phone number listed above. 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. Please note, where this brochure may use the terms “registered investment adviser” and/or “registered”, registration itself does not imply a certain level of skill or training. Additional information about the firm and its representatives is also available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)*

## Item 2: Material Changes

Due to a series of recent changes in securities regulation, investment advisers are now required to deliver disclosure information in this new format. This brochure incorporates the same information provided previously within the Form ADV Part II but with expanded disclosures designed to provide further information about the firm, its practices, and its personnel. Material updates to the information contained within this brochure will be provided to clients on an immediate basis. This section will be updated to reflect such material changes in a summary form. Should you have any questions related to this brochure, please contact a firm representative at your convenience.

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## Item 4: Advisory Business

Established in 1996, Westport Capital Markets, LLC (“Westport”) provides portfolio management services on a discretionary basis for a wide variety of client types. The firm also provides financial planning services and pension consulting services. In addition to its registration as a federal covered adviser, the firm is also a FINRA-licensed broker-dealer. Most of the firm’s advisory clients are also brokerage clients.

### Portfolio Management

Pursuant to the initial contact with a client, portfolios are designed and managed according to each client’s specific objectives, their risk profile, and various other considerations. Such portfolios may be invested in stocks, mutual funds, foreign securities, and options, among other offerings. Accounts having met certain risk-based criteria may also participate in initial public offerings<sup>1</sup> and other, similar investments. Clients remain welcome to impose restrictions on the firm with respect to investing in certain types of securities offerings.

In providing portfolio management services, Westport may recommend the use of a third-party asset manager with which Westport has entered into an agreement to provide portfolio management services to certain of Westport’s clients. In this arrangement, Westport consider the client’s specific objectives, risk profile and other considerations to determine the most appropriate manager(s) to manage the client’s assets. Westport will work with the client to complete any forms required by the third-party manager, including suitability forms, and will deliver to the client the third-party manager’s disclosure brochure. Westport will remain the client’s primary contact to address any questions that the client may have with regard to this program.

### Financial Planning

Westport provides comprehensive financial planning services tailored to the specific needs of its clients. Clients complete a questionnaire designed to obtain detailed information specific to the client’s financial situation, goals, objectives, risk tolerance and suitability. Using information gathered from the client, Westport prepares a report for each client showing: (1) projection of needed income and (2) investment recommendations designed to meet the client’s specific financial goals.

Westport’s financial planning services do not provide recommendations specific to any particular product, rather, recommendations focus on the product types, such as fixed insurance products or securities products, which should be used to meet the client’s financial goals and objectives. Recommendations made within a financial plan may consider municipal securities, variable life insurance, variable annuities, mutual fund shares, United States governmental securities, fixed annuity insurance products, and other insurance or investment related products,

Implementation of our investment recommendations is solely at the client’s discretion. We encourage clients to discuss their completed financial plans and investment recommendations with their legal and tax professionals.

<sup>1</sup> These offerings are generally presented to those clients deemed accredited investors [Rule 501, regulation D Securities Act (1933)] and may be introduced in partnership with the firm’s brokerage-based business activities. Please see Item 10 for further information.

## Pension Consulting

Westport provides pension consulting services to plan sponsors as well as plan participants. Westport's pension consulting services are based on each plan sponsor's specific needs. Westport consults on the administration and participation of qualifying and non-qualifying plans, by conducting investment manager evaluations (search and selection), and monitoring and reporting on plan and manager performance on an ongoing basis. Westport also offers retirement plan vendor requests for proposals and consults and guides sponsors through the complex plan design and related regulatory environment.

## Publication of newsletters

Westport also publishes a newsletter, *Retirement Report*, which provides news and updates for plan sponsors and fiduciaries of defined contribution plans.

Questions regarding the firm, its practices, and its personnel may be directed to the firm's President, Chief Executive Officer and sole owner, Christopher E. McClure. As of June 30, 2012, Westport managed a total of \$96,301,746 in client assets, all of which are managed on a discretionary basis.

