

PALM BEACH CAPITAL CORPORATION

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This brochure provides information about the qualifications and business practices of Palm Beach Capital Corporation. If you have any questions about the contents of this brochure, please contact us at: (800) 860-1572, or by email at: jwtownshend@cs.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 Palm Beach Capital Corporation is available on the SEC's website at www.adviserinfo.sec.gov

2011 Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in

July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (800) 860-1572 or by email at: jwtownshend@cs.com.

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Advisory Business

Firm Description

Palm Beach Capital Corporation , ("FIRM NAME") was founded in 1980

Palm Beach Capital Corporation provides personalized confidential financial planning and investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

Palm Beach Capital Corporation is strictly a fee-only financial planning

and investment management firm. The firm does not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other commissioned products. The firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted. No finder's fees are accepted.

Investment advice is an integral part of financial planning. In addition, Palm Beach Capital Corporation advises clients regarding cash flow, college planning, retirement planning, tax planning and estate planning.

Investment advice is provided, with the client making the broad strategic decision on investment selection. Palm Beach Capital Corporation does not act as a custodian of client assets. The client always maintains asset control. Palm Beach Capital Corporation places trades for clients under a limited power of attorney.

A written evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement and or a risk tolerance review, and or an investment policy statement, depending on size of the account. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, trustees, insurance agents, etc.) are engaged directly by the client on an as-needed basis. Conflicts of interest will be disclosed to the client in the unlikely event they should occur.

The initial meeting, which may be by telephone, is free of charge and is considered an exploratory interview to determine the extent to which financial planning and investment management may be beneficial to the client.

Principal Owners

John W. Townshend a 100_% stockholder.

Types of Advisory Services

Palm Beach Capital Corporation provides investment supervisory services, also known as asset management services; manages investment advisory accounts not involving investment supervisory services; furnishes investment advice through consultations; issues periodicals about securities by subscription; issues special reports about securities; and issues, charts, graphs, formulas, or other devices which clients may use to evaluate securities.

On more than an occasional basis, Palm Beach Capital Corporation furnishes advice to clients on matters not involving securities, such as financial planning matters, taxation issues, and trust services that may

often include estate planning.

Palm Beach Capital Corporation provides a macro economic investment environment report to assist client's vigilance and coordinate with specific investment policies.

As of DATE, Palm Beach Capital Corporation manages approximately \$ 105M in assets for approximately 150_ clients. Approximately \$ 5M___ is managed on a discretionary basis, and \$ 100M___ is managed on a non-discretionary basis.

Tailored Relationships

The goals and objectives for each client are documented in our client relationship management system. Investment policy statements are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities, which is maintained in a client profile database that is coordinated with trading transaction files..

Agreements may not be assigned without client consent.

Types of Agreements

The following agreements define the typical client relationships.

Financial Planning Report

A financial plan is designed to help the client with all aspects of financial planning without ongoing investment management after the financial plan is completed.

The financial plan may include, but is not limited to: a net worth statement; a cash flow statement; a review of investment accounts, including reviewing asset allocation and providing repositioning recommendations; strategic tax planning; a review of retirement accounts and plans including recommendations; a review of insurance policies and recommendations for changes, if necessary; one or more retirement scenarios; estate planning review and recommendations; and education planning with funding recommendations.

Detailed investment advice and specific recommendations are provided as part of a financial plan. Implementation of the recommendations is at the discretion of the client.

The fee for a financial plan is predicated upon the facts known at the start of the engagement. The minimum fee is \$ 600___ (*or the fee range is \$ 600___ to \$1800___*) and is *NOT NEGOTIABLE*. Since financial planning is a discovery process, situations occur wherein the client is unaware of certain financial exposures or predicaments.

In the event that the client's situation is substantially different than disclosed at the initial meeting, a revised fee will be provided for

mutual agreement. The client must approve the change of scope in advance of the additional work being performed when a fee increase is necessary.

After delivery of a financial plan, future face-to-face meetings may be scheduled as necessary for up to one month. Follow-on implementation work is billed separately at the rate of \$150___ per hour.

Advisory Service Agreement

Most clients choose to have Palm Beach Capital Corporation manage their assets in order to obtain ongoing in-depth advice and life planning. All aspects of the client's financial affairs are reviewed, including those of their children. Realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. An Advisory Service Agreement includes: cash flow management; insurance review; investment management (including performance reporting); education planning; retirement planning; estate planning; and tax preparation, as well as the implementation of recommendations within each area.

