

Part 2A of Form ADV: Firm Brochure

Stafford Capital Management, LLC
“SCM”

Stafford Capital Management, LLC
Part 2A of Form ADV Brochure

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Amended July 12, 2012

This brochure provides information about the qualifications and business practices of Stafford Capital Management, LLC (“SCM”). If you have any questions about the contents of this brochure, please contact us at 415-362-6120.

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

Stafford Capital Management is a Registered Investment Adviser. Registration as an investment adviser does not imply any level of skill or training.

Item 2. Material Changes

This Amendment: Dated 07/05/2012

- Item 4 Advisory business information updated to include detail how clients may or may not impose restrictions to their portfolios managed by Stafford Capital Management. Updated information on advisory services, approach to investing and strategies offered.
- Item 5 Disclosure information added regarding performance fees and updated the Arcas fee structure.
- Item 10 and 19 Information added regarding the relationship between Stafford Capital, Pacific Management, Pacific Asset Partners and sub advisor Arcas Capital Management. Information added regarding employee dual registrations disclosure.
- Item 14 Information added regarding referrals and other compensation.
- Item 15 Information added regarding custody of client's funds.
- Item 17 Update regarding voting proxies.
- Item 18 Information added regarding financial condition.
- Item 19 Information added regarding Management Persons and Other Business Activities and Disclosures. Information added in regard to compliance with CCR Section 260.238 (k).

For more information on Stafford Capital Management, please contact Bob Stafford at 415-362-6120 Ext 101

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Item. 4 Advisory Business

Firm History and Principal Owners

Founded in 1986, Stafford Capital, LLC (“SCM”) is a California limited liability company that provides investment supervisory services. SCM is owned and controlled by Robert Stafford, CEO and Co-Chief Investment Officer Craig Stephens, President, Co-Chief Investment Officer. SCM is a registered investment adviser with the SEC. Due to the Dodd Frank Reform, SCM is required to migrate from SEC federal registration to state registration this year. (State of California) Registration does not imply a certain level of skill or training.

Robert M. Stafford - 12/17/1941 – Education and Business Background:

Princeton University, Princeton, NJ – BA 1963

Stanford University, Stanford, CA. – MBA 1968

1986 – Present: Chairman, CEO and Co-Chief Investment Officer, Stafford Capital Management

1993-Present: General Partner, Pacific Management, Ltd.

Craig Stephens - 09/20/1948 – Education and Business Background:

University of Southern California, Los Angeles, CA. – BS 1970

1988-1999: Portfolio Manager, RCM

1999-2007: KCM Investment Advisors

2007-Present: President, Co-Chief Investment Officer-Stafford Capital Management

2007-Present: General Partner, Pacific Management, Ltd.

As of December 31, 2011, Stafford managed approximately \$50,938,000.00 on a discretionary basis on behalf of approximately 40 individually managed accounts (“IMA’s”).

Services Provided:

SCM only manages assets on a discretionary basis.

SCM invests principally in equity and equity-related securities, mostly domestic, but is authorized to enter into any type of investment transaction that it deems appropriate under the terms of the Client’s Investment Advisory or other account agreement.

Dedicated to separate account management for high net worth individuals and families, trusts, small corporations and business entities. During the initial and periodic client interviews, an investment strategy is built upon the client’s profile and portfolios designed suitable for their needs.

SCM is an all capitalization, growth at a reasonable price (GARP) manager, whose investment strategy combines growth investing principles and value investing tactics in choosing investment candidates. SCM looks for companies that consistently return higher earnings than the broader markets, but will avoid stocks that have high valuations.

SCM offers the Arcas Strategy as a service to its clients who desire to smooth investment returns, reduce risk and enhance income by means of an index option strategy. See the paragraph below under Investment Strategies for a description of this service.

SCM recently launched an aggressive investment strategy, the CalPacific Model Strategy, which concentrates its investments in innovative California-based companies for higher risk tolerant investors.

SCM does not participate in wrap fee programs.

