

Part 2A of Form ADV: Firm Brochure

Moors & Cabot, Inc.

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September 3, 2012

This brochure provides information about the qualifications and business practices of Moors & Cabot, Inc. If you have any questions about the contents of this brochure, please contact us at 617-426-0500 or via email by contacting our Chief Compliance Officer (CCO), Michael Hildreth at ComplianceMailbox@moorscabot.com.

The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about SSFA is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. The CRD number for Moors & Cabot is 594.

Item 2 Material Changes

This Firm Brochure, dated 09/3/2012, contains the following information not disclosed within the previous annual updated version dated 08/15/2011:

Item 4, Advisory Business – This section has been updated to include the Moors and Cabot's total amount of customer assets under management as of June 30, 2012.

Item 9, Disclosure Information – The number of regulatory events disclosed on FINRA's Broker Check website has been updated. Please refer to the site (<http://brokercheck.finra.org/Search/Search.aspx>) for more information.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

Item 3**Table of Contents**

Item	Section	Page Number
1.	Cover Page	1
2.	Summary of Material Changes	2
3.	Table of Contents	3
4.	Advisory Business	4
5.	Fees and Compensation	8
6.	Performance-Based Fees and Side-by-Side Management	12
7.	Types of Clients	12
8.	Methods of Analysis, Investment Strategies and Risk of Loss	12
9.	Disciplinary Information	15
10.	Other Financial Industry Activities and Affiliations	15
11.	Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	17
12.	Brokerage Practices	18
13.	Review of Accounts	21
14.	Client Referrals and Other Compensation	21
15.	Custody	22
16.	Investment Discretion	23
17.	Voting Client Securities	23
18.	Financial Information	23

Item 4 Advisory Business

Background Information

Moors & Cabot, Inc. was founded in 1890 by John F. Moors and Charles Cabot. Over the last 120 years, the firm has grown to serve the needs of thousands of investors, with branch offices throughout the country. Still operating from its original headquarters in the heart of Boston's financial district, Moors & Cabot was the oldest independent member of the former Boston Stock Exchange and one of the nation's oldest independent members of the New York Stock Exchange.

Moors & Cabot, Inc. is registered / licensed as:

- An investment adviser with the US Securities and Exchange Commission (SEC)
- A securities broker dealer with the SEC and the Financial Industry Regulatory Authority (FINRA) and Securities Investors Protection Corporation (SIPC)
- A member of the New York Stock Exchange, and
- As an insurance agency or broker

Due to our multiple registrations, employees are licensed to:

- Sell securities as a registered representative (RR)
- Provide advisory services as an investment adviser representative (IAR), as described in this Form ADV Part 2 A, and
- Sell insurance products or services as an insurance agent (InsAg)

We have our principal office / place of business as identified on the cover page (Item 12 above). We additionally have a network of 20 branch offices located in various regions of the United States (exact locations are provided on our website).

We were effective (registered) with the SEC in 1995. Robert W. Morey is the majority shareholder of Moors & Cabot, Inc.

Our Assets under Management as of June 30, 2012 were:

Discretionary	\$ 572,476,000.00
Non-Discretionary	\$ 77,862,000.00
Total AUM	\$650,338,000.00

We offer the following investment advisory services to our clients; each is fully described, below.

1. Investment Management Services (or Portfolio Management Services) via our Portfolio Management Program,
2. Referrals to third party wrap fee programs, and
3. Financial Planning Services

Investment Advisory Services - Portfolio Management Program (PMP)

Moors & Cabot, Inc. provides investment advice on the following types of securities: Exchange listed securities, over-the-counter securities, corporate debt securities, warrants, commercial paper, bank certificates of deposit, municipal securities, U. S. government securities, foreign issuers, ETFs and mutual funds. We provide investment advisory services through the Portfolio Management Program (PMP) on either a discretionary or a non-discretionary basis. Moors & Cabot's PMP generally involves a \$50,000 account minimum.

We document the discretionary authority we have within the written investment advisory PMP client agreement we have in place with you. For non-discretionary clients, we are obligated to obtain your specific consent (either verbally or in writing) prior to placing a transaction for your investment advisory account. As a result, you must be available to us during regular business hours that the securities markets are open. If you are not available, we cannot sell or purchase securities, and as a result, you may suffer economic losses.

Services are provided by determining your needs, objectives and risk tolerance. We then align your responses and other information provided (via the New Account Application and the Investment advisory PMP client Agreement) in a portfolio aligned with meeting your stated objectives / needs (an appropriate asset allocation strategy). For example, a client with a long-term investment view, interested in long term capital appreciation will need a strategy that is substantially different from an investor with a shorter-term investment view who is interested in generating income. See Item 8 of this Part 2A for additional information.