The annual Advisory Service Agreement fee is based on a percentage of the investable assets according to the following schedule:

1.00% on the first \$1,500,000;
0.80% on the next \$1,500,000 (from 1,500,001 to 3,000,000); and
0.60% on the assets above \$ 3,000,000.

The minimum annual fee is \$ 100___ and is *NOT NEGOTIABLE*. Current client relationships may exist where the fees are higher or lower than the fee schedule above.

Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion. The client or the investment manager may terminate an Agreement by written notice to the other party. At termination, fees will be billed on a pro rata basis for the portion of the year completed. The portfolio value at the termination date quarter is used as the basis for the fee computation, adjusted for the number of days during the billing year prior to termination.

Tax preparation work is performed as a separate part of the Advisory Service and is fee based on time billed at hourly rates discounted for clients with Investment Advisory Agreement. Termination of the Investment Advisory Agreement terminates the discount rate

immediately upon termination. Eligible federal and applicable state returns are filed electronically without an additional fee.

Retainer Agreement

In some circumstances, a *Retainer Agreement* is executed in lieu of an *Advisory Service Agreement* when it is more appropriate to work on a fixed-fee basis. The annual fee for a *Retainer Agreement* is \$ 1,800 ____ and is *NOT NEGOTIABLE*.

Investment Management Agreement

An *Investment Management Agreement* may be executed when financial planning is not provided as part of the relationship. The annual fee for an *Investment Management Agreement* is \$ 300 ____ and is *NOT NEGOTIABLE*.

Tax Preparation Agreement

Tax preparation work is included in the *Advisory Service Agreement* or *Retainer Agreement* scope of work.

Tax preparation work performed separately from an *Advisory Service Agreement* or a *Retainer Agreement* is billed at a rate of \$ 150 ____ per hour. Minimum fee for tax preparation is \$ 100 _____. Eligible federal and applicable state returns are filed electronically without an additional fee.

Hourly Planning Engagements

Palm Beach Capital Corporation provides hourly planning services for clients who need advice on a limited scope of work. The hourly rate for limited scope engagements is \$ 125 ____.

Asset Management

Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Discount brokerages may charge a transaction fee for the purchase of some funds.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades. Palm Beach Capital Corporation does not receive any compensation, in any form, from fund companies.

Investments may also include: equities (stocks), warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities, commodities, option contracts, U. S. government securities, futures contracts, and interests

in partnerships.

Initial public offerings (IPOs) are not available through Palm Beach Capital Corporation.

Termination of Agreement

A Client may terminate any of the aforementioned agreements at any time by notifying Palm Beach Capital Corporation in writing and paying the rate for the time spent on the investment advisory engagement prior to notification of termination. If the client made an advance payment, Palm Beach Capital Corporation will refund any unearned portion of the advance payment.

Palm Beach Capital Corporation may terminate any of the aforementioned agreements at any time by notifying the client in writing. If the client made an advance payment, Palm Beach Capital Corporation will refund any unearned portion of the advance payment.

Fees and Compensation

Description

Palm Beach Capital Corporation bases its fees on a percentage of assets under management, hourly charges, fixed fees (not including subscription fees), subscription fees, and no other form of compensation.

Some *Retainer Agreements* may be priced based on the complexity of work, especially when asset management is not the most significant part of the relationship.

Financial plans are priced according to the degree of complexity associated with the client's situation.

Fees are *NOT NEGOTIABLE*.

Fee Billing

Investment management fees are billed annually, in *ARREARS*, meaning that we invoice you *AFTER* the twelve month billing period has *ENDED*. Payment in full is expected upon invoice presentation. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Fees for financial plans are billed 50___% in advance, with the balance due upon delivery of the financial plan.

Other Fees

Custodians may charge transaction fees on purchases or sales of certain mutual funds and exchange-traded funds. These transaction

charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

Palm Beach Capital Corporation, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

New Advisory Service Agreement fees are calculated on a formula basis and adjusted for complexity of individual situations. *The formula is based on gross income, gross assets and other financial considerations.*

Expense Ratios

Mutual funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services. These fees are in addition to the fees paid by you to Palm Beach Capital Corporation.

Performance figures quoted by mutual fund companies in various publications are after their fees have been deducted.