Investment Strategies:

SCM does not manage to an index but rather uses experience and judgment to construct client portfolios. A client's portfolio is built from the bottom-up, one stock at a time. Every idea is assessed on the basis of its own unique growth, quality and valuation characteristics. Relative position sizes are a function of the strength and sustainability of the investment's underlying business model, our perceived information edge, and the identification of catalysts that we believe will drive future investment returns. The stocks SCM invests in are generally the same for all clients, but do allow for special requests. The principle difference between clients is the position sizes relative to riskier stocks and the Client's profile. Asset allocation and position sizes can vary according to the client's risk profile. Should a client desire to impose restrictions to the Stafford Capital investment strategies, they may be expressed and furnished in writing to the advisor, subject to review and acceptance by the advisor.

The Arcas Strategy:

SCM has just launched a new service, The Arcas Strategy.

Arcas is an index option strategy designed to smooth investment returns, reduce risk and enhance income. The strategy's goal is to protect portfolios against sudden, severe drops in volatile markets. It is provided by sub advisor Stephen Ward, managing director of Arcas Capital Management, who has 25 years experience in structuring and managing alternative investment strategies designed to hedge market risk. SCM utilizes ACM to provide the Arcas Strategy in SCM's client portfolios for an additional fee. SCM retains the accounts under SCM and oversees the Arcas Strategy in its SCM client's portfolios and provides a consolidated statement on a quarterly basis which includes both SCM and the Arcas Strategy. SCM maintains advisorship and control of the client's entire portfolio. There is a fee sharing arrangement with ACM. (See Item 5. Fees and Compensation.)

CalPacific Strategy:

SCM recently added the CalPacific Strategy – an aggressive investment vehicle, intended to maximize capital gains. The strategy invests primarily in California-based innovative companies with attractive valuations and growth potential. The CalPacific model is an investment strategy within SCM designed for investors with higher risk tolerance.

SCM's approach to investing is as follows:

Fundamental Style - bottoms-up, research-driven approach – The goal is to find companies that have growth potential based on their individual analysis aside from economic and market cycles. Portfolios are built one stock at a time.

Company and Industry Expertise – sector specific - To find the best companies in their sector groups.

GARP Bias - growth at a reasonable price – a mixture of value and growth investing strategies such that it seeks out those companies that are under-priced and demonstrate sustainable growth potential. A stock must fulfill the criteria for both types of stock picking strategies – growth and reasonable price value.

Investment Oriented - with opportunistic trading. – A “price matters” orientation to capture excess returns combined with careful security screening and analysis.

Price Discrimination - selective entry and exit price points – Goal is to time entry points when stocks are at an attractive valuation. Discipline to sell stocks when they reach specific targets whether they be on upside or downside.

Independent Thinking and Analysis – Contrarian – To identify stocks that have strong financials, but are unknown, ignored or out of favor, presenting attractive entry points.

Item 5. Fees and Compensation

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SCM Investment Management Fee

SCM Management Fees:

SCM typically charges an annual management fees as follows:

1.00 % - \$0 to \$5 million,
0.75% - \$5 million to \$10 million
0.50% - over \$10 million.

Fees are payable quarterly in advance and shall be computed upon the aggregate market value of the Investment Assets as of the last business day of the preceding month. If the services rendered commence on a day other than the first day of a quarter or terminate other than on the last day of a quarter, the fee shall be pro-rated.

Performance Fee

SCM does not charge a performance fee to its advisory clients.

SCM has a sub-advisor relationship with Arcas Capital Management that charges a performance fee that is shared with SCM. This strategy is an optional service provided by SCM for appropriate clients.

Arcas Strategy Fees:

Arcas Strategy fees are in addition to the investment management fee charged by SCM on that portion of the portfolio dedicated to the Arcas Strategy. Below is the standard Arcas Strategy fee schedule which may be negotiated.

2% annual management fee paid quarterly, plus (may be either in arrears or advance as agreed)
20% performance fee of any quarterly net gain, subject to a high watermark paid annually if earned.
(i.e. the Manager charges a performance fee based on the net new profits of the account as of the end of each calendar quarter or upon withdrawal, but only to the extent those new profits exceed losses that have not been recovered.)

