

Randolph Capital Management, Inc.

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This brochure provides information about the qualifications and business practices of Randolph Capital Management, Inc. ["Randolph Capital"]. If you have any questions about the contents of this brochure, please contact us at 973-895-2625 or send an email to mail@randolphcapital.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.

Randolph Capital Management, Inc. is a registered investment adviser. Registration of an Investment Adviser does not constitute an endorsement of the firm nor does it indicate that the adviser has attained a particular level of skill or training. The oral and written communications of an adviser provides clients with information you use in determining to hire or retain that adviser.

Additional information about Randolph Capital is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to clients as required by SEC Rules. Our brochure dated December 31, 2010 is a new document prepared according to the SEC’s revised requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this item will discuss only specific material changes that are made to the brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

Pursuant to new SEC Rules, 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. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide clients with a new brochure as necessary based on changes or new information, at any time, without charge.

You may obtain our brochure by contacting Jay Holiday, President at 973-895-2625 or by email request to: mail@randolphcapital.com. It is also available on our web site www.randolphcapital.com. At this time there are no material changes to report.

Additional information about our firm is available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with Randolph Capital who are registered, or are required to be registered, as investment adviser representatives of our firm.

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Item 4 – Advisory Business

- A. Randolph Capital Management, Inc., incorporated in 1987, has served as an investment adviser to clients since 1988. The founder and president of our firm is Jay R. Holiday. He owns 100% of our capital stock and provides ongoing management of our client accounts.
- B. We provide discretionary and non-discretionary investment management on a fee-only basis. Clients are required to enter into a formal investment advisory agreement with us that sets forth the terms and conditions under which assets will be managed. Randolph Capital allocates client investment assets to debt and equity securities. Each account is individually managed based on a client's specific goals. In addition to serving our client's needs, Randolph Capital Management, Inc. acts as a sub-adviser to clients of Nisman Investment Services, Inc. (Nisman). On a limited basis we may have access to Initial Public Offerings (IPO) through our clearing and or custodial relationships. Except for a few instances we do not purchase IPO's for client accounts. When a client contacts us and requests that we purchase a specific IPO for their account, we consider the following: Whether the client is eligible to participate in IPO's based on employment; is the IPO suitable for the client based on their investment objective, financial situation and current asset allocation. To the extent possible, we will allocate unsolicited client IPO share purchases on a rotational basis or some other fair and equitable manner.
- C. Our client list is composed of individuals, small businesses pension plans, trusts, family limited partnerships and individual retirement accounts.
- D. Our firm does not provide investment management services to wrap-fee programs.
- E. Our assets under management as of December 31, 2011, are \$ 45,922,585.00.

Item 5 – Fees and Compensation

- A. Clients pay an annual investment management fee based on the market value of the assets that we manage for them. The specific manner in which fees are charged is established in a client's written agreement with us.

Investment management fees vary. They depend upon the specific type of assets that a client account is invested in. Each fee structure has a minimum annual fee of \$2,500.00 paid in quarterly installments. We may in our sole discretion waive and/or accept a lower annual minimum fee or may charge a lesser management fee based upon certain criteria. These criteria include: anticipated future earnings capacity, anticipated future asset additions, dollar amount of assets to be managed, related accounts, and account composition.

1. Equity and/or Mutual Fund Accounts

First \$1 Million: 1 Percent

Over \$1 Million: $\frac{3}{4}$ of 1 Percent

2. Balanced Accounts (Fixed Income, Equity and/or Mutual Funds)

First \$500,000: 1 Percent

Next \$500,000 $\frac{3}{4}$ of 1 Percent

Above \$1 Million $\frac{5}{8}$ of 1 Percent

3. Fixed Income Accounts

First \$1 Million $\frac{1}{2}$ of 1 Percent

Second \$1 Million $\frac{1}{3}$ of 1 Percent

Above \$3 Million $\frac{1}{4}$ of 1 Percent

For accounts with values above \$4 Million the fee is negotiated.

4. Our investment management is generally inclusive of investment counseling services. In limited situations, (non-investment management clients or investment management clients that require disproportionate amount of consulting services), our fee for these services is \$300.00 per hour.

- B. Invoices are sent on a quarterly basis. Fees may be remitted to us in one of two ways. The client may elect to be billed directly or they may authorize the account's custodian to debit it directly from their accounts. Both our and the custodian's agreements may authorize them to debit the client account for the amount of our fee and to directly remit that management fee to us. Prior to the fee being debited, we send the client a letter and an invoice showing the amount of our management fee, the value of the assets on which the fee was based, and the specific manner in which it was calculated. The letter specifies the date when the

fee will be debited and an "opt-out" date should the client choose to pay us with outside funds. The custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to us.