Past Due Accounts and Termination of Agreement

Palm Beach Capital Corporation reserves the right to stop work on any account that is more than 30___ days overdue. In addition, Palm Beach Capital Corporation reserves the right to terminate any financial planning engagement where a client has willfully concealed or has refused to provide pertinent information about financial situations when necessary and appropriate, in Palm Beach Capital Corporation's judgment, to providing proper financial advice. Any unused portion of fees collected in advance will be refunded within 30___ days.

Performance-Based Fees

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Palm Beach Capital Corporation does not use a performance-based fee structure because of the potential conflict of interest.

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.

Types of Clients

Description

Palm Beach Capital Corporation generally provides investment advice to individuals, banks or thrift institutions, investment companies, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or other business entities.

Client relationships vary in scope and length of service.

Account Minimums

The minimum account size is \$1,000___ of assets under management, which equates to an annual fee of \$ 100___.

When an account falls below \$1,000___ in value, the minimum annual fee of \$ 100___ is charged. Depending upon circumstances, John W. Townshend has the discretion to waive the account minimum.

Accounts of less than \$10,000___ may be set up when the client and the advisor anticipate the client will add additional funds to the accounts bringing the total to \$ 10,000___ within a reasonable time. Other exceptions will apply to employees of Palm Beach Capital Corporation and their relatives, or relatives of existing clients.

Clients receiving ongoing asset management services will be assessed a \$100___ minimum annual fee. Clients with assets below the minimum account size may pay a higher percentage rate on their annual fees than the fees paid by clients with greater assets under management.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis.

The main sources of information 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, and company press releases.

Other sources of information that Palm Beach Capital Corporation may use include Morningstar Principia mutual fund information, Morningstar Principia stock information, T.D. Ameritrade research database, Charles Schwab & Company's "SchwabLink" service, Advisor Intelligence, American Association of Individual Investors database,

Vector Vest, and the World Wide Web. Sources of information are also disclosed quarterly in an investment report and may be changed without prior notice.

Investment Strategies

The primary investment strategy provided for client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed funds where there are greater opportunities to make a difference. Portfolios are globally diversified to control the risk associated with traditional markets.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Risk of Loss

All investment programs have certain risks that are borne by the investor. Our investment approach documents the risks for each investment and for each client and constantly keeps the risk of loss summarized and measured for our clients. Investors face the following investment risks:

- 1 Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- 2 Market Allocation Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.
- 3 Interest Rate Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation. Even investments that offset inflation risk, financial risk or credit exposure is assumed to improve portfolios.
- 4 Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the

investment's originating country. This is also referred to as exchange rate risk.

- 5 **Reinvestment Term Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- 6 **Business Sector Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- 7 **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- 8 **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

Other Financial Industry Activities and Affiliations

Financial Industry Activities

Palm Beach Capital Corporation is a registered investment advisor.

Affiliations

Palm Beach Capital Corporation has arrangements that are material to its advisory or its clients with a related person who is pension consultant with Benefit Plan Administrators, Inc., a third party employee plan administrator, and arrangements with John W. Townshend, PLLC, a tax preparation firm..

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

Code of Ethics

The employees of Palm Beach Capital Corporation have committed to a Code of Ethics that is available for review by clients and prospective clients upon request. The code of ethics sponsored by the Investment Management Consultants Association for its member consultants is adhered to by Palm Beach Capital Corporation employees. The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Participation or Interest in Client Transactions

Palm Beach Capital Corporation and its employees may buy or sell securities that are also held by clients. Employees may not trade their own securities ahead of client trades. Employees comply with the provisions of the Palm Beach Capital Corporation's *Compliance Manual*.

Personal Trading

The Chief Compliance Officer of Palm Beach Capital Corporation is John W. Townshend, Sr.

The compliance officer reviews all employee trades each quarter. John W. Townshend's trades are reviewed by Kelsey M. Rogers. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment. Since most employee trades are small mutual fund trades or exchange-traded fund trades, the trades do not affect the securities markets.

Brokerage Practices

Selecting Brokerage Firms

Palm Beach Capital Corporation does not have any affiliation with product sales firms. Specific custodian recommendations are made to Clients based on their need for such services. Palm Beach Capital Corporation recommends custodians based on the proven integrity and financial responsibility of the firm and the best execution of orders at reasonable commission rates.