## Item 5: Fees and Compensation

Westport's advisory services are rendered in consideration of a quarterly management fee which is derived from the value of each client's assets under management. The fee is charged quarterly in advance and is based upon the assets under management as of the first day of each calendar quarter. The fee schedule is as follows:

Assets Under Management	Fee (annually)
\$1 to \$500K	1.50%
\$500K to \$1M	1.25%
\$1M+	1.00%

Pursuant to the terms and conditions of the written agreement, portfolio management fees are automatically deducted from client accounts held at the firm's preferred broker-dealer/qualified custodian of record, JP Morgan Clearing Corp ("JP Morgan"). Clients should note that JP Morgan can and will charge additional fees directly to the client's account in the form of custodial and securities execution costs. Certain mutual fund purchases can carry similar costs to the client's account, as well. These additional costs remain separate and distinct from the fees charged by Westport. Item 12 of this document explains these charges in further detail. Clients are strongly encouraged to discuss the cost of services, the value of their accounts, and any questions therein directly with the firm. Statements reflecting such costs and values are provided by JP Morgan, at a minimum, on a quarterly basis. Clients are encouraged to review these statements in detail.

In certain cases, the firm may charge a fixed fee for its advisory services. Such fees are subject to negotiation but generally derived from the assets under management or scope of the project involved. These fees are typically paid in advance and may be subject to automatic fee deduction or invoice. All fees remain negotiable, but such negotiation remains at the discretion of the firm. Upon termination of the agreement, fees paid in advance will be prorated to the date of termination and excess refunded to the client. The agreement may not be assigned or transferred without written consent from both parties.

Where the firm is dually registered as an investment adviser and broker-dealer and licensed to sell various forms of insurance, firm personnel may receive additional commission-based compensation for their work on behalf of the firm. Sales of insurance, mutual funds, initial public offerings (to qualified clients), bonds, and other offerings may result in a commission which is paid in addition to the advisory fee. If mutual funds are purchased in an advisory account, the firm may recommend no-load funds or load-waived funds. The firm may reduce its commissions or markups to lower the overall cost to the client and reduce the possibility of a conflict of interest. Where the receipt of commission and fee-based compensation can create a conflict of interest, clients should note that they are under no obligation to pursue such investment offerings through Westport.

The firm will not offer investments that give the sales opportunity more importance than that of a client's individual investment needs. However, clients should note that the receipt of commission and/or incentive-based compensation in addition to the advisory fee can create a conflict of interest. These conflicts are further discussed under Item 10 of this brochure. Questions regarding the firm's fees and/or its advisory/brokerage services may be addressed directly with the firm.

## Item 6: Performance-Based Fees and Side-by-Side Management

Due to the nature of its advisory practice, Westport does not charge any performance-based fees or offer any services managed on a side by side basis.

## Item 7: Types of Clients

Westport renders advisory services to individuals, pension/profit sharing plans, and trust accounts. The firm does not impose a minimum financial requirement or other similar type of restriction on clients or their accounts.

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

Westport utilizes both fundamental and technical analysis with respect to the management of client accounts. Fundamental analysis incorporates evaluating securities based upon their economic, financial, quantitative/qualitative values and other factors. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security. Technical analysis involves the analysis of past market data rather than specific company data in determining the recommendations made to clients. Technical analysis may involve the use of charts to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. The primary risk in using technical analysis is that spotting historical trends may not help to predict such trends in the future. Investment strategy is developed at the onset of each client relationship. Where the majority of accounts are managed on a more

conservative basis, some accounts may call for a more balanced approach and require more risk-based investment allocations. As with all investments, investing in securities carries an inherent risk of loss-including loss of principle. Accordingly, clients are encouraged to review these risks prior to investing with Westport. Questions regarding risk and the firm's account management practices may be addressed directly with the firm.

## **Item 9: Disciplinary Information**

In 2006, Westport's broker-dealer business was subject to an administrative censure and fine by FINRA, its principal regulator. FINRA found certain inconsistencies with Westport's municipal securities trade reporting functions. FINRA also found that the firm had failed to maintain a minimum net capital requirement due to an accounting miscalculation. The firm was also cited for its transaction deposit methods. In order to avoid the expense of a protracted legal argument, the firm consented to FINRA's findings. Questions about these findings may be addressed directly with the firm or reviewed in further detail by visiting the SEC's Investment Adviser Public Disclosure (IAPD) website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or FINRA's Brokercheck website at <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck>.

