



FIRM BROCHURE AND BROCHURE SUPPLEMENT

LAWRENCE CAPITAL MANAGEMENT, INC.

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This brochure provides information about the qualifications and business practices of Lawrence Capital Management, Inc. If you have any questions about the contents of this brochure, please contact Worthington Johnson, Jr. by telephone at 212.209.3988 or by electronic mail at wjohnson@lawrencecapitalmgt.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 Lawrence Capital Management, Inc. is available on the website maintained by the Securities and Exchange Commission at www.adviserinfo.sec.gov.

March 2012

Material Changes

Annual Update

The material changes section of this brochure will be updated annually and when material changes occur.

Material Changes Since Last Update

This firm brochure and brochure supplement has been prepared in connection with our application to register as an investment advisor with the Securities and Exchange Commission. The firm brochure and brochure supplement were last revised in March 2012.

Full Brochure Available

If at any time you would like to receive a copy of the current firm brochure, please contact Worthington Johnson, Jr. by telephone at 212.209.3988 or by electronic mail at wjohnson@lawrencecapitalmgt.com.

Table of Contents

Material Changes	i
Annual Update	i
Material Changes Since Last Update	i
Full Brochure Available	i
Advisory Business.....	1
Firm Description	1
Principal Owner	1
Types of Advisory Services	1
Tailored Relationships	1
Assets Under Management	1
Fees and Compensation.....	1
Managed Accounts	1
Joss International, L.P.....	2
Brokerage and Other Fees	3
Types of Clients.....	3
Description	3
Minimum Account Size	3
Know Your Customer	3
Methods of Analysis, Investment Strategies, and Risk of Loss	3
Investment Strategy.....	3
Investment Analysis	4
Sources of Information.....	4
Managing Risk of Loss.....	5
Disciplinary Information.....	6
Legal and Disciplinary History	6
Other Financial Industry Activities and Affiliations	6
Management of Joss	6
Participation or Interest in Client Transactions and Personal Trading	6
Participation or Interest in Client Transactions.....	6
Personal Trading.....	6
Brokerage Practices.....	7
Selecting Brokerage Firms.....	7
Best Execution	7
Directed Brokerage	7
Trade Error Policy.....	8
Allocation of Scarce Securities	8
Soft Dollars.....	8
Order Aggregation.....	8
Review of Accounts	8
Periodic Reviews.....	8
Review Triggers	8
Regular Reports.....	8

Client Referrals and Other Compensation.....	9
Incoming Referrals	9
Referrals Out	9
Custody.....	9
Account Statements	9
Performance Reports	9
Investment Discretion.....	9
Discretionary Authority for Trading	9
Limited Power of Attorney	10
Voting Client Securities.....	10
Proxy Voting	10
Conflicts of Interest	10
Financial Information	10
Financial Condition	10
Brochure Supplement.....	11
Education and Business Standards	11
Worthington Johnson, Jr.	11

Advisory Business

Firm Description

Lawrence Capital Management, Inc. (LCM) was organized as a corporation under the laws of the State of New York in 1991 and has offices in New York, New York and Jackson, Wyoming. LCM is in the process of registering as an investment advisor with the Securities and Exchange Commission.

Principal Owner

Worthington Johnson, Jr. is the sole shareholder of LCM.

Types of Advisory Services

LCM furnishes investment management services to individuals, trusts, corporations, charitable organizations, and a pooled investment vehicle called Joss International, L.P. (Joss). Its services include the management of equity, fixed-income, and balanced portfolios, as well as other specialty investment portfolios. LCM bases its investment advice on an individual investment program that reflects the degree of risk tolerance and the particular needs, investment objectives, and investment guidelines of the client. Subject to the foregoing, LCM generally manages the assets of its clients on a fully discretionary basis. LCM does not call any of the services that it provides financial planning or some similar term.

Tailored Relationships

LCM tailors its investment advice to the particular needs, investment objectives, and investment guidelines of each of its clients. Clients may impose restrictions on investing in particular securities or types of securities.

Assets Under Management

As of March 27, 2012, LCM managed approximately \$38,061,694 of client assets on a discretionary basis and no client assets on a non-discretionary basis.

Fees and Compensation

Managed Accounts

LCM is generally paid an annual fee equal to one and one-half percent of the assets under management in a client account. Typically LCM charges fees quarterly in advance, and in general LCM deducts its fees directly from client accounts. A client may choose to be billed for fees rather than to have fees directly deducted. Account fees are generally subject to a \$3,000 annual minimum.