The program may use the services of third-party investment advisers to manage some (or all) of the assets in PMP. These advisers include:

Adviser	Description
Eastern Investment Advisors, Inc.	Eastern Advisors (a registered investment adviser un-affiliated with Moors & Cabot) https://www.easternbank.com/site/personal/investments/Pages/investments.aspx
Gyroscope Capital Management	An affiliated registered adviser. Our RR / IAR (Michael Egan) is the owner and portfolio manager of Gyroscope. http://www.gyroscopecapitalmanagement.com

Moors & Cabot advisors may also use one or more third party so-called Wrap Fee programs sponsored by un-affiliated third party broker dealers / investment advisers as listed below to manage your assets. Programs available include the following (as of the date of this Part 2A Brochure) and are available only on a fee-only basis:

Wrap Fee Program Name	Sponsor
TD Ameritrade Managed Assets Program (MAP)	TD Ameritrade Institutional, a division of TD Ameritrade, Inc. (a securities broker dealer registered with the SEC and FINRA); Envestnet Asset Management, Inc.
Separately Managed Account Programs as listed below: <ul style="list-style-type: none"> • Diversified Managed Allocations (DMA) • Masters • Allocation Advisors • Private Advisor Network • Fund Source • Custom Choice 	Wells Fargo Advisors, LLC (a securities broker dealer registered with the SEC and FINRA)

Please see the Part 2A, Brochure Supplement that we provide to you for each of these programs (the so-called Wrap Fee Disclosure Brochure). This Brochure identifies all relevant fees, expenses and other charges (and how the program works) to you.

PMP “Advice Only”

Certain clients have assets held at custodians other than First Clearing or TD Ameritrade (our clearing firms, see below and Item 10). We will provide advice only on these assets. We do not manage them per se (we are not involved in the actual buy or sell decisions) but make recommendations to the client, who has the sole responsibility to implement any buy, sell or reallocation recommendation).

A separate agreement is required for this service; you are billed separately for these services (see Item 5).

Financial Planning Services

We offer fee-based financial planning services. The service may include the following (which are selected by a client receiving the service):

- Written evaluation and analysis of information provided related to investment goals, objectives and current financial circumstances
- Analysis / recommendations related to tax planning, estate planning, investment planning, educational funding, retirement planning, and risk management (insurance)

In providing these services, we do not provide legal or tax or accounting advice. Please seek out your other professionals for that advice (attorney, CPA).

We may, but are not obligated to engage the services of outside consultants in the

determination of or the delivery of your financial planning services, or the engagement.

Planning services generally are provided by those of our employees (investment adviser representatives) who are expected to possess additional specialized training and experience. However, no representations are made as to the qualifications or experience of our employees or the consultants we may use on your behalf.

In providing financial planning services we gather information by asking you to provide a complete personal, family and financial picture for us to work with. We do this by conducting in-depth personal interviews. Information gathered include your current financial status, tax status, future goals, return objectives and attitudes towards risk.

Our financial plan recommendations are not limited to any specific product or service offered by or through Moors & Cabot or any of our employees.

Typically, the financial plan will be presented to the client within ninety days of the contract date, provided that all information needed to prepare the financial plan has been promptly provided by the client.

Consulting Services

Clients can also receive investment advice on a more limited basis. This may include advice on only an isolated area(s) of concern such as estate planning, retirement planning, and review of a client's existing portfolio or any other specific topic. We also provide specific consultation and administrative services regarding investment and financial concerns of the client. Additionally, we provide advice on non-securities matters such as estate planning, insurance and annuities.

Typically, the consulting service will be completed within 90 days of the contract date, provided that all information needed to complete the consulting engagement has been promptly provided by the client.

Services in General

We tailor all of our financial planning and consulting recommendations to the individual needs of each client. Please notify us immediately whenever your personal circumstances change (new job, loss of a job; marriage or divorce; death in the family; birth of a child, etc.).

Accounts opened or closed during a calendar quarter will have advisory fees due and payable by charging you for the days that services were provided. If fees are charged in advance, you will receive a refund of pre-paid and unearned advisory fees upon termination. For accounts opened during a calendar quarter, if fees are charged in advance, your fee will be charged at the inception of the account for the number of days the services are provided.

Advisory fees are typically (except for financial planning) directly debited from your brokerage / custodial account (at First Clearing) for our investment management services (as you authorize in the written agreement we have with you). Fees for wrap fee programs are charged by the sponsor, debited from your custodial account, with Moors & Cabot's share of the wrap fee paid to us by the sponsor (pursuant to your authorization in the wrap fee program agreement).

All debits and credits into and out of your accounts are included in the statements your custodian sends directly to you on a monthly basis. If you do not receive your statements, please contact your custodian immediately, or your Moors & Cabot advisor. It is very important that you receive your brokerage statements directly from your custodian.

Item 5 Fees and Compensation

Investment Advisory Fees (PMP)

Moors & Cabot generally charges management fees according to the following schedules:

Asset-Based Fee – charged as a percentage of assets under management

Our standard advisory fee for PMP (investment advisory services) is below. This fee schedule is negotiable on a case by case basis upon a number of variables (account size, geographic region, types of securities / complexities, etc.) as negotiated between each client and his/her Moors & Cabot advisor. We impose a minimum fee of \$1250.00 per year (or \$312.50 per quarter).

