

Form ADV Part 2A

**Item 1            Cover Page**

RDM Capital Associates, Inc.  
1161 Broad St., Suite 215  
Shrewsbury, NJ 07702  
www.rdmcapital.com  
Bruno LaRocca  
Matthew L. LaRocca

May 31, 2012

This brochure provides information about the qualifications and business practices of RDM Capital Associates, Inc. If you have any questions about the contents of this brochure, please contact us at 732-544-4707 or email blr@rdmcapital.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 RDM Capital Associates, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

RDM Capital Associates, Inc. is a registered investment adviser. Such registration does not imply a certain level of skill or training.

**Item 2        Material Changes**

Not Applicable.

**Item 3          Table of Contents**

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#### **Item 4            Advisory Business**

RDM Capital Associates, Inc. has been a Registered Investment Adviser since inception of the firm, July 1, 1989. The principals are:

##### Bruno LaRocca

Date of birth:                      January 11, 1942

Education:                        Cornell University, Bachelor of Science, Industrial and Labor Relations, 1964

    New York University, 1971, completed night graduate studies for MBA in Finance and Economics. Unable to complete Master's thesis due to overseas transfer with Bankers Trust Co., New York

Business background:        RDM Capital Associates, Inc., 7/1992 to Present  
President, Secretary, Director

##### David H. LaRocca

Date of birth:                      June 10, 1974

Education:                        Cornell University, Bachelor of Arts, Psychology, 1996

    Cornell Law School, Juris Doctor, 2000

Business background:        RDM Capital Associates, Inc., 4/2012 to Present, Vice President

    MetLife, 7/2008 – 4/2012, Senior Counsel

    Simpson Thacher & Bartlett LLP, 9/2000 – 12/2001,  
1/2003 – 6/2008, Attorney

    Moore & Van Allen, 1/2002-12/2002, Attorney

##### Matthew L. LaRocca

Date of birth:                      April 27, 1982

Education:                        Cornell University, Bachelor of Science, Industrial and Labor Relations, 2004

Villanova University, Juris Doctor, 2008

Business background: RDM Capital Associates, Inc., 10/2010 to Present  
Vice President

Skadden, Arps, Slate, Meagher & Flom LLP, 6/2008 to  
10/2010, Attorney

Thomas F. Flynn

Date of birth: October 11, 1941

Education: University of Scranton, Bachelor of Science, Accounting,  
1963

Business background: RDM Capital Associates, Inc. 7/1992 to Present  
Treasurer  
CPA practice specializing in accounting and regulatory  
reporting for registered Broker-Dealer and Registered  
Investment Advisers

Registrant provides continual advice to clients regarding the investment of funds. Investment advice and decisions are based on the individual needs and investment objectives of each client. Registrant employs generally a long term growth and value investment strategy.

Clients should recognize that assets invested in mutual funds, ETFs and/or money market funds are charged a fee by the fund managers as well as a quarterly fee based on the market value of assets under Registrant's management. (A)

Advisory service contracts may be terminated on 30 days notice by either the client or Registrant. If a contract is terminated, the unearned portion of any prepaid fee is refunded to the client. (B)

Registrant advises and manages some accounts without specific knowledge of the individual needs of the client, but solely on the analysis of the portfolios. Registrant's compensation for advising such accounts is the same as stated under Item 5.

On occasion, at the request of a client and in conjunction with managing an account, Registrant will consult with a client about investment matters or the securities of a particular corporation. Registrant has no established fee for such consultation which may be done without a fee.

Assets managed as of January 1, 2012 are as follows:

Discretionary: \$32,861,098  
Non-Discretionary: \$0

**Item 5            Fees and Compensation**

Registrant's annual fees are negotiable, but they generally range between 1 to 2%. See note B in Item 4 above for refund of fees on terminated contracts.

Fees are generally deducted at the beginning of each quarter from client's assets. Clients have the option to be billed directly.

Clients will incur brokerage fees (commissions) and other charges (see note A in Item 4 above).

Registrant does not receive any compensation from any other source.

Clients have the option to purchase investment products (that we recommend) through other brokers or agents that are not affiliated with Registrant.

**Item 6            Performance-Based Fees**

A negotiated and mutually agreed on performance fee of up to 25% may also be charged if permitted by Federal securities law in accordance with Rule 205-3, as amended, and applicable State securities laws. Any performance fee is based on the total of all realized and unrealized gains and losses and paid on a mutually agreed upon rolling period (quarterly, semi-annually or annually). Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.



**Item 7            Types of Clients**

Registrant manages portfolio assets for individuals, pensions and profit sharing plans, trusts and estates and corporations. There is no minimum account size required.

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

Registrant offers advice on exchange-listed securities, securities traded over the counter, foreign issuers, corporate debt securities, US Government securities, Municipal securities and mutual fund shares (limited).

Registrant's security analysis methods include fundamental and technical from sources as financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, annual reports, prospectuses and filings with the SEC and company press releases.