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

As previously stated throughout this brochure, Westport is registered with both the SEC and FINRA as an investment adviser and broker-dealer, respectively. The firm is also licensed to sell various forms of insurance. The firm's brokerage services typically offer corporate equity securities, mutual funds, government securities offerings, variable insurance/annuities, and private placements. Firm personnel, including members of senior management may be involved in a variety of additional business activities. Such activities may be reviewed in Item 4 of the firm's brochure supplements (Part 2B).

Where firm personnel are registered as investment adviser representatives, registered representatives, and insurance agents, they may receive additional income from their involvement in client transactions involving such services. Clients should note that such income can create a conflict of interest, particularly where the representative involved may have a vested interest in selling products that carry a commission or similar type of incentive. In such cases, firm personnel must be prepared to justify the additional cost to the client. In such cases, it is often within the client's best interests to make such a purchase based upon the price, the value, and other similar considerations.

To prevent any unethical activity and in order to promote a fair environment, the firm has developed a Code of Ethics which firm personnel must acknowledge and adhere-to throughout their employment. For further information about the Code of Ethics, please see Item 11.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

Pursuant to Rule 204A-1 of the Investment Advisers Act, Westport has adopted a Code of Ethics which is designed to reinforce the firm's policy of fairness to clients and their accounts. Where personnel may recommend, purchase, or sell securities for client accounts that they have similarly recommended, purchased, and/or sold for their own accounts, a conflict of interest is created. Accordingly, said personnel must adhere to the Code of Ethics, particularly those portions that govern fair treatment and fiduciary obligations. In no event may Westport personnel place their own interests ahead of those of the firm's clients. Westport's Code of Ethics requires that all client transactions be placed ahead of, and all client interests be considered in advance of, those of Westport and its personnel. It should be noted, as discussed in Item 12 of this brochure, that the firm may use block trades/order aggregation when placing the same order for multiple advisory clients, including orders for firm personnel. In this situation, clients and firm personnel receive the same price for execution; therefore, clients are neither advantaged nor disadvantaged. Clients should also note that the personal trading practices of firm personnel are reviewed to identify and resolve potential conflicts of interest. Firm personnel with access to client accounts are required to acknowledge and adhere-to the Code of Ethics. A copy of the Code will be made available to any client, prospective or otherwise, upon request.

## **Item 12: Brokerage Practices**

As part of its fiduciary duty to clients, the firm must seek the best execution available for client accounts and the transactions made therein. In all cases, the firm will make trades based upon price, speed, the inherent nature of the security at hand, and the availability of same. Where the firm has selected a preferred broker-dealer (JP Morgan), the firm's preference is based upon its familiarity with the services, applications, and other offerings rendered by that brokerage firm (JP Morgan also serves as Westport's clearing agent for securities transactions).

Accordingly, this arrangement creates a conflict of interest and clients should note that the services rendered by JP Morgan may cost more or less than similar services rendered by other brokerage firms. In addition to its efforts to attain best execution for clients, Westport's use of JP Morgan is also based upon convenience, reputation, and the services rendered as part the relationship between clients, Westport, and JP Morgan. At the client's suggestion, the firm will not object to directing brokerage to another broker-dealer. Clients should note, however, that such decisions could incur greater cost to their accounts. Westport's recommendation of JPMorgan's brokerage services is based upon the experience obtained via the working relationship between Westport and JP Morgan.

Westport will often combine orders into block trades to reduce commission and execution pricing. Allocations of such trades are performed in a timely and efficient order to ensure fairness to each account participating in the trade. Each account will then receive the same execution price (average share price) for the securities sold/purchased during that period (daily). In certain cases, orders may not filled within the given time period. However such orders are actively traded until the entire trade is completed, which may take several days. Clients should note that the timing of such trades may place a secondary role in consideration of the overall price afforded to those participating accounts. Westport does not participate in any soft dollar arrangements.

## **Item 13: Review of Accounts**

Accounts are subject to regular review on an ongoing basis by Westport's President and CEO, who reviews account performance and asset allocation, as well as suitability. More frequent review may be necessary to adjust for market changes or overall stability. Brokerage account statements are delivered on a quarterly basis (at a minimum) by JP Morgan. Clients will receive other supporting documentation from others

involved with client accounts including mutual funds issuers and others sponsors or underwriters (where applicable). Questions related to client accounts and supporting documentation may be directed to the firm.