Account Value		Account Value	Maximum Annual Fee %	Transaction Charge (Per Trade)
\$50,000	To	\$249,999	2.5%	\$7.95
\$250,000	To	\$499,999	2.25%	\$7.95
\$500,000	To	\$999,999	2.0%	\$7.95
\$1,000,000	To	\$2,999,999	1.5%	\$7.95
\$3,000,000	+		1.25%	\$7.95

Asset-based fees are billed on a quarterly basis in advance. When an account is opened, the management fee is billed for the remainder of the quarter and is based on the month end value of the account in the month it is funded. Thereafter, the quarterly fee is based on the market value of the account on the last business day at the end of the previous quarter and becomes due the first day of the new quarter. Unless otherwise agreed to by Moors & Cabot and the client, an Investment Advisory Agreement will provide that the management fee be deducted directly from the client's account.

Under this fee schedule, Moors & Cabot will also “credit” to your investment advisory account any 12b-1 fees we receive from your mutual fund assets.

Either party may terminate the Investment Advisory Agreement at any time without penalty. Upon termination, the client will receive a refund for a pro-rated portion of the prepaid management fee. If a client chooses to terminate the agreement within 5 business days of signing, the client will be entitled to a full refund.

Commissions – charged per transaction

In lieu of charging an asset-based fee, we will provide the same service under PMP on a transactional basis. Commissions vary by the type of security and are based upon our standard retail commission rates. These standard commission rates are in addition to the transaction charge of \$7.95 per transaction. Please ask your advisor for our standard commission schedule (which may be negotiated between each Client and his/her advisor).

In certain periods, the total commission charged under this arrangement may exceed the asset-based fee arrangement offered by Moors & Cabot. In other periods, it may be lower. The total account commissions charged in a given period will depend largely on the negotiated commission rate, the investment strategy selected and portfolio turnover within a client's account.

PMP “Advice Only”

Moors & Cabot may charge up to 1.0% of assets held away or a fixed fee equaling 1.0% of the initial asset value when entering into the agreement. “Advice only” asset-based fees are billed on a quarterly basis in advance. When a customer and representative enter into an “advice-only” service agreement, the pro-rated fee billed for the remainder of the first quarter is based on the value of the asset on the date the agreement is signed (or otherwise agreed to by both parties). Thereafter, the quarterly fee is based on the market value of the asset on the last business day at the end of the previous quarter.

Either party may terminate the “advice-only” agreement at any time without penalty. Upon termination, the client will receive a refund for a pro-rated portion of the prepaid quarterly fee. If a client chooses to terminate the agreement within 5 business days of signing, the client will be entitled to a full refund.

Wrap Fee Programs

MAP – Sponsored by TDA / Envestnet

We are compensated by TDA through the direct debiting of your account (by TDA) for the annual wrap fee charged (billed quarterly). From this fee, TDA, Envestnet and the sub-advisers are paid the relevant portion of the wrap fee.

As previously stated, wrap fee programs are all inclusive programs, meaning you do not pay separate fees for brokerage, custodial or other services. Please refer to the plan sponsor's ADV Part IIA for more information regarding the sponsor's fee schedule, billing mode and account minimums. The total wrap fee charged to the customer for this program will not exceed Moors & Cabot's maximum limit of 2.75% (275 basis points) of assets under management.

The specific fee you pay for the MAP program is documented in the Program documentation (Statement of Investment Selection; Fee Disclosure; Acknowledgement of Terms and Conditions).

Programs Sponsored by Wells Fargo Advisors

For the listed separately managed account programs sponsored by Wells Fargo:

- Diversified Managed Allocations (DMA)
- Masters
- Allocation Advisors
- Private Advisor Network
- FundSource
- CustomChoice

Please refer to the plan sponsor's ADV Part 2A and account disclosure documents for information on the sponsor's fee schedule, billing mode and account minimums. The total wrap fee charged to the customer for these programs will not exceed Moors & Cabot's maximum limit of 2.75% (275 basis points) of assets under management.

The specific fee you pay for the Wells Fargo separately managed account program is documented in the Program documentation (Statement of Investment Selection; Fee Disclosure; Acknowledgement of Terms and Conditions).

Financial Planning / Consulting Services

Moors & Cabot charges fees for Financial Planning that varies from client to client based on needs, services and complexity (among other criteria).

Fees: Fixed fee / Hourly

Minimum fees for financial planning are not expected to be less than \$500.00; however, fees will typically (but not always) be in excess of this amount. Fees are, of course, based upon the number of expected (or actual) hours spent on your plan or your specific topic that you need us to review / comment on. Hourly fees typically range from \$50.00 per hour (or less), plus expenses (if any) that we may incur in the delivery of services to you.

Plans are provided within 90 days of the date you pay us, or after execution of the planning agreement.

Fees off-set by Commission

Planning fees may be offset fully or partially by commissions we receive from the implementation of planning recommendations, if any. These credits are determined by each Moors & Cabot advisor and Client on a case-by-case basis. If you have questions on commissions the advisor will receive upon implementation of planning recommendations, please ask your advisor.

All Financial Planning fees are negotiable by your advisor directly with you. As a result, financial planning fees available from us vary across our offices and advisor.

See also Item 14, below, Client Referrals and Other Compensation (as we may share the fees you pay us with third parties who introduce you to us).