Fees may be negotiated based on the size and type of investments involved. A variance in fees may be appropriate in cases in which a client requests special account structures or has atypical objectives. Fees are generally discounted for eleemosynary and family accounts. LCM has the

flexibility to change, reduce, or waive its fees in its sole discretion and to increase or decrease the minimum account size that it accepts.

LCM computes its fees based on the market value of the assets in the account or, in the absence of a readily ascertainable market value, based on the fair value of these assets in the account as LCM determines fair value in good faith. LCM may hold cash in accounts for strategic and other purposes.

Client agreements for managed accounts generally permit either the client or LCM to terminate the investment advisory relationship at any time upon a five-day written notice. If a relationship terminates, LCM refunds any unearned fees previously paid ratably based on the number of calendar days remaining after the termination date in the period as to which fees have been prepaid.

Joss International, L.P.

LCM serves as investment manager of Joss International, L.P., a Delaware partnership that is a pooled investment vehicle. For its services, LCM receives a quarterly investment fee, payable in arrears, equal to one-quarter of one percent of the net asset value of Joss as of the end of the calendar quarter. Mr. Johnson serves as the general partner of Joss. A limited partner of Joss may withdraw as of the first day of the first full calendar year next succeeding the year in which he was admitted as a limited partner to Joss and as of the last day of each calendar year thereafter. Mr. Johnson may waive these withdrawal restrictions in his sole discretion.

Confidential offering documents describe the investment objectives and strategy of Joss. These confidential offering documents are delivered to prospective investors in advance of their investment. In addition, the documents are delivered (1) in response to a request by a particular investor and (2) to all investors in Joss in the event of material changes to the documents. Interests in Joss are offered exclusively to investors and prospective investors that LCM believes to satisfy applicable eligibility and suitability requirements. Each offering and sale of interests in Joss is believed to be exempt from registration under the Securities Act of 1933 as a private placement of securities.

LCM manages the assets of Joss on a fully discretionary basis, subject to the investment policies and guidelines described in the confidential offering documents. Joss is not a mutual fund, because it is excluded from the definition of an “investment company” under the Investment Company Act of 1940.

The information contained here is not intended to be, nor should it be construed as, an offer to sell or a solicitation of an offer to buy an interest in Joss. No offer or solicitation of any security may be made prior to the delivery of confidential offering documents, and any offer or solicitation will be made only in those jurisdictions in which the law permits. Before making an initial or additional investment in Joss, investors and prospective investors are advised to review the applicable confidential offering documents thoroughly and carefully with their own financial, legal, and tax advisors to determine whether the investment is suitable for them.

Brokerage and Other Fees

Brokerage firms typically charge transaction fees on purchases or sales of securities, and account custodians may charge custodial fees. These charges are usually small in relation to the value of the account. The selection of the security is more important than the fees that a brokerage firm charges to buy or sell the security. Clients have the option to purchase securities that LCM recommends through the brokerage firm of their choosing. For additional information about transaction expenses, please see the section entitled “Brokerage Practices.”

Types of Clients

Description

LCM furnishes investment management services to individuals, trusts, corporations, charitable organizations, and a pooled investment vehicle called Joss. Several LCM clients are persons and entities controlled or influenced by LCM personnel or members of their families.

Minimum Account Size

LCM generally requires a minimum of \$500,000 for new managed accounts. LCM reserves the right to increase or decrease the minimum account size that it accepts.

Know Your Customer

It is LCM policy to know and understand the identities of clients and prospective clients and the business reasons for any transactions in which LCM engages on behalf of its clients. LCM does not directly or indirectly conduct any business with any person or entity whose identity and source of funds have not been verified to the satisfaction of the account custodian.

Methods of Analysis, Investment Strategies, and Risk of Loss

Investment Strategy

LCM adheres to a research-driven strategy that combines top-down and bottom-up analyses. LCM first determines the broad direction of the economy and then attempts to identify attractive investments within the context of the prevailing market environment. In particular, LCM studies macroeconomic indicators that affect corporate and investment decision-making. LCM also monitors the outlook for corporate earnings, interest-rate movements, and inflationary expectations. Economic, geopolitical, and industry trends also shape the basis of LCM thinking.

LCM uses fundamental analysis to attempt to determine accurate valuations and to identify securities that are perceived to be inefficiently priced but that are believed to have the potential for above-average returns. Top-down analysis helps to clarify the world in which LCM pursues its bottom-up search for investments.