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

Westport has entered into agreements with three unaffiliated investment advisers who manage limited partnerships. Through these arrangements, an investment adviser representative of Westport may solicit clients to invest in one of the offerings managed by one of these investment advisers. The investment adviser representative of Westport determines whether the client may be a suitable candidate for investment and is responsible for ensuring that the client qualifies to invest under applicable regulations. The investment adviser representative of Westport will also deliver to, and receive acknowledgement of receipt from, the investor the unaffiliated investment adviser's disclosure brochure, a solicitors disclosure statement, and other documents required by the agreement and by applicable regulations, including, but not limited to Rule 206(4)-3 of the Investment Advisers Act of 1940. Westport receives a solicitor's fee for these referrals.

Westport does not compensate others for client referrals.

#### **Item 15: Custody**

Westport does not maintain custody of client funds or securities. All accounts are held in the custody of JP Morgan and/or similar custodians and subject to regular audit and inspection by appropriate parties.

#### **Item 16: Investment Discretion**

Westport maintains the authority to direct brokerage to a preferred broker-dealer (currently JP Morgan). Such authority also extends to making decisions regarding the type and amount of securities to be bought and/or sold for a client's account. In certain cases, the firm also maintains the authority to negotiate the commission rates paid on transactions. Discretionary authority is granted via the execution of the advisory agreement and authorized only upon full disclosure to the client. Any and all trades made on behalf of a client are made in accordance with the client's stated investment objectives and goals.

#### **Item 17: Voting Client Securities**

Westport does not vote proxies for securities held in client accounts. All proxies are directed to clients by the broker-dealer or transfer agent of record. Questions regarding such actions may be addressed directly with the firm.

#### **Item 18: Financial Information**

Although Westport requires payment of fees in advance for services, such payments would not serve as a retainer for services. The firm does not require prepayment of fees for services six (6) months or more in advance of such services. Further the firm does not maintain any financial hardships or other similar financial issues that might prevent the firm from meeting its contractual agreements with clients. The firm has not been the subject of any bankruptcy or other similar proceeding within the past ten (10) years. Questions related to the financial status of the firm may be directed to senior management.

#### **Item 19: Requirements for State Registered Advisers**

Although the firm is currently registered with the SEC, further information about the firm may be helpful to clients. Westport is currently managed by a team of financial professionals. Their expertise, qualifications, and disciplinary history (if any) may be found by reviewing the attached *Part 2B: Brochure Supplements*. The firm is dually registered as an investment adviser and broker-dealer. This arrangement allows the firm to provide a host of services under one name that might not otherwise be available. However, this arrangement also allows the firm and its personnel to collect commission-based income in addition to any advisory fees paid by clients. Accordingly, each client is encouraged to review this brochure carefully for a full understanding of the services offered and the costs therein. Questions regarding same may be addressed directly with the firm.

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**Part 2B: Brochure Supplements**  
**Investment Adviser Representatives and/or Supervised Persons: Supplemental information**  
**Item 1: Cover Page**

*Christopher E. McClure*, President/Chief Executive Officer/Chief Compliance Officer

*David M. Ashe*, Assistant Vice President

*Robert C. Batick, Jr.*, Representative

*Robert P. Noonan*, Representative

*Geoffrey B. Knapp*, Representative

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## Item 2: Educational Background and Business Experience

**Christopher E. McClure, President/CEO/CCO:** In addition to serving as President and CEO, Mr. McClure (born 1965) serves as Chief Compliance Officer and Chief Financial Officer. Prior to joining Westport in 2001, Mr. McClure was a First Vice President with Prudential Securities from 1997 to 2001. He has also held Financial Consultant positions with Merrill Lynch Pierce Fenner & Smith and Shearson Lehman Brothers. Mr. McClure began his investment career in 1987 with U.S. Trust Co. He graduated from Providence College with a BS degree in finance.

**David M. Ashe, Assistant Vice President:** Prior to joining Westport in 2009, Mr. Ashe (born 1981) served with Edward D. Jones & Co. as a registered representative and financial advisor from 2007 to 2009. He has also served as an investment counselor. Mr. Ashe is a graduate of Florida State University.

**Robert C. Batick, Jr. Representative:** Prior to joining Westport in June 2011, Mr. Batick (born 1968) was a financial consultant with RBC Capital Markets from 2005 to 2011. Prior to this, he was a broker with Salomon Smith Barney. Mr. Batick is a graduate of Yale University.

