

Item 1. Cover Page

Brochure

Gulfstream Capital Management, LLC and Gulfstream CM, LLC

March 26, 2012

This brochure provides information about the qualifications and business practices of Gulfstream Capital Management, LLC (“Gulfstream Capital Management”, an investment adviser registered with the United States Securities and Exchange Commission (the “SEC”), and its “relying adviser”, Gulfstream CM, LLC (“Gulfstream CM”, and together with Gulfstream Capital Management, the “Adviser”). If you have any questions about the contents of this brochure, please contact us at (908) 277-6805. This information has not been approved or verified by the United States Securities and Exchange Commission (the “SEC”) or by any state securities authority.

Additional information about the Adviser is also available on the SEC’s website at www.adviserinfo.sec.gov.

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

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Item 2. Material Changes

Gulfstream Capital Management, LLC ("Gulfstream Capital Management"), and its "relying adviser", Gulfstream CM, LLC ("Gulfstream CM", and collectively with Gulfstream Capital Management, the "Adviser"), are together filing a single Form ADV in reliance on the position expressed in the American Bar Association, Business Law Section, SEC No-Action Letter (January 18, 2012). Unless otherwise indicated, references in this Brochure to the investment advisory activities of the Adviser include both Gulfstream Capital Management and Gulfstream CM. Accordingly, certain Items of this Brochure have been amended in order to incorporate certain information with respect to Gulfstream CM's advisory business.

In particular, please note the following material changes that were made to the July 18, 2011 version of this Brochure.

Item 4. Advisory Business

The Brochure discloses general information about Gulfstream CM's advisory business.

The Brochure discloses that as of March 26, 2012, the Adviser had approximately \$325 million client assets under management. As of that date, the Adviser managed \$300 million on a discretionary basis and \$25 million on a non-discretionary basis.

Item 5. Fees and Compensation

The Brochure discloses general information about fees and compensation with respect to Gulfstream CM's advisory business.

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

The Brochure discloses general information about performance-based fees charged by Gulfstream CM (or its related person).

Item 7. Types of Clients

The Brochure discloses general information about the type of client for which Gulfstream CM serves as investment adviser.

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

The Brochure discloses that the Opportunity Fund (as defined herein) may utilize leverage through margin borrowing and through certain financial transactions.

Item 12. Brokerage Practices

The Brochure discloses that Gulfstream CM does not permit the Opportunity Fund to direct Gulfstream CM to execute the client's trades with a specified broker-dealer.

Item 4. Advisory Business

Gulfstream Capital Management) is an investment adviser with its principal place of business in Summit, New Jersey. Gulfstream Capital Management commenced operations as an investment adviser on March 24, 2004 and has been registered with the SEC since March 24, 2004. W. H. Mell Associates, Inc., an SEC registered broker-dealer with its principal place of business in Summit, New Jersey, is the parent company ("Parent Company") of the Adviser. S. Bradley Mell is the principal owner of the Parent Company.

Gulfstream CM is an investment adviser with its principal place of business in Summit, New Jersey. Gulfstream CM commenced operations as an investment adviser on September 1, 2005 and has been included as a "relying adviser" in the Form ADV filed by Gulfstream Capital Management, as discussed in further detail above in Item 2 of this Brochure. The principal owners of Gulfstream CM are S. Bradley Mell, Ryan Posner and Stephen Barral.

Gulfstream Capital Management provides advisory services both on a discretionary and non-discretionary basis to its clients, which include individuals, pension and profit-sharing plans, trusts, corporations and other business entities. Gulfstream Capital Management provides investment management services for discretionary accounts and investment supervisory services for non-discretionary accounts. Gulfstream Capital Management only provides investment advice with respect to municipal bonds.

Gulfstream Capital Management provides advice to client accounts based on specific investment objectives and strategies. Gulfstream Capital Management tailors advisory services to the individual needs of clients and will allow clients to impose restrictions on investing in certain securities. Currently, Gulfstream Capital Management tailors its advisory services based upon information clients provide to Gulfstream Capital Management in the form of a confidential investor profile.

Gulfstream CM provides advisory services on a discretionary basis to its sole client, Gulfstream Opportunity Fund, LP, a pooled investment intended for sophisticated investors (the "Opportunity Fund"). Gulfstream CM only provides investment advice with respect to municipal bonds.