The LCM investment strategy includes the objective of a broad degree of issuer diversification. Generally, clients authorize LCM to invest their assets primarily in publicly traded securities and

shares of mutual funds. The securities held in client accounts include, among other things, common stock, preferred stock, partnership interests, limited liability company interests, debt securities, and municipal securities.

LCM is not limited in the specific investment strategies that it may employ. It may use long-term purchases (securities held at least a year), short-term purchases (securities sold within a year), trading (securities sold within thirty days), short sales, margin transactions, and option writing (including covered options, uncovered options, and spreading strategies).

Investment Analysis

The disciplined strategy that LCM uses entails a thorough analysis of industry and company fundamentals. Trends in economics, politics, demographics, industries, liquidity, and accounting standards drive investment selection, with specific emphasis on:

- Global economic expansions and contractions
- The strength or weakness of the United States dollar
- Competition
- Inflation, disinflation, and deflation
- Deleveraging after leveraging
- Substitution of capital for labor
- The cycles for consumer goods as compared to capital goods
- Demographic shifts and changing purchasing behavior
- Changes in tax laws
- Privatization of foreign industries
- Fair versus free markets
- Small, medium, and large issuer capitalizations relative to securities performance

LCM stresses the importance of looking at both sides of an investment, as one would a balance sheet, to assess whether the issuer has a positive or negative net worth.

Sources of Information

The main sources of information used by LCM include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

LCM uses information, reports, and data from various sources, but the investment decisions that LCM makes on behalf of its clients are based primarily on its own internal research and analysis, as well as the experience of its key personnel. LCM may obtain advice from attorneys, accountants, and other experts to assist in our investment analysis. In addition, LCM may obtain research information from third parties, including published reports of companies and other issuers, general economic data, and governmental publications and data compilations.

Managing Risk of Loss

All investment programs have certain risks that are borne by the investor. The investment approach employed by LCM constantly keeps the risk of loss in mind. Like other investors, LCM clients face the following investment risks:

Interest-Rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on bonds tend to become less attractive, which in turn causes their market values to decline.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors regardless of the particular circumstances affect a security. For example, political, economic, and social conditions may influence market conditions.

Inflation Risk: When inflation is present, a dollar today will not buy as much as a dollar next year, because the purchasing power of the dollar is eroding at the rate of inflation.

Currency Risk: A security that is not denominated in United States dollars is subject to fluctuations in the value of the United States dollar as against the currency in which the security is denominated. For example, the value of a security denominated in euros will decrease if the dollar strengthens against the euro. This type of risk is also called exchange-rate risk.

Reinvestment Risk: This risk is that future proceeds from investments may be reinvested at a lower rate of return because yields generally have decreased. This primarily relates to fixed-income securities.

Business Risk: This risk is associated with a particular industry or a particular issuer. For example, an oil production company depends upon the lengthy process of finding oil and then refining it before the company can generate a profit. As a result, an oil production company carries a higher risk of profitability than an electric company, which generates its income from a relatively stable customer base that must purchase electricity regardless of the economic environment.

Liquidity Risk: Liquidity is the ready ability to convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance the operations of a business increases the risk of profitability, because the company is required to repay principal and interest in both good and bad economic times. During periods of financial stress, the inability of a company to meet its loan obligations may decrease the value of its securities and, in some cases, force the company to seek bankruptcy protection.

LCM has incorporated tools to monitor risk into its investment approach. Specifically, LCM seeks to measure the risk of a portfolio as a whole, rather than focusing solely on individual portfolio positions. Economic conditions are monitored through the assessment of both fiscal and monetary

policy. Current capital markets valuations, such as the ratio of price to earnings, dividend yields, and price-to-book ratios are carefully monitored and compared to historical data. Investor sentiment is also actively gauged through studies of prevailing consensus opinions. LCM also scrutinizes a valuation model based on the historical relationship between interest rates and the price-to-earnings ratio. LCM has a deep conviction that managing risk is not only paramount in preserving capital but is also a key determinant in achieving superior long-term returns.

Disciplinary Information

Legal and Disciplinary History

Neither LCM nor any of its employees has been involved in any legal or disciplinary events that relate to past or present investment advisory clients.

Other Financial Industry Activities and Affiliations

Management of Joss

As described above, LCM serves as investment manager to Joss, a pooled investment vehicle. LCM may offer advice relating to an investment in Joss. An investor is advised to make a decision to invest in Joss independently or with the assistance of his own purchaser representative. LCM does not exercise its discretionary authority over client accounts to cause clients to invest assets in Joss.