Arcas retains 80% of the annual management fee and the quarterly performance fee if earned. The residual 20% is allotted to SCM.

The performance fee* will only be charged in accordance with the provisions of CCR Section 260.234.

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General Information on Fees and Disclosures

SCM typically deducts management fees directly from IMA accounts, but will follow client's requests for alternative arrangements.

SCM believes its fees are competitive with fees charged by other investment advisers for comparable services. Comparable services may be available, however, from other sources for lower fees.

*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.

Expenses

Each Client account is responsible for its own costs and expenses, such as:

- Trading costs and expenses (such as brokerage commissions, expenses related to short sales, and clearing and settlement charges)
- Interest and commitment fees on loans and debit balances
- Fees and charges of custodians, clearing agencies and banks

SCM bears its own operating, general and administrative and overhead costs and expenses, other than the expenses described above.

Termination

The holder of an IMA may typically terminate the account by giving 30 days written notice unless other terms have been negotiated. In all cases, expenses and the pro rata portion of the management fee through the date of termination is charged to the Client. All prepaid but unearned advisory fees are refunded to the Client on termination of an account.

Item. 6. Performance Based Fees and Side-by-Side Management

SCM does not receive a performance fee for its regular advisory services. SCM does share in a performance fee if earned with sub advisor ACM from those clients who elect to hedge their portfolios with the Arcas strategy. See Item 5.

Item 7. Types of Clients

SCM provides investment supervisory services to individually managed accounts, (“IMAs”) trusts, estates or charitable organizations, pension and profit sharing plans; and corporations and business entities. SCM has full authority and discretion to place brokerage orders on behalf of the Client with such broker or brokers SCM shall select or with whom the Client selects in writing.

SCM generally requires a minimum initial investment of \$1,000,000. This minimum may be waived by Stafford in its discretion.

SCM performs investment advisory services for various clients and may give advice and take action in the performance of its duties with respect to any of its other Clients which may differ from the advice given, or the timing or nature of action taken, with respect to various Client’s unique needs and suitability requirements.

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

SCM's investment philosophy in constructing portfolios is to build portfolios of high quality stocks utilizing a disciplined valuation approach. We take the time to develop an in-depth understanding and perform extensive analysis of our portfolio companies, incorporating both fundamental analysis and technical analysis methods. Our broad network of highly accomplished CEO's, venture capitalists, industry contacts and money management peers, which we term *The Stafford Network*, gives us a distinct perspective in uncovering investment opportunities. We recognize that every stock has its own unique story. Despite differentiating characteristics, there are certain universal qualities that occur repeatedly in the best investment opportunities. Specifically, the underlying beliefs that SCM was built on: superior management teams, large addressable market opportunities, sustainable competitive advantages, solid balance sheets and an attractive valuation relative to our intrinsic target. We create a relatively concentrated portfolio of these stocks that we believe will generate above-market returns with below-market risk.

Portfolio Construction:

We do not manage to an index but rather use experience and judgment to construct Client portfolios.

A Client's portfolio is built from the bottom-up, one stock at a time. Every idea is assessed on the basis of its own unique growth, quality and valuation characteristics. Relative position sizes are a function of the strength and sustainability of the investment's underlying business model, our perceived information edge, and the identification of catalysts that we believe will drive future investment returns.

Furthermore, we believe a focused investment portfolio of businesses, with extraordinary risk-return profiles will generate superior long-term performance. Accordingly, the portfolio is structured to provide an optimal level of both concentration and diversification. We have a long-term focus that optimizes a Client's portfolio for after-tax returns.

SCM provides its clients with continuous investment supervision. Such investment supervision is based on current market conditions, as well as knowledge of the clients' objectives. SCM's primary strategy is that of an all capitalization manager. Portfolios are built from the bottom-up, with high quality stocks utilizing a disciplined valuation method and diversification.

SCM seeks companies selling into large markets with proprietary characteristics with a GARP (growth at a reasonable price) overlay.

Within this strategy, SCM has two separate approaches:

1) Balanced-Growth Approach - Stafford builds a more balanced portfolio with typical positions sizes of 2% to 6%. Portfolios will generally own an average of 25-30 stocks.