As of March 26, 2012, the Adviser had approximately \$325 million client assets under management. As of that date, the Adviser managed \$300 million on a discretionary basis and \$25 million on a non-discretionary basis.

Item 5. Fees and Compensation

Gulfstream Capital Management

Gulfstream Capital Management charges each client an investment management fee based on the value of the client's assets under management ranging from 0.375% to 2.0% per annum. Each client's investment management fee is negotiated separately based upon various objective and subjective factors including, but not limited to, the amount of assets placed under direct management, the amount of assets placed under supervision, the complexity of the engagement and the level and scope of the overall investment services to be rendered.

Investment management fees are charged each quarter in advance based on the total market value of the assets in the client account (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the first day of the quarter. If a new client account is established during a quarter or a client makes an additional contribution to its account during a quarter, the investment management fee may be charged as of the date of the account opening or the date of the additional contribution based on the value of the assets as of the applicable date and will be prorated for the number of days remaining in the quarter.

These fees are negotiable.

The Adviser does not receive performance-based fees.

Gulfstream Capital Management customarily deducts the investment management fee from client accounts by instructing the client's custodian. Upon request, however, Gulfstream Capital Management does not deduct the investment management fee from client accounts but rather, Gulfstream Capital Management bills clients. The client may select the method by which it would like to pay the investment management fee. Gulfstream Capital Management deducts client accounts and bills clients for investment management fees quarterly.

Gulfstream CM

Gulfstream CM charges the Opportunity Fund an investment management fee in an amount equal to 1.5% per annum based on the value of its assets under management.

Investment management fees are charged each quarter in advance based on the total market value of the assets of the Opportunity Fund (including net unrealized appreciation or depreciation of investments and cash, cash equivalents and accrued interest) on the first day of the quarter. If an investor of the Opportunity Fund makes an additional contribution to its account during a quarter, the investment management fee may be charged as of the date of the additional contribution based on the value of the assets as of the applicable date and will be prorated for the number of days remaining in the quarter.

These fees are generally not negotiable.

Gulfstream CM (or its related person) may also be paid a performance-based fee, which is compensation that is based on a share of capital gains on or capital appreciation of the assets of the Opportunity Fund. In particular, if in any fiscal year, the net profits allocated to an investor's capital account exceed a non-cumulative "hurdle rate" equal to the Barclays Capital 3 Year Municipal Bond Index, 20% of the total net profits allocated to such investor's capital account will be reallocated to the capital account of the General Partner (the "Incentive Allocation"), provided that the Incentive Allocation shall not cause the investor's return for such year to fall below the hurdle rate. The Incentive Allocation will also be subject to a modified loss carryforward provision, as set forth in the confidential private offering memorandum provided to all investors.

These fees are generally not negotiable.

Gulfstream CM deducts the investment management fee from the Opportunity Fund by instructing its custodian.

Gulfstream Capital Management and Gulfstream CM

In addition to paying investment management fees, client accounts will also be subject to other investment expenses such as custodial charges, brokerage fees, commissions and related costs; interest expenses; taxes, duties and other governmental charges; transfer and registration fees or similar expenses; costs associated with foreign exchange transactions; other portfolio expenses; and costs, expenses and fees associated with products or services that may be necessary or incidental to such investments or accounts. Please refer to Item 12 of this Firm Brochure for a discussion of the Adviser's brokerage practices.

The clients are required to pay the Adviser's fees in advance. Managed account clients may obtain a refund of a pre-paid fee if the advisory contract is terminated or a withdrawal is made from the account before the end of a billing period by notifying Gulfstream Capital Management in writing of an intent to terminate the account.

Gulfstream Capital Management determines the amount of the relevant refund in the following manner: The prepaid fee for the quarter in which termination or withdrawal occurs is prorated based upon the total amount of the fee paid, the number of days in the billing period and the number of days remaining in the billing period.

The Adviser's supervised persons may receive compensation indirectly in connection with the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds (e.g., where the Adviser has an affiliated broker-dealer and the affiliated broker-dealer receives commissions or other compensation in connection with the sale of the securities or other investment products).