Participation or Interest in Client Transactions and Personal Trading

Participation or Interest in Client Transactions

LCM or one or more of its officers, directors, employees, and agents may from time to time have a direct or indirect interest in a security that is purchased, sold, or otherwise traded in client accounts and may effect transactions in the security for client accounts that may be the same as or different from the actions that LCM or such a related person may take with respect to its or his account.

As an agent for a client, LCM may effect transactions in securities while also acting as agent for another client who is the counterparty to the transaction.

Personal Trading

LCM permits its supervised persons to purchase and sell securities for their personal accounts and for the accounts of persons and entities related to them. These securities may be among those recommended to LCM clients. Where material, LCM discloses to the client in advance the nature and extent of the financial interest of the related person in a particular security. LCM policy is not to permit its related persons to hold securities positions that are inconsistent with the positions held by its clients. For example, if a particular security is held in a client account, then generally the related persons of LCM will not sell the same security short unless the security is also sold short in client accounts.

LCM has a written insider trading policy that is designed to prevent the improper use of material nonpublic information.

Brokerage Practices

Selecting Brokerage Firms

LCM generally has full discretion and authority over its client accounts, including the authority to select a broker-dealer to execute a particular transaction and to negotiate the rate of commission payable for these services. Unless otherwise directed by a client, LCM limits the broker-dealers that it uses to those that it believes will result in the best execution for its clients. In some cases, federal and state laws (such as the Employee Retirement Income Security Act of 1974) may limit or restrict the selection of broker-dealers.

Best Execution

In cases in which LCM has discretionary brokerage authority, LCM endeavors to select financially responsible broker-dealers that provide best execution. LCM generally suggests the institutional custodial arrangement provided by Bank of America—Merrill Lynch Money Managers Services, which is offered exclusively to investment advisors. In addition, other broker-dealers provide custody and account administration for some LCM clients and a prime brokerage facility for Joss in exchange for the direction of fees, including commission dollars, margin interest, and other compensation.

The factors that LCM considers in selecting a broker-dealer include, but are not limited to, the effectiveness of the transaction clearing and settlement procedures of the broker-dealer, the liquidity of and the amount of capital commitment by the broker-dealer, the degree to which the broker-dealer has been responsive to LCM in the past, the quality and promptness of the research and brokerage services provided by the broker-dealer (both in general and with respect to particular transactions and accounts), whether the broker-dealer brought the investment in question to the attention of LCM, and the reasonableness of the compensation of the broker-dealer in relation to these factors. The rates charged may not be the lowest commission available but should be generally competitive with prevailing rates.

Directed Brokerage

Sometimes a client may limit the discretion of LCM with respect to investment activities and broker-dealer placement. In these cases, LCM may be unable to negotiate commissions or to obtain best execution, and the execution of securities purchases and sales through these broker-dealers may be delayed. As a result, directed brokerage may cost a client more money. For example, in a directed brokerage account, a client may pay higher brokerage commissions because LCM is unable to aggregate orders to reduce transaction costs, or the client may receive less favorable prices. Not all investment advisors require or permit their clients to direct brokerage.

Trade Error Policy

On occasion, LCM may experience errors with respect to trades made on behalf of client accounts. LCM endeavors to detect trade errors prior to settlement and to correct them in an expeditious manner. LCM will reimburse client accounts for losses directly due to uncorrected trade errors attributable to LCM personnel.

Allocation of Scarce Securities

On occasion, LCM has the opportunity to purchase for client accounts securities in an initial public offering or other limited investment opportunity. Subject to suitability considerations, LCM seeks to allocate these “scarce” securities ratably among client accounts. When LCM is not allocated enough of a particular issue to spread the issue ratably among these client accounts, the issue is allocated first to clients who during the preceding two years were not allocated securities in an initial public offering or other limited investment opportunity by LCM.

Soft Dollars

LCM has no soft-dollar arrangements.

Order Aggregation

LCM generally aggregates for block execution multiple orders for the purchase and sale of the same security on behalf of several clients for accounts held by a particular custodian. Securities purchased in an aggregated order receive the average price obtained on the order. When aggregating transactions for block execution, LCM makes a good-faith determination that the participating accounts will benefit from the aggregation, that aggregation is consistent with the duty of LCM to seek best execution for its clients, and that aggregation is permitted by the investment management agreement between LCM and each client whose accounts participate in the aggregation.