2) Concentrated Approach - SCM maintains a more concentrated portfolio where there is no cap on position size generally due to large unrealized gains. Advisor tends to purchase higher valuation securities in this approach. Individual stocks are not trimmed or sold due to the increase in position size, as most accounts are tax sensitive in nature. In certain instances, a position size might be over 20% based on this investment style.

Both approaches will sell securities when the fundamental investment thesis changes or deteriorates, or when the stock becomes less attractive on a risk/reward basis.

Buy Criteria:

SCM's buy discipline is based on an individual company's growth opportunity as defined by its market opportunity, the quality of its management, the strength of their balance sheet and the identification of a catalyst for change relative to Wall Street expectations. SCM strives to create long-term capital gains on a stock by stock basis and to offset gains whenever possible. SCM believes that a company's market opportunity, its people and its financing provide the foundation that will ultimately drive valuation. We seek our edge from the mosaic of our experience and our investment network in identifying unique and undiscovered opportunities. Companies with these investment characteristics become candidates for purchase in your portfolio.

Sell Discipline:

SCM's sell discipline is triggered by a failed attribute of the previously discussed buy criteria. . A non-core holding will be sold when it declines below its normal trading range. If one of the fundamental tenets of our recommendation changes in a materially negative way, whether we determine that growth rates have been compromised, there has been a loss of competitive advantage or a diminished barrier to entry, a management credibility issue, a deteriorating balance sheet, or a catalyst has been missed relative to our expectations, the holding becomes a candidate for sale. Holdings are reviewed regularly on the basis of fundamentals as well as price appreciation and deterioration from our cost basis.

Types of Investments:

SCM focuses on various investment types, which include:

Equity Securities; including exchange listed securities, securities traded over-the-counter and foreign issuers, Warrants; Corporate Debt Securities; Convertibles; Commercial Paper; Certificates of Deposit; Municipal Securities; and United States Government Securities.

Risk of Loss Factors:

Investing in securities involves risk of loss that Clients should be prepared to bear. Below are some of the risks that investors should consider before investing in any account that SCM manages. Any or all of such risks could materially and adversely affect investment performance, the value of any account or any security held in an account, and could cause investors to lose substantial amounts of money. Below is only a brief summary of some of the risks that a holder of an IMA may encounter. All prospective Clients should consult with their professional advisers before deciding to invest. A potential client should discuss with Stafford's representatives any questions that such person may have before opening an account.

- Client accounts may not achieve their investment objectives. A strategy may not be successful and Investors may lose a portion of their capital.
- Investor sentiment on the market, an industry or an individual stock, fixed income or other security is not predictable and can adversely affect an account's investments.
- An account may hold stocks that disappoint earnings expectations and decline. SCM may not be able to obtain complete or accurate information about an investment and may misinterpret the information that it does receive. SCM also may receive material, non-public information about an issuer that prevents it from trading securities of that issuer for a Client when the Client could make a profit or avoid a loss.
- SCM may take positions in securities of small or unseasoned companies that are less actively traded and more volatile than those of larger companies.
- SCM may engage in hedging, which may reduce profits, increase expenses and cause losses. Price movement in a hedging instrument and the security hedge do not always correlate, resulting in losses on both the hedged security and the hedging instrument. SCM is not obligated to hedge a Client's portfolio positions, and it frequently may not do so.