Palm Beach Capital Corporation recommends discount brokerage firms and trust companies (qualified custodians), such as T. D. Ameritrade Institutional, Inc. Palm Beach Capital Corporation is an advisor with T.D. Ameritrade Institutional.

Palm Beach Capital Corporation *DOES NOT* receive fees or commissions from any of these arrangements.

Best Execution

Palm Beach Capital Corporation reviews the execution of trades at each custodian each quarter. The review is documented in the Palm Beach Capital Corporation *Compliance Manual*. Trading fees charged by the custodians is also reviewed on a quarterly basis. Palm Beach Capital Corporation does not receive any portion of the trading fees.

Soft Dollars

Palm Beach Capital Corporation does not receive a software maintenance credit from T.D. Ameritrade Institutional because some client assets are custodied at T.D. Ameritrade. Software provided Palm Beach Capital Corporation for client trading disclosure is free of charge to Palm Beach Capital Corporation and benefits its clients in so much as advisor services are enhanced by the software..

The selection of T. D. Ameritrade Institutional as a custodian for clients is not affected by this use of its software to provide any advisory services to Palm Beach Capital Corporation's clients.

Order Aggregation

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

Review of Accounts

Periodic Reviews

Account reviews are performed on demand and at least quarterly by advisors John W. Townshend, Account Manager. Account reviews are performed more frequently when market conditions dictate.

Review Triggers

Other conditions that may trigger a review are changes in the tax laws, new investment information, changes in trust documents, and changes in a client's own situation.

Regular Reports

Account reviewers are members of the firm's Investment Committee. They are instructed to consider the client's current security positions, current investment allocations, and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least an annual basis.

Advisory Service Agreement clients, *Investment Management* clients, and *Retainer Agreement* clients receive written quarterly updates. The written updates may include an economic investment climate review, a survey of macro economic risk measure, an investment sector recommendation, a summary of all transactions in accounts, a net worth statement, portfolio return on investment statement, tax return (if the client requests tax preparation services), and a summary of objectives and progress towards meeting those objectives.

Client Referrals and Other Compensation

Incoming Referrals

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

Referrals Out

Palm Beach Capital Corporation does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Other Compensation

Palm Beach Capital receives other fees from clients for preparation of tax returns and other financial services on a hourly fee basis documented in a time management program, which is summarized for clients on request.

Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly.

Performance Reports

Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by Palm Beach Capital Corporation.

Net Worth Statements

Clients are frequently provided net worth statements and net worth graphs that are generated from our client relationship management

system. Net worth statements contain approximations of bank account balances provided by the client, as well as the value of land and hard-to-price real estate. The net worth statements are used for long-term financial planning where the exact values of assets are not material to the financial planning tasks.

Investment Discretion

Discretionary Authority for Trading

Palm Beach Capital Corporation accepts discretionary authority to manage securities accounts on behalf of clients. Palm Beach Capital Corporation has the authority to determine, without obtaining specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. However, Palm Beach Capital Corporation consults with the client prior to each trade to obtain concurrence if specified by the client even if a blanket trading authorization has been given.

The client approves the custodian to be used and the commission rates paid to the custodian.

Palm Beach Capital Corporation does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing.

Limited Power of Attorney

A limited power of attorney is a trading authorization for this purpose. You sign a limited power of attorney so that we may execute the trades that you have approved.

Voting Client Securities

Proxy Votes

Unless the client designates otherwise, Palm Beach Capital Corporation votes proxies for securities over which it maintains discretionary authority consistent with its proxy voting policy. A copy of Palm Beach Capital Corporation's proxy voting policy is available upon request.

Financial Information

Financial Condition

Palm Beach Capital Corporation does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients.

A balance sheet is not required to be provided because Palm Beach Capital Corporation does not serve as a custodian for client funds or securities, and does not require prepayment of fees and any fees in advance, whatsoever.

Business Continuity Plan

General

Palm Beach Capital Corporation has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

Disasters

The Business Continuity Plan covers natural disasters such as snow storms, hurricanes, tornados, and flooding. The Plan covers man-made disasters such as loss of electrical power, loss of water pressure, fire, bomb threat, nuclear emergency, chemical event, biological event, T-1 communications line outage, Internet outage, railway accident and aircraft accident. Electronic files are backed up daily and archived offsite.