Review of Accounts

Periodic Reviews

Mr. Johnson reviews securities transactions on a regular basis. Mr. Johnson also reviewed each client account on a formal basis at least quarterly.

Review Triggers

Client inquiries, changes in the general market outlook, changes in the tax laws, new investment information, changes in the financial situation of a client, and changes in Mr. Johnson’s opinions on specific issues may prompt periodic reviews of some or all client accounts.

Regular Reports

Each client receives a report at least quarterly containing a detailed analysis of his investment advisory account. On an annual basis, LCM sends a report with respect to realized gains and losses

to those clients who request it. In addition, each client receives a monthly portfolio statement from his custodian.

Client Referrals and Other Compensation

Incoming Referrals

LCM has been fortunate to receive many client referrals over the years. The referrals came from current clients, estate planning attorneys, accountants, employees, personal friends of employees, and other similar sources. LCM does not compensate referring parties for these referrals.

Referrals Out

LCM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred by LCM.

Custody

Account Statements

All client funds and securities are held at qualified custodians. These custodians provide account statements at least quarterly. The account statements are sent directly to each client at his address of record.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the report provided by LCM.

Investment Discretion

Discretionary Authority for Trading

LCM generally accepts discretionary authority to manage securities accounts on behalf of clients. LCM has the authority to determine, without obtaining specific client consent, the securities to be bought or sold and the amount of the securities to be bought or sold. LCM consults with the client prior to each trade to obtain concurrence if discretionary authority has not been granted. Discretionary trading authority facilitates placing trades in client accounts on behalf of clients so that LCM may promptly implement its investment strategies.

The client approves the custodian to be used and the commission rates paid to the custodian or executing broker-dealer. LCM does not receive any portion of the transaction fees or commissions paid by the client to the custodian or executing broker-dealer.

Limited Power of Attorney

Most clients grant LCM a limited power of attorney, which is a trading authorization that gives LCM discretionary authority over the client account.

Voting Client Securities

Proxy Voting

LCM has adopted written proxy-voting policies and procedures. Clients, including Joss, generally grant LCM the exclusive right to vote proxies on their behalf. LCM may delegate this right to a third-party proxy service provider. To the extent that any client retains proxy-voting authority or has specific instructions regarding proxy voting, LCM documents this consideration in the investment management agreement between LCM and the client. The LCM proxy-voting procedures are available upon request by any client. Also available upon request by any client is a record of how LCM has voted client proxies.

Conflicts of Interest

Mr. Johnson is responsible for determining whether a potential conflict exists with respect to the subject matter of proxy materials. If Mr. Johnson determines that a matter to be voted upon involves a potential conflict of interest, he consults with outside counsel to determine whether the matter to be voted on presents a material conflict of interest. If it is determined that a material conflict of interest exists, Mr. Johnson (1) promptly contacts the client to describe the conflict presented and then votes the proxy in accordance with the instructions of the client, or (2) votes the proxy in the manner that he believes is in the best interest of the client, so long the vote is against the interest of LCM or the interest of the relevant interested party, or (3) votes the proxy in a manner that is recommended by an independent third party, such as a large institutional shareholder with interests that appear to be aligned with the client or a proxy-voting service, or (4) in extraordinary circumstances, abstains from voting the proxy.

Financial Information

Financial Condition

LCM does not have any financial impairment that is reasonably likely to preclude the firm from meeting its contractual commitments to clients. LCM is not required to provide a balance sheet because LCM does not serve as a custodian for client funds or securities and does not require prepayment of fees of more than \$1,200 per client and six months or more in advance.

Brochure Supplement

Education and Business Standards

LCM considers relevant business experience to be one of the most important criteria in selecting persons to provide investment advice to and research for its clients. LCM does not have specific hiring guidelines but generally requires at least a college degree.

Worthington Johnson, Jr.

Born 1951
Columbia Business School, Columbia University
University of Denver, BSBA in Finance and Economics

Mr. Johnson founded Lawrence Capital Management, Inc. in 1991 and serves as its president. He manages the client portfolios and also serves as the general partner of Joss. From 1980 to 1991, Mr. Johnson was affiliated with Trainer, Wortham & Company, Inc., an independent investment counselor in New York, eventually rising to managing director. Mr. Johnson has been involved in the investment advisory business throughout his professional career. No other supervised person advises the client accounts of LCM.