- An account may have higher portfolio turnover and transaction costs than a similar account managed by another investment adviser. These costs reduce investments and potential profit or increase loss.
- SCM could sell securities short, resulting in a theoretically unlimited risk of loss if the prices of the securities sold short increase.
- SCM may invest in debt instruments, whose values may vary unpredictably with shifts in interest rates, issuers' ability to pay principal and interest, and issuers' defaults.
- Counterparties such as brokers, dealers, custodians and administrators with which SCM does business on behalf of Clients may default on their obligations. For example, a Client may lose its assets on deposit with a broker if the broker, its clearing broker or an exchange clearing house becomes bankrupt.
- SCM may cause Clients to invest in securities of non-US based private and government issuers. The risks of these investments include political risks; economic conditions of the country in which the issuer is located; limitations on foreign investment in any such country; currency exchange risks; withholding taxes; limited information about the issuer; limited liquidity; and limited regulatory oversight.
- Changes in economic conditions can adversely affect investment performance. At times, economic conditions in the U.S. and elsewhere have deteriorated significantly, resulting in volatile securities markets and large investment losses. Government actions responding to these conditions could lead to other negative consequences to investors.
- An account's investments may not be diversified. Therefore, a loss in any one position, industry or sector in which an account has invested may cause significant losses.
- SCM and agents generally are not responsible to any Client for losses incurred in an account unless the conduct resulting in such loss breached SCM's fiduciary duty to the Client.

The above is only a brief summary of some of the important risks that a Client may encounter. Before deciding to invest, investors should consider carefully all the risk factors. For more detail, call Stafford Capital Management at 415-362-6120.

Item 9. Disciplinary Information

No SCM managers or related employees have had any disciplinary events.

Item 10. Other Financial Industry Activities and Affiliations

Robert Stafford and Craig Stephens are General Partners of Pacific Management, Ltd. (“PML”) PML is a separately registered Investment Advisor and serves as the General Partner of Pacific Asset Partners (PAP). PAP is a partnership that invests in a combination of publicly traded micro-cap and small to mid-cap stocks, private companies, and short selling/options based on fundamental research. SCM is hired to administrate the trading and operations of PAP, which is the sole client of PML.

SCM has a sub-advisor relationship with Arcas Capital Management (“ACM”) to provide the Arcas Strategy to clients who wish to include this in their portfolios. (Please refer to Item 4 – Investments Strategies) SCM has a compensation arrangement as outlined in Item. 5 that is in addition to its advisory fees. ACM also has a sub-advisory relationship with PML, an affiliated investment advisor.

SCM does not provide investment advice to PML, nor does PML provide investment advice to SCM. 7% of the clients of SCM have also invested in Pacific Asset Partners, which is separate from SCM.

Carol Horace is an employee of SCM, managing the front office administration, trading and compliance and is also a financial services independent contractor. From time to time, she may be associated with other financial brokers, dealers or investment advisors on a consulting basis outside of SCM on an administrative basis. Currently she has an independent contractor relationship with broker dealer Discern Group. Ms. Horace maintains dual registrations and permissions and confidentiality agreements with both firms. This relationship creates no material conflict of interest with clients. SCM and Discern are not affiliated.

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

SCM has adopted a Trading Policy/Code of Ethics in compliance with Rule 204A-1 under the Advisers Act, which establishes standards of conduct for its employees. The Trading Policy/Code of Ethics includes general requirements that SCM employees comply with their fiduciary obligations to Clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of Client information.

The basic principle of SCM is that the Client's interest must always come first. There is a fiduciary duty of SCM to its Clients which includes: not employing any device, scheme or artifice to defraud and not engage in any transaction practice or course of business which operates as a fraud or deceit upon any Client or prospective Client.

It is common practice for SCM officers and employees to invest in the same stocks as advised for the clients, which could pose conflicts of interest. Trading policies and a written Code of Ethics have been set in place to avoid these conflicts of interest. All SCM partners and employees must submit purchase/sell forms that must be approved prior to trading any security. Generally, SCM supervised personnel may buy or sell the same securities with the client, so long as their participation causes no harm to the clients' order. SCM supervised personnel cannot be allocated a more favorable execution than the clients' conglomerated average price of the day. Annually, each SCM Partner and employee receives and must certify in writing that he or she received the Trading Policy/Code of Ethics and any amendments during that year.

SCM and its officers, managers and employees may personally invest in securities of the same classes as are purchased for Clients and they may own securities of classes that are subsequently purchased for Clients. This practice may create a conflict of interest in that any of such persons can use his or her knowledge about actual or proposed securities transactions and recommendations for a Client account to profit personally by the market effect of such transactions and recommendations. To address this potential conflict, SCM and its officers, managers and supervised personnel are required to pre-clear transactions in securities designated as "Reportable Securities", and SCM will only grant approval to trade so long as the security is not being contemplated for trading or in process of trading for SCM, or has otherwise been restricted.