As a result of this additional compensation, the Adviser's supervised persons have a conflict of interest because the Adviser's supervised persons have an incentive to recommend these securities or other investment products based on the compensation received, rather than on a client's needs. The Adviser recommends "no-load" funds. The Adviser has adopted and implemented policies and procedures to monitor frequency of trading and to address these conflicts.

Managed account clients have the option to purchase investment products that Gulfstream Capital Management recommends through other brokers or agents that are not affiliated with Gulfstream Capital Management.

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

The Adviser and its investment personnel provide investment management services to multiple portfolios for multiple clients. Gulfstream CM (or its related person) is entitled to be paid performance-based compensation by the Opportunity Fund. Accordingly, the Adviser and its investment personnel, including investment personnel that share in performance-based compensation, may manage both client accounts that are charged performance-based compensation and accounts that are charged an asset-based fee, which is a non-performance-based fee. When the Adviser and its investment personnel manage more than one client account a potential exists for one client account to be favored over another client account. The Adviser and its investment personnel have a greater incentive to favor client accounts that pay the Adviser (and indirectly the portfolio manager) performance-based compensation or higher fees..

The Adviser has adopted and implemented policies and procedures intended to address conflicts of interest relating to the management of multiple accounts, including the allocation of investment opportunities. The Adviser reviews investment decisions for the purpose of ensuring that all accounts with substantially similar investment objectives are treated equitably. The performance of similarly managed accounts is also regularly compared to determine whether there are any unexplained significant discrepancies.

In addition, the Adviser's procedures relating to the allocation of investment opportunities generally require that the Chief Investment Officer prepare an Allocation Sheet that will set forth the size of each client's order, proposed allocation of the aggregated orders based on the size of each client's order, the type of client orders and other relevant information about the aggregated order. Aggregated orders will generally be allocated on the Allocation Sheet by order size on a pro rata basis. If the Adviser is not able to completely fill an aggregated order for a security, the completed orders will generally be allocated pro rata based on the order size set forth in the Allocation Sheet. If the Adviser is unable to execute limit orders, the market orders are filled, with allocation pro rata among only the clients submitting market orders. If several clients seek to buy as many securities of the same issuer as they can, the Adviser will allocate the securities acquired by the size of assets of each client's account. If several clients seek to sell as many securities of the same issuer as they can, the Adviser will allocate the securities sold based on the total size of each client's position in that security.

Notwithstanding the foregoing, in cases where client accounts would receive less than the desirable number of securities as judged by the Adviser, the aggregated trade may be allocated by the Adviser to client accounts on a random basis. The Adviser shall use a computer software program or other fair

system to allocate such trades on a random basis. Client accounts that receive random allocations generally will not be eligible for the next random allocation. Furthermore, an allocation of an aggregated trade may be made on a different basis if (i) it is in the best interests of clients, (ii) an appropriate reason for the deviation from pro rata allocation exists, (iii) all participating clients in the aggregated order are treated fairly and the variation from a pro rata allocation does not result in an unfair advantage or disadvantage to a client, or unfairly advantage the Adviser and (iv) the Chief Investment Officer, responsible for the deviated allocation, describes in writing an explanation for the deviation on the orders trade blotter. These areas are monitored by the Chief Compliance Officer.

Item 7. Types of Clients

Gulfstream Capital Management

Gulfstream Capital Management's clients consist of individuals, pension and profit sharing plans, trusts, corporations and other business entities.

Gulfstream Capital Management typically requires that a client invests a minimum of \$250,000 to open a fixed-income account. If the account size falls below the typical minimum requirement due to market fluctuations only, a client will not be required to invest additional funds with the Adviser to meet the typical minimum account size.

Gulfstream CM

Gulfstream CM's sole client is Gulfstream Opportunity Fund, LP, a pooled investment intended for sophisticated investors.

The minimum subscription amount for investors in Gulfstream CM's sponsored pooled investment vehicle is generally \$1 million.

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

The Adviser utilizes a variety of methods and strategies to make investment decisions and recommendations. The methods of analysis include fundamental research as well as use of quantitative tools and investment approaches.

The Adviser employs the following investment strategies:

Municipal Bonds. The Adviser aims to maximize tax-free income and moderate interest rate risk through credit research and the avoidance of interest rate speculation. Generally, the Adviser purchases bonds that are viewed as investment-grade quality.