Registrant follows a strict, fundamental analysis and value-based approach to investment management. Under this approach, the most important criteria for security evaluation are deemed to be:

- Low price to cash flow
- Low price to net asset value
- Low debt to capitalization
- Consistent earnings growth
- Consistent dividend growth rate
- Overall financial strength
- Sustainable Payout ratio
- Experienced management
- Product leadership
- Low multiple of price earnings

Registrant believes from experience and from market studies done by others and covering several years, that a low price/earnings multiple, fundamental analysis and value-based approach to equity investing results in superior performance over time when compared to the market as a whole. The holding period for the successful implementation of this strategy tends to be longer than one year.

Registrant uses a broadly diversified portfolio, both as to industries and companies, selected in accordance with the criteria outlined above, in an attempt to achieve superior market performance within the context of a low degree of risk.

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

**Item 9        Disciplinary Information**

None.

**Item 10      Other Financial Industry Activities**

None.

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

Registrant has adopted a code of ethics pursuant to SEC Rule 204A-1. Such code of ethics is available to any client or prospective client on request. The code requires personnel to act within the law and to put client's interests first. Employees and officers may not engage in insider trading or assist in same. Personal trades must be pre-cleared by the chief Compliance Officer, Bruno LaRocca

Registrant manages personal investment accounts of its officers and employees. Such transactions are executed after all appropriate client accounts have had a reasonable opportunity to purchase or sell the security and/or are executed pari passus (on an equal basis) with clients. Trades done for the principals are made after all reasonable opportunity to act on behalf of clients has occurred.

In highly rare circumstances, Registrant may effect cross transactions among advisory clients. Such circumstances would most likely be associated with tax-related transactions of illiquid unlisted issues. The cross would usually be midway between the bid and asked price, thereby benefiting both buyer and seller.

Any adverse financial condition of Registrant will be promptly reported to clients.

In cases of class action lawsuits, Registrant may assist in compiling documentation, but it is the clients' responsibility to file.

## **Item 12      Brokerage Practices**

Registrant provides both discretionary and non-discretionary investment advisory services. Registrant usually exercises discretionary authority to determine through which broker or dealer securities are to be bought or sold and the commission rates for securities transactions. A limited number of clients maintain discretionary authority to determine through which broker or dealer securities for their account are to be bought or sold. Clients directing brokerage may be unable to achieve favorable execution of their transactions and this may cost clients more money in higher commissions or not best execution since they may not be able to aggregate orders to reduce transaction costs.

Brokers are selected based on their ability to execute orders efficiently, on cost effectiveness and on the quality of investment research provided to Registrant. Broker commission charges and order execution are continually monitored by Registrant. A broker may be paid a commission for a trade in excess of that which another broker may charge in recognition of the selected broker's ability to execute the transaction more efficiently and in recognition of research provided. Research services provided to the Registrant by brokers and dealers generally consist of written analyses, meetings with brokers' economic and investment analysis personnel and meetings with company management. The nature and quality of the investment research services provided by brokers is formally reviewed at least annually by Registrant's management personnel. Registrant has no agreements or understandings with any broker concerning the directing of brokerage commissions because of research services provided.

Orders at a given brokerage firm may be bunched which, the Registrant believes, is more efficient and tends to give the clients better execution and lower commissions per share. The size of such orders is rarely large enough to negatively affect the price of the security, in the opinion of the Registrant. Orders for clients who wish to direct brokerage in their account will be executed later.

In order to facilitate its research, Registrant receives the following products from Pershing (clearing and custodial broker) under a soft dollar arrangement:

- Streaming quotes (Pershing product)
- Comcast connection
- Value Line subscription
- Professional publications

Clients do not pay higher commissions than those that would be charged by other brokers for the soft dollar products. All clients pay for the soft dollar arrangement through commissions and all clients benefit from it.

Registrant receives Net Advisor (portfolio management system) from Pershing that provides non-research administrative services.

**Item 13      Review of Accounts**

Client portfolios are reviewed in detail continually by Bruno LaRocca. Decisions are made on an account-by-account basis, depending on the specific needs and objectives of each client. A complete appraisal is prepared monthly for each account.

Clients receive confirmations of all trades in their account at the time of the trade. A complete written appraisal of the account is provided quarterly, or more frequently if requested.

**Item 14                      Client Referrals and Other Compensation**

Registrant does not compensate or have any arrangements for client referrals.



**Item 15**            **Custody**

Registrant does not have custody of client funds or securities.

**Item 16                    Investment Discretion**

Registrant's investment management contracts with clients grant full discretionary authority to Registrant. Other investment management contracts do not grant discretionary authority.

**Item 17        Voting Client Securities**

Registrant does not vote proxies for its clients. Clients have the right to vote proxies by informing Registrant of such desire.

**Item 18                      Financial Information**

Registrants are required to furnish a balance sheet for the most recent fiscal year if they require prepayment of more than \$1200 in fees per client six months or more in advance. This requirement is not applicable to Registrant.