- C. Our fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, and other third parties such as fees charged by managers, custodial fees, deferred sales charges, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in each fund's prospectus. Such charges, fees and commissions are exclusive of and in addition to our advisory fee. We do not receive any portion of these commissions, fees, and costs imposed by your account's custodian. Item 12 further describes the factors that we consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

- D. Fees are billed in advance based on the market value of the assets under management on the last day of the prior calendar quarter. Accounts initiated or terminated during a calendar quarter will be charged a pro-rated fee. Upon termination of any account, any prepaid unearned fees will be promptly refunded. Any earned unpaid fees will be due and payable. Investment advisory agreements are in effect until terminated by either party by written notice. Neither Randolph Capital nor the client may assign the investment advisory agreement without the prior consent of the other party. A transaction that does not result in a change of actual control or management of Randolph Capital shall not be considered an assignment.

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

Randolph Capital Management, Inc. does not charge performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

Item 7 – Types of Clients

We provide portfolio management services to individuals, corporate pension and profit-sharing plans, family limited partnerships, trust accounts and individual retirement accounts.

Our minimum account fee is \$2,500 per annum. Fees are paid quarterly as described in Item 5.

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

- A. Portfolio management is based on each client's individual goals and needs. We help the client develop their own investment philosophy, then guide them with constant communication and close personal service. We choose investment for client accounts from stocks, bonds, exchange traded funds, open and closed end mutual funds, certificates of deposit and cash equivalents.

Our security selection process combines fundamental and technical analysis. Fundamental analysis is the study of everything that can affect the value of a security. These include macroeconomic factors such as the overall economy, industry conditions and company management. The goal of fundamental analysis is to use real data (revenues, earnings, return on equity, etc.) to determine whether an equity security is undervalued or overvalued versus its peers. For fixed-income securities fundamental analysis factors in economic conditions, interest rates and the issuers financial health in determining the underlying value. Technical analysts disregard all of the above variables while focusing on price and volume patterns that are reflected in charts to forecast future activity.

B. Our portfolio strategies are geared to clients seeking income, income with growth, capital appreciation or maximum appreciation.

- Income oriented portfolio emphasizes current income and the preservation of capital.
- Income with growth portfolios focus on generating current income with moderate capital appreciation
- Capital appreciation objective looks for asset growth.
- Maximum appreciation portfolios contain the highest volatility level and the greatest potential for price fluctuation. There is the greatest chance for loss of principal in this strategy.

Investment performance can be impacted by the amount of trading activity generated by the above strategies.

Our universe of securities employed in the above strategies consists of individual bonds (taxable and tax-exempt), individual equities, open and closed-end mutual funds, exchange traded funds and equity options.

C. Investing in securities involves risk of loss that clients should be prepared to bear. Clients who engage our services should be aware that a typical investment contains many layers of risk. The primary layer is that investments will fluctuate in price. There can be no guarantee made or implied that the value of a specific investment or a total portfolio will rise in value. Investment risks differ for stocks versus bonds. A few common risks are explained below.

1. Interest rate risk is the chance that bond prices will decline because of rising interest rates. This form of risk increases the longer the period before the final maturity of the bond.

2. Credit risk is the chance that the bond issuer will fail to pay interest and principal in a timely manner. A negative perception of the issuer's ability to

make such payments will cause the price of that bond to decline in value. The opposite, a positive perception, will cause the price to rise in value.

3. Manager risk is the chance that poor security selection will cause a portfolio to perform less than relevant benchmarks.

Item 9 – Disciplinary Information

Registered Investment Advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of Randolph Capital Management, Inc. or the integrity of our management.

We have no disclosure to make that is applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

- A. No one in the management of our firm is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.
- B. No one in the management of our firm is registered or has an application pending to register as a futures commission merchant, commodity pool operator, a commodity trading advisor or an associated person of the foregoing entities.
- C. Randolph Capital Management, Inc. serves as sub-adviser to Nisman Investment Services, Inc., an investment adviser. We provide clients of Nisman with portfolio management services that include asset allocation and selection of specific investments. Nisman compensates us with part of the fees they charge these clients. Nisman clients do not pay an increased investment advisory fee as a result of their engaging our sub-advisory services.
- D. We do not recommend or select other investment advisers for our clients where compensation is received. Our principal and only business is providing investment advice to our clients.