Account Termination

Clients will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement by providing us with written notice at our principal place of business prior to delivery of the plan or completion of other services. Upon termination, we will prorate fees to the date of termination and refund to the client the unearned portion of the fee we have collected.

General Information on Advisory Fees

Our advisor fees may be higher or lower than the fees charged by other firms that are registered as an investment advisers and broker dealers.

We may invest your assets, as part of our advisory services in no load or load-waived mutual funds, including money market mutual funds as temporary investments, for managed accounts.

All fees you pay to us are separate and distinct from the fees and expenses charged by mutual funds, exchange traded funds (ETFs), and publicly traded real estate investment trusts (REITS) (and similar securities), to their shareholders. These fees and expenses are in each fund's prospectus.

As a securities broker dealer, we may participate in some of these additional fees or expenses, specifically 12b-1 fees (also known as shareholder servicing fees). These fees and expenses include:

- A management fee
- Other fund expenses
- Administrative fees, and
- A commission (or distribution fee)

Please review the fees charged by the funds, ETFs or REITs and the fees charged by Moors & Cabot to fully understand the total fees you will pay to receive our investment advice.

Clients also have fees imposed by virtue of the custodian who holds physical possession of your funds and securities. We recommend ourselves as broker dealer. We are a fully disclosed and introducing broker through First Clearing, LLC a non-bank affiliate of Wells Fargo & Co. We also recommend a third party, independent and qualified custodian, TD Ameritrade. Please see Item 12 disclosures.

Additional fees you pay to receive our services include:

- Commissions on transactions
- Deferred sales charges (those that are charged when you sell a security)
- Exchange fees
- Odd lot differentials
- IRA account fees
- Wire charges
- Among others

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

We do not charge any fees based on a share of capital gains on or capital appreciation of the assets of a client (so-called performance or incentive fees).

Item 7 Types of Clients

Moors & Cabot provides advisory services to the following types of clients:

- Individuals (other than high-net-worth individuals)
- High-net-worth individuals
- Corporations or other businesses
- Pension and profit sharing plans
- Trusts, estates
- Charitable organizations

Please see Item 4 and 5 of this Part 2A for additional details.

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

Investing in securities involves risk of loss that investors should be sure they understand and should be prepared to bear.

Moors & Cabot primarily serves retail customers. Each advisor associated with Moors & Cabot has the independence to take the approach he or she believes is most appropriate when analyzing products and strategies for clients. There are several sources of information that Moors & Cabot and the advisor may use as part of the investment analysis process. These sources include, but are not limited to:

- Financial publications

- Research material from other firms (third parties)
- Rating or timing services
- Filings with the SEC and other regulatory reports
- Company press releases
- Industry studies (or white papers)
- Political developments
- Appraisal services
- Market data
- Performance analysis
- Rating services
- Telephone calls with issuers or researchers
- Among others

Types of securities recommended: Our IAR / RR / InsAg provide investment advice on the following types of securities (see Item 4):

- Equity securities (exchange listed, over the counter and foreign issues (through American depository receipts)
- Warrants
- Fixed income securities (US Government bonds, commercial paper, certificates of deposit, corporate bonds and municipal bonds)
- Investment company shares (mutual funds)
- Variable life insurance, variable annuities
- Options on securities
- Investment partnerships, including real estate, oil and gas, hedge funds and funds-of-hedge funds (private funds)

Investment Strategies

As a firm, Moors & Cabot does not favor any specific method of analysis over another and therefore would not be considered to have one approach deemed to be a “significant strategy.” There are, however, a few common approaches that may be used by Moors & Cabot or your advisor, individually or collectively, in the course of providing advice to clients. Please note that there is no investment strategy that will guarantee a profit or prevent loss. The following are common strategies employed by advisors in the management of client accounts:

- **Dollar Cost Averaging (DCA)** – The technique of buying a fixed dollar amount of a particular investment on a regular schedule regardless of the share price. As a result, more shares are purchased when prices are low, and fewer shares are bought when prices are high. DCA is believed to lessen the risk of investing a large amount into a single investment at higher price.
- **Asset Allocation** – An investment strategy that aims to balance risk and reward by allocating assets among a variety of share classes. The general theory behind asset allocation is that each asset class will perform differently from

others under different market conditions. By diversifying a portfolio of investments among a wide range of asset classes, advisors seek to reduce the overall volatility and risk of a portfolio through avoiding overexposure to any one asset class during various market cycles.

- **Technical Analysis** – A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. When looking at individual equities, a person using technical analysis generally believes that performance of the stock, rather than performance of the company itself, has more to do with the company's future stock price.
- **Fundamental Analysis** – A method of evaluating a security that entails attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. The goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price, which would determine what position to take with that security.
- **Quantitative Analysis** – An analysis technique that seeks to understand behavior by using complex mathematical and statistical modeling, measurement and research.
- **Qualitative Analysis** – A Securities analysis that uses subjective judgment based on unquantifiable information, such as management expertise, industry cycles, strength of research and development, and labor relations.