Alternate Offices

Alternate offices are identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

Loss of Key Personnel

Palm Beach Capital Corporation has not signed a Business Continuation Agreement with another financial advisory firm to support Palm Beach Capital Corporation in the event of John W. Townshend's serious disability or death and is dependent on qualification of successor employees to continue all services in event of disability or death of any one individual.

Information Security Program

Information Security

Palm Beach Capital Corporation maintains an information security program to reduce the risk that your personal and confidential information may be breached.

Privacy Notice

Palm Beach Capital Corporation is committed to maintaining the confidentiality, integrity, and security of the personal information that is entrusted to us.

The categories of nonpublic information that we collect from you may include information about your personal finances, information about your health to the extent that it is needed for the financial planning process, information about transactions between you and third parties, and information from consumer reporting agencies, e.g., credit reports. We use this information to help you meet your personal financial goals.

With your permission, we disclose limited information to attorneys, accountants, and mortgage lenders with whom you have established a relationship. You may opt out from our sharing information with these nonaffiliated third parties by notifying us at any time by telephone, mail, fax, email, or in person. With your permission, we share a limited amount of information about you with your brokerage firm in order to execute securities transactions on your behalf.

We maintain a secure office to ensure that your information is not placed at unreasonable risk. We employ a firewall barrier, secure data encryption techniques and authentication procedures in our computer environment.

We do not provide your personal information to mailing list vendors or solicitors. We require strict confidentiality in our agreements with unaffiliated third parties that require access to your personal information, including financial service companies, consultants, and auditors. Federal and state securities regulators may review our Company records and your personal records as permitted by law.

Personally identifiable information about you will be maintained while you are a client, and for the required period thereafter that records are required to be maintained by federal and state securities laws. After that time, information may be destroyed.

We will notify you in advance if our privacy policy is expected to change. We are required by law to deliver this *Privacy Notice* to you annually, in writing.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

Palm Beach Capital Corporation requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude for financial planning and investment management.

Professional Certifications

Employees have passed comprehensive examinations in various areas relevant to investment analysis and financial planning. Certifications and credentials are required to be explained in further detail.

Certified Public Accountants (CPA): Certified Public Accountants are tested in competency in all accounting areas and application of law and finance and must meet certain standards of reporting.

8 Successfully completed a four part examination process in June of 1969.

9 Have not maintained any membership program.

National Association of Securities Dealers (Now FINRA): Securities professionals are required to pass a series of examinations to test proficiency in securities industry practices and regulations:

10 Successfully completed a series of examinations (S6, S7, S63, & S65) in June 1999.

11 Have not maintained any membership programs.

Enrolled Agent (EA): Enrolled Agents are enrolled by the Internal Revenue Service and authorized to use the EA designation. EA enrollment requirements:

12 Successful completion on November 3, 2010 of the three-part IRS Special Enrollment Examination (SEE), or completion of five years of employment by the IRS in a position which regularly interpreted and applied the tax code and its regulations

13 Have passed the background check conducted by the IRS.

John W. Townshend, CERTIFICATIONS

Educational Background:

- 1 Date of birth: November 13, 1944
- 2 Stetson University, 1967
- 3 Oklahoma University (UCAT), 1995.

Business Experience:

List here in detail. (Year From – Year To)

1. Arthur Anderson 1967 - 1970
2. United Federal S & L 1970 - 1974
3. Crusader Corporation, 1974 - 1979
4. Palm Beach Capital Corporation, 1980 - Present

Disciplinary Information: None

Other Business Activities: Benefit Plan Administrators, Inc., Trustee
John W. Townshend, PLLC, Tax

accountant

Additional Compensation: None

Supervision:

Kelsey M. Rogers is supervised by John W. Townshend, President. He reviews Kelsey M. Rogers work through frequent office interactions as well as remote interactions. He also reviews Kelsey M. Rogers activities through our client relationship management system.

John W. Townshend, SUPERVISOR, contact information:
479-785-4630 jwtownshend@cs.com

Arbitration Claims: None

Self-Regulatory Organization or Administrative Proceeding: None

Bankruptcy Petition: None

Kelsey M. Rogers, CERTIFICATIONS

Educational Background:

Date of Birth: 02/16/1985

University of Arkansas, 2009

Business experience:

1. Palm Beach Capital Corporation 2009 - present

Disciplinary information: none

Other business activities: Benefit Plan Administrators, Inc. pension consultant

Additional compensation: none