Item 11 – Code of Ethics

- A. We have adopted a Code of Ethics for all officers, directors and employees of the firm describing its high standard of business conduct, and fiduciary duty to our clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, as well as personal securities trading procedures. All supervised persons at our firm must acknowledge the terms of the Code of Ethics annually, or when it is amended. Current clients of Randolph Capital or prospective clients may request a copy of the firm's Code of Ethics by contacting Jay R. Holiday, President.
- B. We have implemented a policy relative to personal securities transactions. This policy, part of the Code of Ethics, serves to establish a standard of business conduct for all of our personnel that are based upon fundamental principles of openness, integrity, honesty and trust. No employee may effect for himself or herself or for their immediate family (spouse, minor children collectively referred to as “Covered Persons”) any transactions in a security which is being actively purchased or sold or being considered for purchase or sale on behalf of any of our clients, unless it meets one of the following exceptions. A security must trade in sufficiently broad markets to permit transactions by the client to be completed without any appreciable impact on the price received. Under certain circumstances exceptions may be made to this policy. Records of these trades, including the reasons for the exceptions will be maintained within our records. Open-end mutual fund transactions are not covered by this policy for Covered Persons, as they are not likely to have an impact on the price paid or received by clients.
- C. Subject to satisfying this policy and applicable laws, officers, directors and employees of Randolph Capital and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for our clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees will not interfere with making decisions in the best interest of advisory clients or implementing such decisions while allowing employees to invest for their own accounts.
- D. Under the Code certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of our clients. In addition, the Code requires pre-clearance of many transactions, and restricts trading in close proximity to client trading

activity. Nonetheless, because the Code of Ethics in some circumstances would permit employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is continually monitored under the Code of Ethics to reasonably prevent conflicts of interest between us and our clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with our obligation of best execution. In such circumstances, the affiliated and client accounts will share equally and receive securities at a total average price. We will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders will be allocated on a pro rata basis. Any exceptions will be explained on the Order.

It is our policy that we will not conduct any principal or agency cross securities transactions for client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, acts as broker for both the advisory client and for another person on the other side of the transaction. Agency cross transactions may arise where an adviser is dually registered as a broker-dealer or has an affiliated broker-dealer.

Item 12 – Brokerage Practices

- A. In the event that the client requests that we recommends a broker dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct us to use a specific broker), Randolph Capital generally recommends that investment management accounts be maintained at Schwab. Prior to engaging us to provide investment management services, the client will be required to enter into a formal Investment Advisory Agreement. This agreement sets forth the terms and conditions under which Randolph Capital Management shall manage the client's assets. In addition, the client will execute a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that we consider in recommending Schwab or any other broker-dealer/custodian to clients include historical relationships with Randolph Capital, their financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or fees paid by our clients shall comply with Randolph Capital's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction. In good faith, we determine that the commission or transaction fee is reasonable in relation to the value of the services received. In seeking best execution the determining factor is not the lowest possible cost but whether the transaction represents the best qualitative execution. Best qualitative execution looks at the value of research provided, execution capability, commission rate, and responsiveness. We will seek competitive rates though we may not necessarily obtain the lowest possible commission rates for client transactions. The brokerage commissions or transaction fees charge by the designated broker-dealer/custodian is exclusive of, and in addition to Randolph Capital's investment management fee. Our best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, we may receive without cost or at a discount, services and products that assist us to better monitor client accounts. Services that may be provided to us include investment related research, pricing information, market data, software and other technology that assists Randolph Capital in accessing client account data. In addition to the above custodians may provide compliance, practice management related publications, consulting services, conferences, meetings, marketing aids, computer hardware and/ or software gratis or at a discount in the furtherance of our advisory business.

As indicated above, certain of these support services and products may assist us in managing and administering client's accounts. Some of the above referenced services and products do not directly provide such assistance, but rather they do assist us in managing and developing our business enterprise.

Randolph Capital's clients do not pay more for investment transactions effected and/or assts maintained at Schwab as a result of this arrangement. There is no corresponding commitment may by us to Schwab or any other entity to invest

any specific amount or percentage of client assets in any specific mutual fund(s), securities or other investment products as a result of this arrangement.

Randolph Capital Management's Chief Compliance Officer, Jay Holiday, remains available to address any questions that a client or prospective client may have regarding the above arrangement or any corresponding perceived conflict of interest such arrangement may create.

2. Brokerage for Client Referrals

Randolph Capital does not receive referrals from broker-dealers.

