



# CASCADE

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INVESTMENT COUNSEL, LLC

## Informational Brochure (Form ADV Part 2)

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This brochure provides information about the qualifications and business practices of Cascade Investment Counsel, LLC. If you have any questions about the contents of this brochure, please contact us at 541-857-8551 and/or [info@cic-llc.com](mailto:info@cic-llc.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 Cascade Investment Counsel, LLC also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

February 10, 2011

Cascade Investment Counsel, LLC has no material brochure changes at this time.

July 7, 2011

Cascade Investment Counsel, LLC has changed a statement on page 5 under Fees and compensation and a statement on Page 7 under Client Referrals.

February 22, 2012

Cascade Investment Counsel, LLC has updated the Client Assets on page 4 as of 12/31/2011

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## Advisory Business

**Cascade Investment Counsel, LLC (Cascade) provides investment advisory services.**

**Cascade does not call any of the services we provide “financial planning”.** Cascade offers investment advisory services for a fee based on a percentage of assets under management. Cascade is not the custodian, or holder of any client assets. Cascade makes trades in the client’s portfolio through the custodian selected by the client. Cascade was formed April 1, 1999 by Geoffrey W. Cutler, CEO and managing member.

**Cascade offers advice on the following types of investments:**

Equity securities (stocks) including exchange-listed securities, over the counter securities, and sponsored foreign American Depository Receipts (ADRs)  
Corporate Debt Securities  
Commercial Paper (short term notes usually maturing in less than one year)  
Certificates of Deposit (interest-paying CD’s usually offered by banks)  
Municipal securities (usually bonds issued to finance local and state government projects)  
Open end investment company securities (mutual fund shares)  
United States government and Agency securities  
Convertible securities and warrants  
Master Limited Partnership units

Cascade provides its clients with investment advisory services only, and gives continuous investment advice based on each client's needs. These services generally include assistance in determining appropriate risk and return objectives. Clients grant Cascade full and complete discretion and authority with respect to managing the investment of their investment assets, including, without implied limitation, authority to purchase, sell, exchange, convert, trade and generally to deal in securities and other property comprising the clients investment assets.

Cascade provides balanced account management. Although seldom employed, our fixed income approach builds intermediate maturity bond portfolios. Cascade’s fixed income investment style is purposely conservative. As a means of adding value, issue selection, risk control, and sector-spread valuation are stressed. In most balanced accounts, bonds address the income objective of the clients who rely on equities for capital appreciation.

Cascade provides advisory services to clients in connection with broker-mediated and wrap-fee programs sponsored by any of our custodians. A "wrap-fee" is an arrangement where a single fee is charged to the client for all related costs including brokerage transaction charges, custodial fees, consulting fees relating to the preparation of a policy statement, consulting fees relating to the preparation of quarterly reports, and investment advisory fees. Typically, the client is introduced to Cascade by the client’s broker (the program sponsor).

Cascade signs an investment management agreement with the client and, in some cases, the program sponsor, and agrees to manage the client’s money for a negotiated fee (see Fees and Compensation page 5). The client may wish to consult the wrap sponsor’s ADV for a further description of the services provided to the client. Cascade provides investment advice to the wrap-fee client based upon information that is received through the wrap program sponsor, including the client’s net worth, general investment objectives and risk tolerance, and specific security/industry restrictions.

The broker sponsoring the wrap program charges the client an all-inclusive fee (which includes the investment management fee), normally based on the market value of the account as of a specified month or quarter-end. In evaluating such an arrangement, the client may wish to satisfy himself that the total fee for this program is appropriate. The client should review the wrap sponsor’s refund policy as described in Schedule H of its Form ADV or similar document. All Cascade fees are separate and billed in arrears, or after the quarter.

**Cascade manages *Client Assets* on a discretionary basis of \$91,870,471.**

And on a Non-discretionary basis of \$ 0. as of 12/31/2011

## **Fees and Compensation**

All accounts are separately managed with a maximum annual fee of 1.50 % of the assets under management. Cascade may negotiate lower fees where appropriate.

Fees on accounts are billed quarterly, in arrears, and calculated on the month-end balances within the previous quarter.

Fees on Client Accounts may be billed to the custodian of a *client's* account and deducted from the *client's* assets or can be paid by the *client* directly and not deducted from the account at the choice of the *client*.

Cascade charges fees on all items in the portfolio. If the portfolio contains money market funds, bank pooled funds, mutual funds, exchange traded portfolios, or any other instruments with embedded fees, the client will be subject to multiple or layered fees.

Clients will also pay custodial fees where applicable and/or mutual fund expenses. Clients will also incur brokerage and other transaction costs. (Refer to page 6 in brochure that discusses brokerage)

## **Performance-Based Fees and Side-By-Side Management**

Cascade does not accept performance-based fee accounts or side-by-side management at this time.