SCM and its officers, managers, and employees may also buy or sell a specific security for their own accounts based on personal investment considerations, which SCM does not deem appropriate to buy or sell for Clients. The performance of the personal accounts of SCM and its officers, managers and employees maybe more favorable at times than that of Clients' accounts.

Clients and prospective clients may obtain a copy of the Trading Policy/Code of Ethics by contacting Carol M. Horace, Chief Compliance Officer at 415-362-6120 Ext 102

Item 12. Brokerage Practices

SCM is not a broker-dealer. SCM will have the authority to determine, without obtaining specific client consent, the broker/dealer to be used for trade executions (except in instances where the client has requested a specific broker in writing). SCM's goal is to achieve the best execution for the client. Additionally, if the security is a listed stock; SCM's goal is to achieve the lowest commission level.

SCM is in a better position to negotiate brokerage commissions if the brokerage is not directed by the Client. SCM is not always able to obtain the best execution in certain transactions for broker-directed accounts because it is not negotiating commissions on behalf of these clients.

SCM currently has accounts whereby the client has requested the use of a specific broker. This generally results in higher commissions than SCM provides. See Item 16.

SCM has a soft dollar arrangement with BTIG.

Item 13. Review of Accounts

All accounts are under continuous supervision by Co-Chief Investment Officers, Robert Stafford and Craig Stephens. Current holdings and candidates for purchase are monitored daily. Account performance is reviewed weekly as well as the consistency of portfolio holdings with the investment guidelines and appropriateness in the current economic environment.

On a weekly basis all individual accounts are reviewed by Robert Stafford or Craig Stephens. At that time a more detailed evaluation is completed which includes the status of realized gains and losses, income needs, and portfolio diversification.

Clients are furnished with quarterly portfolio appraisals, together with realized gains and loss, interest and dividends, purchase and sale reports, and in some cases a performance comparison to their benchmark.

Item 14. Client Referrals and Other Compensation

Stafford Capital Management does not compensate for client referrals. There is a shared fee arrangement for services requested and provided by ACM to SCM for the Arcas option strategy which is outlined in items 4 and 5 and 19.

Item 15. Custody

All Client assets are held in custody by unaffiliated broker/dealers or banks. SCM may withdraw fees directly from client accounts or clients may pay fees by check which is by client choice. Under California law, an investment advisor is defined to have custody of client assets if the investment advisor withdraws fees directly from client accounts. The custodian of each IMA sends account statements at least quarterly to the Client. SCM carefully evaluates the reports by custodians for accuracy. Nonetheless, each Client should carefully review those statements and compare them with the statements that such Client receives directly from SCM.

7% of Stafford Capital Management's clients have also become limited partners in the separately managed Pacific Asset Partners, (PAP), an investment partnership, whose general partner is Pacific Management, Ltd. (PML). Mr. Stafford is the majority controlling partner of PML. Accordingly, PML has custody only over the client's partnership investment portion, and does not maintain custody or any control over the client's separately managed SCM investments.

Item 16. Investment or Brokerage Discretion

SCM has the authority to determine, without obtaining specific client consent, securities to be bought or sold, amount of the securities to be bought or sold, broker or dealer to be used and commission rates paid. SCM will suggest an array of brokers/banks to clients, but the final decision belongs to the client. SCM will also direct soft dollar payments to other research providers, including 75% of the annual expense of Advent Software, 65% of the computers purchased for research analysts, all of Bloomberg, and related stock exchange expenses, IDC pricing service, and fees charged to attend investment conferences. It is possible that additional research will be outsourced to other research consultants on a case by case basis through soft-dollars and that SCM may enter into soft-dollar arrangements with other brokerage firms. Since client transactions with the soft-dollar broker will be aggregated, it is possible that numerous trades may be used to benefit other clients or the advisors' research budget and not solely themselves. The firm may direct BTIG, our principle prime broker-custodian, to pay soft dollars to other research consultants to achieve both best execution and acknowledge their research contribution.