Risk of loss

As mentioned above, regardless of what strategy or analysis is undertaken, there is risk of loss; in some cases, total loss. Some risks may be avoided or mitigated, while others are completely unavoidable. Some of the common risks you should consider to investing include, but are not limited to:

Market risks – The price of, and the income generated by, the common stocks, bonds and other securities you own may decline in response to certain events taking place around the world, including those directly involving the issuers; conditions affecting the general economy; overall market changes; local, regional, or global political, social, or economic instability; governmental or governmental agency responses to economic conditions; and currency, interest rate and commodity price fluctuations.

Interest rate risks – The prices of, and the income generated by, most debt and equity securities may be affected by changing interest rates and by changes in the effective maturities and credit ratings of these securities.

Credit risks – Debt securities are also subject to credit risk, which is the possibility that the credit strength of an issuer will weaken and/or an issuer of a debt security will fail to make timely payments of principal or interest and the security will go into default.

Investments may also be affected by currency controls; different accounting, auditing, financial reporting, disclosure, and regulatory standards and practices; expropriation (when governments take away a private business from its owners); changes in tax policy; greater market volatility; global instability; different securities market structures; higher transaction costs; and various administrative difficulties, such as delays in clearing and settling portfolio transaction or in receiving payment of dividends.

Your investments are not bank deposits and are not insured or guaranteed by the FDIC or any other governmental agency, entity or person unless otherwise noted and explicitly disclosed as such, and as such may lose value.

Item 9 Disciplinary Information

We are required to disclose to you legal or disciplinary events that are material to a client or prospective client's evaluation of Moors & Cabot, our advisory business or integrity of our management.

We have disciplinary history that we believe you should be aware of related to "an administrative proceeding before the SEC or a state regulatory agency." The vast majority of these events occurred some time ago; they relate more to our broker dealer business (versus our investment adviser business). However, these are still relevant to our relationship with you. Please use the following regulatory websites to access this disciplinary history information.

FINRA Broker Check

Use our firm name or CRD number (594) to access the records via broker check through the link below. On the report you will see 25 regulatory events. The link is: <http://brokercheck.finra.org/Search/Search.aspx>

Investment Adviser Public Disclosure

[http://www.adviserinfo.sec.gov/\(S\(i40ve5wwnbvd2oed2relfhku\)\)/IAPD/Content/Search/iapd_Search.aspx](http://www.adviserinfo.sec.gov/(S(i40ve5wwnbvd2oed2relfhku))/IAPD/Content/Search/iapd_Search.aspx)

Our principal executive officers do not have disciplinary histories to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Moors & Cabot as Broker/Dealer

As mentioned in the item 4, Moors & Cabot is a dual registrant, which means it is both a Registered Investment Advisor and a broker/dealer. Depending upon the securities registrations held by each individual advisor, Moors & Cabot's advisors offer a variety of securities and investments to their clients, including, but not limited to, mutual funds, Section 529 college savings plans, variable annuities, individual stocks and bonds,

options, LPs, unit investment trusts, REITS, alternative investments and a variety of other securities and insurance products approved for sale by Moors & Cabot. Moors & Cabot has fully disclosed clearing arrangements with First Clearing, TD Ameritrade and Broadcort (for institutional business).

Moors & Cabot as Introducing Broker/Dealer

Moors & Cabot is a member of the National Futures Association, which is the self-regulatory organization for the U.S. futures industry.

Other Businesses and Material Conflicts of Interest

In addition to its dual registration as an investment adviser and broker/dealer, Moors & Cabot is also licensed as an insurance agency under the name Moors & Cabot Insurance Agency. Your advisor is registered with Moors & Cabot's as a RR and may also be a licensed insurance agent of Moors & Cabot Insurance Agency.

As part of the investment advisory programs offered to clients, Moors & Cabot provides brokerage execution services to Moors & Cabot advisory client participating in PMP. Moors & Cabot and its advisors make securities recommendations to clients (or in the case of discretionary services, make investment decisions for clients) regarding Moors and Cabot's advisory programs. Where permitted by law, Moors & Cabot and your advisor may receive mutual fund 12b-1 fees, services fees, due diligence fees, marketing reimbursements or other payments relating to a client's investment in or otherwise supporting Moors & Cabot's or your advisor's activities regarding the securities and insurance products recommended, purchased, or held in your investment advisory program. (12b-1 fees are reimbursed to the client in asset-based fee arrangements within PMP.) To the extent Moors & Cabot is the investment adviser, sponsor or other service provider to your investment advisory program, Moors & Cabot receives compensation for its services. Clients should be aware that these fees, payments, and other compensation may present a potential conflict of interest because Moors & Cabot or your advisor may have a greater incentive to recommend those investment advisory products or programs or make investment decisions regarding investments that provide such additional compensation to Moors & Cabot or your advisor.

Moors & Cabot's Relationship with Other Investment Advisers

We have authorized a number of our advisors to own and operate their own Registered Investment Adviser (RIA). Please see the Form ADV, Part 2 A for each of the listed firms. Although not "owned by" Moors & Cabot, we have authorized (granted permission) for these individuals licensed with us to engage in these outside business activities. No client of Moors & Cabot is required to use the services offered by these firms.

Gyroscope Capital Management (Michael Egan)

Gyroscope Capital Management Group, LLC is an investment adviser specializing in large capitalization equities with an option overlay. Founded in 2006, Gyroscope

Capital Management Group is a registered investment advisory firm regulated by the State of Florida.