**Robert P. Noonan, Representative:** Prior to joining Westport in June of 2010, Mr. Noonan (born 1943) served as a financial advisor with Bengal Partners. He has served in various roles throughout his thirty (30) year career with Merrill Lynch, Chase Securities, and Hambrecht & Quist. He is a graduate of Bucknell University with BA in philosophy.

**Geoffrey B. Knapp, Representative:** Mr. Knapp (born 1968) joined Westport in 2011. He began his career in the financial services industry in 1997, most recently serving as Marketing Director for Foreside Advisory Network, LLC, Director of Institutional Sales for Behavioral Economics, Inc., Registered Representative for Ledgemont Capital Markets, LLC and Merrill Lynch, Pierce, Fenner & Smith, Inc., and Financial Advisor for Bank of America, NA. He is a graduate of Bowling Green State University.

## Item 3: Disciplinary Information

**Christopher E. McClure, President/CEO/CCO:** In 2003, Mr. McClure was subject to a customer complaint. The complaint alleged that Mr. McClure has engaged in unauthorized and unsuitable investment transactions. To avoid the added expense of a protracted legal battle, Mr. McClure entered into a financial settlement.

**David M. Ashe, Assistant Vice President:** Mr. Ashe is not subject to any disciplinary history responsive to this item.

**Robert C. Batick, Jr. Representative:** Mr. Batick was subject to a 2004 customer complaint involving the sale of an annuity. The complaint was settled to avoid the expense of a protracted legal battle. Mr. Batick also filed for personal bankruptcy protection in 2007 as a result of being named in a judgment by a former employer. The bankruptcy was later dismissed, and an agreement was reached with the former employer.

**Robert P. Noonan, Representative:** Mr. Noonan was named in a 1997 customer complaint which alleged that Mr. Noonan had exercised discretionary authority without being authorized to do so. The complaint was denied in full due to Mr. Noonan having operated within the letter of a written limited power of attorney over the account.

**Geoffrey B. Knapp, Representative:** Mr. Knapp is not subject to any disciplinary history responsive to this item.

## Items 4 & 5: Other Business Activity & Additional Compensation

**Christopher E. McClure, President/CEO/CCO:** In addition to his advisory duties, Mr. McClure is also a registered representative and a licensed insurance agent of Westport Capital Markets, LLC. In his capacity as a registered representative, Mr. McClure receives commission on the sale of securities products. In his capacity as an insurance agent, Mr. McClure receives compensation for the sale of insurance products.

**David M. Ashe, Assistant Vice President:** In addition to his work for Westport, Mr. Ashe is also a registered representative of Westport Capital Markets, LLC. In his capacity as a registered representative, Mr. Ashe receives commission on the sale of securities products.

**Robert C. Batick, Jr. Representative:** Mr. Batick is also a licensed insurance agent of Westport Capital Markets, LLC. In his capacity as an insurance agent, Mr. Batick receives compensation for the sale of insurance products.

**Geoffrey B. Knapp, Representative:** Mr. Knapp is also a licensed insurance agent of Westport Capital Markets, LLC. In his capacity as an insurance agent, Mr. Knapp receives compensation for the sale of insurance products.

**Robert P. Noonan, Representative:** Mr. Noonan may refer clients to third-party investment advisers who manage limited partnerships. Mr. Noonan receives solicitor fees for these referrals. Please refer to Item 14 of Form ADV Part 2A for additional information.

The sales practices of the firm's representatives who also serve as registered representatives and/or licensed insurance agents of Westport Capital Markets, LLC give these representatives an incentive to recommend investment products based on the compensation received, rather than on the client's needs. All investment adviser representatives of Westport Capital Markets, LLC have a fiduciary duty to act in the best interest of the firm's clients.

## Item 6: Supervision

Firm President Christopher McClure remains responsible for the supervision and oversight of all aspects of firm business. This extends to monitoring trading activity, performance, and suitability as well as reviewing communications with clients and enforcing firm policies. Questions regarding firm personnel and their activities may be addressed directly with Mr. McClure. For further review of firm personnel, please visit the SEC's Investment Adviser Public Disclosure website; [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or FINRA's Brokercheck website; <http://www.finra.org/Investors/ToolsCalculators/BrokerCheck>.