## **Types of Clients**

### **Cascade offers investment advice to:**

Individuals, Partnerships  
Pension and Profit Sharing Plans  
Trusts, Estates, and Charitable Organizations  
Insurance Companies  
Corporations and business entities other than those listed above.

Cascade has no minimum account size.

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

Cascade's security analysis methods include:  
Fundamental, Technical, and Cyclical

The main sources of information Cascade uses include:  
Financial newspapers and magazines, Inspections of corporate activities, Research materials prepared by others, Corporate rating services, Timing services, Annual reports, prospectuses, filings with the Securities and Exchange Commission, Company Press releases

The investment strategies used to implement any investment advice given to clients include:  
Long Term Purchases (securities held at least a year)  
Short Term Purchases (securities sold within a year)  
Investing in securities involves risk of loss however, and *clients* must be prepared to bear that loss.

Cascade focuses on North American equities listed on the major exchanges in the Large Cap Value style. The risk involved investing in stocks is that there is no guarantee of original value.

## **Disciplinary Information**

There are no disciplinary events to disclose.

## **Other Financial Industry Activities and Affiliations**

Cascade or any employees are not general partners in any partnership in which clients are solicited to invest.

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

Cascade may buy or sell for itself or its employees securities that it also recommends to clients. Employees are allowed to buy recommended securities but not allowed to trade any options against recommended issues.

Cascade Investment Counsel, LLC maintains a written statement on Ethical, Confidentiality and Insider Trading Standards, that includes the following:

Cascade communicates to its clients and to the public that it is a **fiduciary**, and therefore charged with the responsibility of investing the client's assets for the client's benefit. Any act that breaks this trust is grounds for immediate dismissal.

Any information collected about our clients is not to be offered to any other person, association, institution or company without the express consent of the client. Cascade maintains a privacy policy which is mailed annually to clients.

"Inside information" is the knowledge of what actions Cascade has or will take on behalf of clients. For any person associated with Cascade to use such information for their benefit prior to using it for the interests of clients is a misuse of this information. Cascade maintains a policy on insider trading standards which all employees sign at the time they are hired.

## **Brokerage Practices**

### **Cascade does suggest brokers to Clients.**

Under the terms of Cascade's standard Investment Management Agreement, Cascade has the authority to determine securities to be bought or sold, the amount of the securities to be bought or sold and the broker to be used. Commissions may vary slightly from broker to broker. Limitations may be accepted by Cascade where directed in writing by the client (see investment discretion page 7). Clients may pay commissions which are different than those which Cascade Investment Counsel, LLC can negotiate when it selects broker-dealers to execute transactions on behalf of its discretionary clients.

Cascade may simultaneously be negotiating transactions of the same security for multiple accounts and may combine such orders into block transactions, allocating the average price to all accounts. Both Client and custodian will receive confirmations of transactions from executing brokers. Cascade will notify both Client and the custodian when special instructions are required. Client recognizes that transactions in a specific security may not be completed for all client accounts at the same time or the same price.

**Review of Accounts**

Each portfolio is assigned to an investment counselor who is responsible for its periodic review. Such reviews may be daily, weekly or monthly, depending upon individual circumstances and market conditions.

**Client Referrals and Other Compensation**

In July 2011, Cascade entered into a contract with Jeff Monosoff to solicit and maintain new clients, and he will be paid a percentage of those fees that Cascade will charge such clients.

**Custody**

Cascade does not have custody of client funds or securities. Clients will receive account statements from Cascade and the custodian. Cascade urges clients to carefully compare both account statements.

**Investment Discretion**

Cascade requires *discretionary authority* to manage securities accounts on behalf of *clients*. Clients occasionally place limitations on this authority, requesting Cascade hold a larger cash balance than normal, or requesting Cascade not purchase certain equities. If clients request certain stock purchases, Cascade marks the trade slip (buy or sell request) as a non-discretionary trade. Cascade has a limited power of attorney (for trading) filed with custodians on all accounts. Cascade does not accept any full power of attorney for any client.

**Voting Client Securities**

Cascade accepts the authority to vote *client securities* by submitting a proxy vote on issues presented for vote.. Except where directed in writing, Cascade will not give each client an annual recap of all routine measures voted or not voted upon. In cases where vital interests are at stake, all clients are informed about the issues being voted upon in advance. The unusual items that Cascade chose to vote on are posted on our website, <http://www.cascadeinvestment.com>, typically in June. Clients may obtain a copy of our proxy voting policies and procedures upon request. A copy of the policy is also posted on the web site.

**Financial Information**

Cascade does not require or solicit from any client prepayment of fees.  
Cascade does not accept any custody of client funds.

**Requirements for State-Registered Advisers**

Cascade is currently registered with the SEC (Securities and Exchange Commission).