3. Directed Brokerage

Randolph Capital does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms for their account with that broker-dealer. We will not be able to seek better

execution services or prices from other broker-dealers or be able to "batch" the client's order for execution with additional orders from other accounts managed by our firm. As a result, the client may pay higher commissions or other transactions costs or greater spreads, or receive less favorable net prices, on transactions for their account than would otherwise be the case.

Randolph Capital's Chief Compliance Officer, Jay Holiday, remains available to address any questions that a client or prospective client may have regard the above arrangement.

- B. To the extent that Randolph Capital provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless we decide to purchase or sell the same securities for several clients at approximately the same time. We may (but are not obligated to) combine or "bunch" such orders to obtain best execution. "Bunching" may allow us to negotiate more favorable commission rates or to allocate securities equitably among our client accounts. This process allows transactions to be averages as to price and allocated among clients. Randolph Capital shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 – Review of Accounts

Each account is reviewed on an ongoing basis by the portfolio manager of Randolph Capital. The review includes the clients stated objectives, appropriateness of the individual portfolio securities in relation to those objectives, portfolio performance versus the performance of appropriate asset class indices, plus the portfolio structure based on macro-economic forecasts.

Our clients promptly receive copies of all trade confirmations from the account custodian. The custodian sends each client a monthly statement. We provide quarterly appraisals. A client may also request monthly reports. Our client reports show performance, account summary, realized gains and losses, as well as purchases and sales. Year-end reports are also provided showing interest and dividend income and performance for the full year. Telephone conferences with clients are conducted when appropriate. Individual client meetings are held once per year when appropriate.

Item 14 – Client Referrals and Other Compensation

- A. Please see the previous response set forth on this form Item 12.1.
- B. When a prospective client is introduced to Randolph Capital through a solicitor, we may pay that solicitor a referral fee in accordance with Rule 206(4)-3 of the Investment Advisers Act of 1940. The referral fee shall be paid from our compensation and shall not result in any additional charge to the client. Clients will acknowledge receipt of a written disclosure statement that contains the terms of the solicitation arrangement between the solicitor and our firm.

At this time, we do not have any solicitor arrangements. We do not compensate individuals or supervised personnel for referring new clients to our firm.

Item 15 – Custody

Randolph Capital Management, Inc. does not maintain custody of client assets. Assets are held at Charles Schwab & Co., Inc. or at another qualified custodian. Clients

authorize us to provide instructions to the custodian with respect to all investment decisions regarding assets. The custodian is authorized to effect transactions, deliver securities, and otherwise take all other actions that assist us in managing investments.

Clients who have no activity in their accounts receive quarterly statements from their qualified custodian. When investment activity occurs during a month, the custodian sends the client a statement. Randolph Capital urges careful review of the custodian's statements as compared to the account statements that we provide. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities. Comparing statements allows clients to determine whether account transactions, including deductions to pay advisory fees, are proper.

Item 16 – Investment Discretion

Randolph Capital Management, Inc. receives discretionary authority from the client at the outset of an advisory relationship. This means that the client grants us power with regard to the investment and reinvestment of their assets without prior consultation. In all cases, however, we shall discharge our investment management responsibilities consistent with the client's investment objectives. The client will provide us in writing with information that we request that pertains to their objectives, needs and goals. Further, they agree to keep us informed of any changes regarding the above.

This investment discretion shall continue until revoked by the client in writing.

Item 17 – Voting Client Securities

Unless a client directs us otherwise in writing, we are responsible for (1) directing the manner in which proxies solicited by the issuers of securities beneficially owned by the client are voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or any other types of events pertaining to the assets. We vote proxies, absent mitigating factors, in the best interests of our clients. It is our policy to maintain a record of conflicts of interest and how these conflicts have been addressed.

Clients may obtain a copy of our complete proxy voting policies and procedures upon request. Clients may also obtain information about how we voted any proxies on their

behalf. We maintain records pertaining to proxy voting as required pursuant to Rule 204-2 (c) (2) under the Advisers Act.

Annually, we mail to each client a copy of our proxy voting policies.

Item 18 – Financial Information

- A. Investment advisers are required in this Item to provide you with certain financial information or disclosures about their financial condition. When an adviser requires prepayment of advisory fees in excess of \$1,200 per client or six months in advance, the adviser must provide information about its financial condition.

Our firm does not meet either of these conditions. We do not require prepayment or collect fees six months in advance.

- B. Randolph Capital has no financial commitment that impairs our ability to meet contractual and fiduciary commitments to clients.
- C. Randolph Capital Management, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.