Eagleclaw (David Donahue, David Donahue, Jr.)

EagleClaw Capital Management, LLC is an SEC registered investment advisory firm founded in 2005. EagleClaw's investment philosophy incorporates fundamental analysis with a technical overlay, and emphasizes a non-consensus contrarian style.

Brick and Kyle (Edgar, Andrew and Betty Brick)

Brick and Kyle Associates began conducting business in 1998 and is a SEC registered investment adviser. Brick and Kyle uses several methods of analysis in formulating its investment advice and managing client assets including charting, fundamental analysis, technical analysis, cyclical analysis and asset allocation.

Lemon Bay Asset Management (Christopher Juall)

Lemon Bay Asset Management is an independent registered investment advisory firm regulated by the State of Florida. Lemon bay uses several methods of analysis in formulating its investment advice and managing client assets including charting, fundamental analysis, technical analysis, cyclical analysis and asset allocation.

Moors & Cabot and your advisor may serve as solicitors for third-party investment advisers. Moors & Cabot and its advisors are compensated for referring your advisory business to these third-party investment advisers. This compensation generally takes the form of the third-party adviser sharing with Moors & Cabot and your advisor a portion of the advisory fee the third-party investment adviser charges you for providing investment management services. Moors & Cabot and your advisor may, therefore, have a conflict of interest to refer clients to those third-party investment advisers that pay referral fees to Moors & Cabot or to your advisor rather than those that don't. Additionally, Moors & Cabot and your advisor may have a conflict of interest to refer clients to those third-party investment advisers that pay higher referral fees over those that pay lower referral fees.

Item 11 Code of Ethics, Participation in Client Transactions and Personal Trading

Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended, Moors & Cabot has adopted a Code of Ethics that governs a number of potential conflicts of interest we have when providing our advisory services to you. Our Code of Ethics is designed to ensure that we meet our fiduciary obligations to you and to foster a culture of compliance throughout our firm.

Our Code of Ethics is comprehensive and is designed to help us direct and prevent violation of securities laws and to help ensure that we keep your interests first at all times. We distribute our Code of Ethics to each supervised person at Moors & Cabot at the time of his or her initial affiliation with our firm, make sure it remains available to each supervised person for as long as he or she remains associated with our firm and

ensure that updates to our Code of Ethics are communicated to each supervised person as changes are made.

Clients and prospective clients of Moors & Cabot may request a copy of our Code of Ethics by emailing a written request to ComplianceMailbox@moorscabot.com. This request can also be mailed to: Moors & Cabot, Inc., Attn: Compliance Department, 111 Devonshire Street, Boston, MA 02109.

Generally, Moors & Cabot does not buy or sell securities for its own account that it also recommends to clients. Moors & Cabot's advisors, however, may purchase or sell their own accounts securities or other investment products that are also recommended to clients, which may create a conflict of interest. Moors & Cabot's policies and procedures prohibit advisors from "trading ahead" of their customers' transactions. When purchasing or selling securities for the personal accounts of advisors and their clients, priority must always be given to client transactions. Moors & Cabot has implemented surveillance and exception reports that are designed to identify and correct situations in which the personal transactions of advisors are placed ahead of the advisor's clients.

Item 12 Brokerage Practices

General

Moors & Cabot renders investment advice PMP advisory customers on a discretionary basis, pursuant to a written agreement with the client. The vast majority of Moors & Cabot's PMP advisory clients must select First Clearing as the broker/dealer of record for their PMP accounts. Moors & Cabot maintains a primary clearing relationship for the execution of client transactions with First Clearing. Moors & Cabot maintains secondary clearing relationships with TD Ameritrade and Broadcort (for institutional clients).

Moors & Cabot has negotiated competitive pricing and services with First Clearing, TD Ameritrade and Broadcort for the benefit of our clients. These companies offer their broker/dealer clients substantial financial strength and stability, economics of scale, and reliable, state-of-the-art technology.

Clients who do not, or cannot, utilize Moors & Cabot as their broker/dealer may choose to enter into a PMP "advice only" agreement with our firm. Clients who have a PMP "advice only" agreement in place with Moors & Cabot have no obligation to follow the investment recommendations offered to them by their advisor. The service provided by under this arrangement is therefore limited to advice only, and as a result, the client remains solely responsible for managing any and all transactions within his or her accounts. Furthermore, under this arrangement, Moors & Cabot cannot negotiate commissions or other fees related to any transactions performed as a result of the advisor's recommendations or ensure that the client receives "best execution" with respect to client's trades. Moors & Cabot may also be unable to provide timely

monitoring of the client's account and transaction activity or provide the client with quarterly performance reporting.

Best Execution

Moors & Cabot seeks to obtain through its clearing firms the best combination of net price and execution when effecting brokerage transactions for client accounts. Moors & Cabot periodically reviews First Clearing's, TD Ameritrade's and Broadcort's execution quality, as well as our internal procedures, to ensure that Moors & Cabot continues to meet its best execution obligation for its clients.