Buy and Hold. The Adviser engages in a buy and hold investment strategy wherein the Adviser buys securities and holds them for a relatively longer period of time, regardless of short-term factors such as fluctuations in the market or volatility.

Fundamental Value. The Adviser engages in a fundamental value investment strategy wherein the Adviser attempts to invest in asset-oriented securities the Adviser believes are undervalued by the market.

These method(s), strategies and investments involve risk of loss to clients and clients must be prepared to bear the loss of their entire investment. The material risks associated with the Adviser's investment strategies are set forth below.

Changes in the financial condition of an issuer or counterparty, changes in specific economic or political conditions that affect a particular type of security or issuer, and changes in general economic or political

conditions can increase the risk of default by an issuer or counterparty, which can affect a security's or instrument's value. The value of securities of smaller, less well-known issuers can be more volatile than that of larger issuers. Smaller issuers can have more limited product lines, markets, or financial resources.

Leverage. The Opportunity Fund may utilize leverage through margin borrowing and through certain financial transactions. Leverage increases the volatility of the returns.

Municipal Market and Tax Reform Risk. As Client accounts will hold debt securities of municipal issuers, changes or proposed changes in U.S. federal tax laws could impact the value of those securities. Of particular concern would be large changes in marginal income tax rates or the elimination of the tax preference for municipal interest income versus currently taxable interest income. Also, the failure or possible failure of such debt issuances to qualify for tax-exempt treatment in the U.S. may cause the prices of such municipal securities to decline, possibly adversely affecting the value of the portfolio of a Client account. In addition, there can be regional variations in economic conditions or supply-demand fundamentals. Public information in the municipal market is also less available than in other markets, increasing the difficulty of evaluating and valuing such securities. Many bonds in the municipal market are insured by private companies. Changes in market conditions affecting the bonds insured, the availability of capacity to insure, or the downgrade of any or all of the insurers could have a negative impact on the municipal market and the performance of a Client account.

Municipal Credit Risk. Client accounts face potential loss due to credit migration or default on the municipal portfolio.

Interest Rate Risks. Generally, the value of fixed-income securities changes inversely with changes in interest rates. As interest rates rise, the market value of fixed-income securities tends to decrease. Conversely, as interest rates fall, the market value of fixed-income securities tends to increase. This risk is greater for long-term securities than for short-term securities.

Lack of Diversification. Client accounts may not be diversified among a wide range of types of securities, countries or industry sectors. Accordingly, client portfolios are subject to more rapid change in value than would be the case if the Adviser were required to maintain a wider diversification among types of securities and other instruments.

Relative Value Risk. In the event that the perceived mispricings underlying the Adviser's relative value trading positions were to fail to converge toward, or were to diverge further from, relationships expected by the Adviser, client accounts may incur a loss.

Risks associated with the types of investments that are primarily recommended (including significant, or unusual risks) are set forth below.

Illiquid Instruments. Certain instruments may have no readily available market or third-party pricing. Reduced liquidity may have an adverse impact on market price and the Adviser's ability to sell particular securities when necessary to meet liquidity needs or in response to a specific economic event, such as the deterioration of creditworthiness of an issuer. Reduced liquidity in the secondary market for certain securities may also make it more difficult for the Adviser to obtain market quotations based on actual trades for the purpose of valuing a fund's portfolio.

Hard Assets. The production and marketing of hard assets may be affected by actions and changes in governments. In addition, hard assets and hard asset securities may be cyclical in nature. During periods of economic or financial instability, hard asset securities may be subject to broad price fluctuations, reflecting volatility of energy and basic materials prices and possible instability of supply of various hard assets. In addition, hard asset companies may also be subject to the risks associated with extraction of natural resources as well as the risks of the hazards associated with natural resources, such

as fire, drought, and increased regulatory and environmental costs. Hard asset securities may also experience greater price fluctuations than the relevant hard asset.

Item 9. Disciplinary Information

On June 10, 2009, W. H. Mell Associates, Inc., Gulfstream Capital Management's Parent Company, of which S. Bradley Mell is the principal owner, consented to the entry of an order of the Financial Industry Regulatory Authority ("FINRA"), which imposed a \$7,500 civil penalty against the Parent Company based on the following findings: A FINRA market regulation review of the municipal securities purchase and sale tickets executed between October 1, 2007 and December 31, 2007 concluded that the Parent Company failed to report 189 of these transactions in the manner prescribed within MSRB Rule G-14. Specifically, the Parent Company failed to report information about such transactions within 15 minutes of time of trade to an RTRS Portal. During the same review period, the Parent Company failed to report the correct time of execution in seven reports to the RTRS and the correct date of execution in one report to the RTRS.