**Item 19            Requirements for State-Registered Advisers**

A negotiated and mutually agreed on performance fee of up to 25% may also be charged if permitted by Federal securities law in accordance with Rule 205-3, as amended, and applicable State securities laws. Any performance fee is based on the total of all realized and unrealized gains and losses and paid on a mutually agreed upon rolling period (quarterly, semi-annually or annually). Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

## **Form ADV Part 2B**

### **Item 1**

Bruno LaRocca  
RDM Capital Associates, Inc.  
1161 Broad Street, Suite 215  
Shrewsbury, New Jersey 07702  
732-544-4707

May 31, 2012

This brochure supplement provides information about Bruno LaRocca that supplements the RDM Capital Associates, Inc. brochure. You should have received a copy of that brochure. Please contact Bruno LaRocca if you did not receive the RDM Capital Associates, Inc. brochure or if you have any questions about the content of this supplement.

Additional information about Bruno LaRocca is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

### **Item 2: Educational Background and Business Experience**

#### **Bruno LaRocca**

Date of birth: January 11, 1942

Formal education after high school:

Cornell University, Bachelor of Science, Industrial and Labor Relations, 1964;  
New York University, 1971, completed night graduate studies for MBA in  
Finance and Economics. Unable to complete Master's thesis due to overseas  
transfer with Bankers Trust Co., New York

Business background: RDM Capital Associates, Inc., 7/1992 to Present, President,  
Secretary, Director

### **Item 3: Disciplinary Information**

None.

### **Item 4: Other Business Activities**

None.

### **Item 5: Additional Compensation**

None.

### **Item 6: Supervision**

Supervision at RDM Capital is conducted through a multi-tiered approach. First, we have written policies and procedures regarding the conduct of our business, including new accounts, office operations, books and records, trading operations, correspondence and advertising, and investment selection. Under our policies and procedures, an advisor is permitted to recommend an investment only if the advisor has conducted adequate due

diligence and the investment comports with our underlying investment philosophy. These internal controls govern all investment recommendations from a RDM Capital advisor. Second, each advisor is supervised by the other advisors at RDM Capital. We generally provide investment services through a team approach, such that each of us supervises each other's conduct and recommendations. This supervision includes participating in meetings between another advisor and a client and reviewing recommendations to the client. Finally, we regularly meet with our clients to review their investments and educate them on their investment decisions. During our meetings, we provide our latest analysis of the market, make sure that each client is aware of the status of their investments, and answer any questions that our clients may have. The information provided at our meetings is vetted through each advisor at RDM Capital to ensure we are providing the client with the most current, accurate and comprehensive information affecting their accounts.

Mr. LaRocca is supervised by David LaRocca, Vice President, and Matthew LaRocca, Vice President, both of whom can be reached at 732-544-4707.

**Item 7: Requirements for State-Registered Advisers**

None.

**Item 1**

David H. LaRocca  
RDM Capital Associates, Inc.  
1161 Broad Street, Suite 215  
Shrewsbury, New Jersey 07702  
732-544-4707

May 31, 2012

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Additional information about David LaRocca is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Educational Background and Business Experience****David H. LaRocca**

Date of birth: June 10, 1974

Formal education after high school:

Cornell University, Bachelor of Arts, Psychology, 1996

Cornell Law School, Juris Doctor, 2000

Business background:

RDM Capital Associates, Inc., 4/2012 to Present, Vice President

MetLife, 7/2008 – 4/2012, Senior Counsel

Simpson Thacher & Bartlett LLP, 9/2000 – 12/2001, 1/2003 – 6/2008, Attorney

Moore & Van Allen, 1/2002-12/2002, Attorney

**Item 3: Disciplinary Information**

None.

**Item 4: Other Business Activities**

None.

**Item 5: Additional Compensation**

None.

**Item 6: Supervision**

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Mr. LaRocca is supervised by Bruno LaRocca, President, and Matthew LaRocca, Vice President, both of whom can be reached at 732-544-4707.

**Item 7: Requirements for State-Registered Advisers**

None.

**Item 1**

Matthew L. LaRocca  
RDM Capital Associates, Inc.  
1161 Broad Street, Suite 215  
Shrewsbury, New Jersey 07702  
732-544-4707

May 31, 2012

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Additional information about Matthew LaRocca is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2: Educational Background and Business Experience****Matthew L. LaRocca**

Date of birth: April 27, 1982

Formal education after high school:

Cornell University, Bachelor of Science, Industrial and Labor Relations, 2004

Villanova University, Juris Doctor, 2008

Business background:

RDM Capital Associates, Inc., 10/2010 to Present, Vice President

Skadden, Arps, Slate, Meagher & Flom LLP, 6/2008 to 10/2010, Attorney

**Item 3: Disciplinary Information**

None.

**Item 4: Other Business Activities**

None.

**Item 5: Additional Compensation**

None.

**Item 6: Supervision**

Supervision at RDM Capital is conducted through a multi-tiered approach. First, we have written policies and procedures regarding the conduct of our business, including new accounts, office operations, books and records, trading operations, correspondence and advertising, and investment selection. Under our policies and procedures, an advisor is permitted to recommend an investment only if the advisor has conducted adequate due diligence and the investment comports with our underlying investment philosophy. These internal controls govern all investment recommendations from a RDM Capital

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Mr. LaRocca is supervised by Bruno LaRocca, President, and David LaRocca, Vice President, both of whom can be reached at 732-544-4707.

**Item 7: Requirements for State-Registered Advisers**

None.