A number of factors are utilized by Moors & Cabot in analyzing overall trade execution quality. Such factors include:

The nature of the securities being purchased or sold;

Access to market participants, which may be limited due to thin trading activity for a particular security;

- The size of the transaction;
- The speed of the transaction;
- The size of the spread;
- The ability to obtain price improvement;
- The desired timing of the transaction;
- The activity existing and anticipated in the market for the particular security;
- The execution, clearance, and settlement capabilities of the executing broker/de

Batched or Aggregated Trades

Because Moors & Cabot advisors generally manage their client's accounts independently of each other based on each client's specific needs and objectives, transactions for each client account are often executed independently. When advisors believe it is appropriate or beneficial to do so, however, they will often aggregate the purchase or sale of multiple clients' securities together to facilitate best execution, reduce overall brokerage commissions or other costs, or provide each client with the same execution price.

Moors & Cabot and its advisors effect batched transactions in a manner designed to ensure that no participating client obtains a more favorable execution price over any other client. When Moors & Cabot or your advisor aggregate multiple client orders, transactions are typically allocated pro rata to the participating client accounts in proportion to the size of the order placed for each account. Moors & Cabot or your advisor may, however, increase or decrease the amount of securities allocated to each account if necessary to avoid holding odd lot or small number of shares for particular clients. Additionally, if Moors & Cabot 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, Moors & Cabot may allocated such securities in a manner determined in good faith to be fair and equitable to the clients involved.

Additional compensation

Soft-Dollars - Moors & Cabot does not use commissions to pay for research and brokerage services ("Soft-Dollar Transaction").

Bank Deposit and Money Market Sweep Programs – Moors & Cabot offers clients access to a variety of interest-bearing cash sweep vehicles, including money market funds and bank deposit accounts, which may be used to hold a cash balance that is awaiting reinvestment. The programs may create financial benefits for Moors & Cabot as we receive a fee from each program bank in connection with these programs (equal to a percentage of all participants' average daily deposits at the program banks).

Prohibited Brokerage Practices

We do not engage directly in principal transactions or agency cross transactions for any advisory account¹. Although these transactions could be beneficial to our ability to achieve best execution of advisory transactions, these types of transactions create a conflict between your interests and ours. As a result, we have determined to prohibit these brokerage activities.

We do not have any formal or informal soft-dollar arrangements and do not receive any soft-dollar benefits.

Conflicts of Interest

As discussed elsewhere in this Brochure, Moors & Cabot is a correspondent broker/dealer of First Clearing, TD Ameritrade and Broadcourt, to which Moors and Cabot introduces its client transactions for execution, clearance and settlement.

The vast majority of Moors & Cabot's PMP clients establish a securities brokerage account with Moors & Cabot and execute securities transactions for PMP portfolios through First Clearing. For utilizing First Clearing's securities transaction services, Moors & Cabot may be compensated by First Clearing or other broker/dealers with which Moors & Cabot's clients' securities transactions are executed.

This industry practice is generally known as "payment for order flow," and does not affect the quality of execution services, or Moors & Cabot's, First Clearings', TD Ameritrades' or Broadcorts' duty to obtain best execution for clients. Moors & Cabot does not receive payment for order flow.

The investment advisory services provided by Moors & Cabot may cost the client more or less than purchasing similar services separately. Clients should consider whether or

¹ In a principal transaction, a firm can buy or sell a security from its own account to an advisory account. In an agency cross transaction, a firm may act for two sides of a transaction, receiving two commissions from both an advisory client and a brokerage client.

not the appointment of Moors & Cabot as the sole broker/dealer may result in certain costs or disadvantages to the client as a result of possibly less favorable executions. Factors to consider include the type and size of the account and the client's historical and expected account size or number of trades.

Item 13 Review of Accounts

Reviews / Reviewers of All Investment Advisory Services

Moors & Cabot's home office Compliance and Operations principals and designated Office of Supervisory Jurisdiction ("OSJ") branch managers periodically review client accounts to identify situations that may warrant either a more detailed review or a specific action on behalf of an advisory client.

Moors & Cabot utilizes a series of surveillance, exception, trade, and other transaction and account reports that are designed to help facilitate the ongoing review of Moors & Cabot's managed accounts. In addition, Moors & Cabot advisors provide continual and regular investment advice or investment supervisory services to clients, routinely review client portfolios and are responsible for communicating with clients at least annually.

Item 14 Client Referrals and Other Compensation

Moors & Cabot as Solicitor

Moors & Cabot and your advisor served as solicitors for a variety of third-party investment advisers. Moors & Cabot and your advisor are compensated by these third-party investment advisers for referring your advisory business to them. This compensation generally takes the form of the third-party investment adviser sharing with Moors & Cabot and the advisor a portion of the advisory fee the third-party investment adviser charges you. Moors & Cabot and your advisor may, therefore, have a conflict of interest to refer your advisory business to those third-party investment advisers that pay referral fees to Moors & Cabot, or to those that pay higher referral fees to Moors & Cabot.