Item 17. Voting Client Securities

Stafford Capital Management will be responsible for voting client proxies, in the interest of maximizing shareholder value and inline with their client's best interests.

Item 18. Financial Information

Under California law, an investment advisor is defined to have custody of client assets if the investment advisor withdraws fees directly from client accounts. SCM may withdraw fees from the client's account. It may disburse funds per the client's request. 7% of the SCM clients have invested in Pacific Asset Partners, which is controlled by Robert Stafford, the CEO, Chairman and Co-Chief Investment Officer of SCM. PML is the general partner of Pacific Asset Partners, and maintains custody of Pacific Asset Partner's Funds, of which Goldman Sachs is the qualified custodian. There is no financial condition that is reasonably likely to impair SCM's ability to meet contractual commitments to clients.

Item 19. Requirements for State-Registered Accounts

Principle Executive Officers and Management Persons: Mr. Robert Stafford and Mr. Craig A. Stephens

Robert M Stafford – 12/17/1941: Chairman, CEO and Co-Chief Investment Officer

Princeton University, Princeton, NJ – BA 1963

Stanford University, Stanford, CA. – MBA 1968

1986 – Present: Chairman, CEO and Co-Chief Investment Officer, Stafford Capital Management

1993 – Present: General Partner, Pacific Management, Ltd.

Craig A. Stephens – 09/20/1948: President and Co-Chief Investment Officer

University of Southern California, Los Angeles, CA. BS 1970

1988-1999: Portfolio Manager, RCM

1999-2007: Partner, KCM Investment Advisors

2007-Present: President, Co-Chief Investment Officer, Stafford Capital Management

2007-Present: General Partner, Pacific Management, Ltd.

Robert M. Stafford is the majority and controlling partner of Pacific Management, Ltd, (“PML”)

PML is the general partner of a limited partnership, Pacific Asset Partners, and is the sole client of PML.

Craig A. Stephens is the minority partner of PML.

PML is the general partner of Pacific Asset Partners, a limited partnership.

Stafford Capital Management has a sub-advisor relationship with Arcas Capital Management. (“ACM”)

Stephen R. Ward is the managing director of ACM.

Other Business Activities and Material Relationships:

Refer to Item 10. Other Business Activities.

Neither Mr. Stafford or Mr. Stephens are actively engaged in any business, other than giving investment advice, nor do either have any relationship or arrangement with any issuer of securities.

Performance-Based Fees:

ACM may collect a performance fee subject to a “high watermark”(i.e. ACM charges a performance fee based on the net profits of the account from the prior year or upon withdrawal, but only to the extent those profits exceed losses that have not been recovered).

The Arcas Strategy fees consist of a management fee combined with a performance fee. ACM’s management fee is calculated on an annual basis, and payable quarterly in arrears, and the performance fee if earned is calculated on any quarterly net gain subject to a high watermark and payable on an annual basis. ACM retains 80% of the management fee and performance fee if any, with the remaining 20% allotted SCM. Refer to Item 5. Fees and Compensation and Item 6. Performance Based Fees.

Disciplinary Disclosure:

- A. Mr. Stafford and Mr. Stephens have not been involved in any of the events listed below:
1. Have not been involved in an award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
 - a) an investment or an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices
 2. Have not been involved in an award or otherwise been found liable in a civil, self-regulator organization or administrative proceeding involving any of the following:
 - a) an investment of an investment-related business or activity;
 - b) fraud, false statement(s), or omissions;
 - c) theft, embezzlement, or other wrongful taking of property;
 - d) bribery, forgery, counterfeiting, or extortion; or
 - e) dishonest, unfair, or unethical practices.
 3. Mr. Stafford and Mr. Stephens have not been the subject of a bankruptcy petition.

Neither Mr. Stafford or Mr. Stephens have been subject to any disciplinary events material to a client's or prospective client's evaluation of integrity.

All known material conflicts of interest under CCR Section 260.238 (k) are disclosed regarding the investment advisor, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.