Moors & Cabot or your advisor may also receive training and educational support, marketing support, enhanced service or other economic benefit in addition to its receipt of the referral fee discussed above from a third-party investment adviser to whom we have referred your advisory business. This support or other economic benefit will be paid from the third-party investment adviser's own funds and not from client funds. Moors & Cabot and your advisor, however, may have a conflict of interest to favor referring your advisory business to those third-party investment advisers that provide such support or other economic benefit over those advisers that don't provide such support or other benefits.

Moors & Cabot's Use of Solicitors

Moors & Cabot has a number of solicitation agreements in place to compensate outside professionals or firms, such as attorneys, accountants or other broker/dealers and investment advisers, for referring your advisory business to Moors & Cabot and your advisor. These professionals or firms are known as "solicitors." Moors & Cabot and your advisor will pay a portion of the advisory fee you pay us to the solicitor, typically for as long as you maintain an advisory relationship with us, to compensate the solicitor for the referral. Moors & Cabot will not charge a client who is referred to Moors & Cabot by a solicitor any amount for the cost of obtaining the client that is in addition to the fee normally charged by Moors & Cabot for its investment advisory services. Such solicitation arrangements are disclosed to the clients at the time of the solicitation via execution of a solicitor disclosure statement or similar document that outlines the nature and amount of the compensation we pay to the solicitor and whether or not the solicitor is affiliated with or related to Moors & Cabot. Solicitors are required to provide prospective clients with a copy of Moors & Cabot's ADV Part 2 no later than the date on which the client enters into an advisory relationship with Moors & the advisor.

Item 15 Custody

Custody Services

If the client established a brokerage account with Moors & Cabot in its broker/dealer capacity, account custody services are provided by Moors & Cabot's clearing broker/dealer, First Clearing and Broadcort (institutional customers). Some Moors & Cabot managed account assets (such as managed variable annuities), are held at the custodian for the respective product (such as the insurance company). Clients who establish a managed account with Moors & Cabot as broker/dealer of record will receive custodial account statements directly from the respective custodian that holds those assets, such as First Clearing, TD Ameritrade or an insurance company. Clients should carefully review the statements they receive from their account custodians.

Performance Reporting

Moors & Cabot clients may also receive statement for their managed accounts from their advisor that are in addition to those statements received from the account custodian. Moors & Cabot urges you to compare the account statements you receive from your account custodian and the statements you receive from your advisor. While account holdings and asset valuations should generally match, for the purposes of calculating performance and account valuations on your managed account, the performance statement month-end market values sometimes differs from First Clearing's or TD Ameritrade's month-end market values. The three most common reasons why these values may differ are differences in the manner in which accrued interest is calculated, the date upon which "as of" dividends and capital gains are reported and statement date vs. trade date valuations.

If you believe there are material discrepancies between your custodial statements and the statements you receive from your advisor, please contact Moors & Cabot directly at 800-426-0501.

Item 16 Investment Discretion

Moors & Cabot renders investment advice to the vast majority of its managed account clients on a discretionary basis pursuant to written authorization granted by the client to Moors & Cabot and your advisor. This authorization grants to Moors & Cabot and your advisor the discretion to buy, sell, exchange, convert, or otherwise trade in securities and/or insurance products with or through any distributor, issuer or broker/dealer as Moors & Cabot or your advisor may select. Your advisor may, without obtaining your prior consent, determine which products to purchase or sell for your managed account, as well as when to purchase or sell such products, and the prices to be paid. Neither Moors & Cabot nor your advisor, however, is granted the authority to take possession of your assets or direct the delivery of your assets to anywhere other than your address of record.

Client may impose reasonable restrictions on their managed account, including but not limited to, the type, nature, or specific names of securities to be bought, sold or held in their managed account, as well as the type, nature or specific names of securities that may not be bought, sold or held in their managed account. Furthermore, Moors & Cabot's managed account agreement permits the client to choose to have Moors & Cabot and the advisor provide investment advice and recommendations on a non-discretionary basis. Clients electing a non-discretionary arrangement with Moors & Cabot and the advisor must execute this option on the management account agreement.

Item 17. Voting Client Securities

As a matter of firm policy and in accordance with this Brochure and our advisory client agreements, neither Moors & Cabot nor its advisors have or will accept the authority to vote proxies on behalf of advisory clients in any situation where Moors & Cabot or the advisor acts as investment adviser to the client. Moors & Cabot or its advisors may, but are not obliged to, provide advice to clients regarding the clients' voting of proxies. In all cases, clients must either retain the responsibility for receiving and voting proxies for any and all securities maintained in their managed accounts, or they must appoint a third-party investment adviser or other person who is not associated with Moors & Cabot to vote proxies for their managed accounts.

Item 18. Financial Information

Moors & Cabot and our advisors do not require prepayment of more than \$1200 in fees six (6) months or more in advance from our clients. Moors & Cabot also does not maintain custody of certain client assets, as defined in SEC Rule 206(4)-2. Additionally, pursuant to the trading authorization granted by our managed account clients to Moors

& Cabot and the advisor, Moors & Cabot has discretionary trading authority over the funds and securities of clients.

Moors & Cabot does not have a financial commitment that would impair our ability to meet our contractual and fiduciary commitments to clients. Nor has Moors & Cabot been the subject of a bankruptcy proceeding.