Item 10. Other Financial Industry Activities and Affiliations

Certain of the Adviser's management persons are registered as a broker-dealer or a registered representative of a broker-dealer.

The Adviser has entered into an arrangement with W. H. Mell Associates, Inc., an SEC registered broker-dealer, whereby management persons of the Adviser may engage W. H. Mell Associates, Inc., the Parent Company of the Adviser, to effect securities transactions on behalf of certain of its clients. Certain portfolio managers of the Adviser may therefore benefit when client securities transactions are executed by W. H. Mell Associates, Inc. It is expected that W. H. Mell Associates, Inc. will retain commissions and commission equivalents and mark-ups, mark-downs, spreads and other transaction-related charges in connection with execution of transactions for certain advisory accounts. Such remuneration is paid by the client in addition to advisory fees paid by the client. These arrangements may represent a conflict of interest because they provide an economic incentive for the portfolio managers to use W. H. Mell Associates, Inc., in lieu of other brokers to effect client securities transactions. These conflict(s) of interest are disclosed to clients, and the Adviser obtains client consent.

S. Bradley Mell, the principal owner of the Parent Company, is also a managing member of Gulfstream CM, a "relying adviser" of Gulfstream Capital Management that provides investment management services to Gulfstream Opportunity Fund, LP, a pooled investment vehicle intended for sophisticated investors. Limited partnership interests in Gulfstream Opportunity Fund, LP are not offered to Gulfstream Capital Management's clients, and such client assets are not invested in Gulfstream Opportunity Fund, LP.

The Adviser may recommend other investment advisers for its clients but receives no compensation directly or indirectly from those advisers for such services. Any perceived conflict(s) of interest are disclosed to clients, and the Adviser obtains client consent.

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

The Adviser has adopted a Code of Ethics (the "Code") that obligates the Adviser and its related persons to put the interests of the Adviser's clients before their own interests and to act honestly and fairly in all respects in their dealings with clients. All of the Adviser's personnel are also required to comply with applicable federal securities laws. Clients or prospective clients may obtain a copy of the Code by contacting S. Bradley Mell (Chief Compliance Officer) by email at bmell@gulfstreamcapitalmgmt.com, or by telephone at (908) 277-3441. See below for further provisions of the Code as they relate to the preclearing and reporting of securities transactions by related persons.

The Adviser, in the course of its investment management and other activities (e.g., board or creditor committee service), may come into possession of confidential or material nonpublic information about issuers, including issuers in which the Adviser or its related persons have invested or seek to invest on behalf of clients. The Adviser is prohibited from improperly disclosing or using such information for its own benefit or for the benefit of any other person, regardless of whether such other person is a client. The Adviser maintains and enforces written policies and procedures that prohibit the communication of such information to persons who do not have a legitimate need to know such information and to assure that the Adviser is meeting its obligations to clients and remains in compliance with applicable law. In certain circumstances, the Adviser may possess certain confidential or material, nonpublic information that, if disclosed, might be material to a decision to buy, sell or hold a security, but the Adviser will be prohibited from communicating such information to the client or using such information for the client's benefit. In such circumstances, the Adviser will have no responsibility or liability to the client for not disclosing such information to the client (or the fact that the Adviser possesses such information), or not using such information for the client's benefit, as a result of following the Adviser's policies and procedures designed to provide reasonable assurances that it is complying with applicable law.

The Adviser or its related persons, as principal, may buy securities from (or sell securities to) its clients. This practice creates a conflict of interest because the Adviser or related person has an incentive to buy securities from (or sell securities to) clients based on its own financial interests, rather than solely the interests of a client.

With respect to principal transactions, the Adviser discloses to the client in writing before the completion of the transaction the capacity in which the Adviser is acting with respect to this arrangement, and obtains the client's consent to such transaction as required by Section 206(3) of the Advisers Act.

The Adviser or its related persons may invest in the same securities (or related securities, e.g., warrants, options or futures) that the Adviser or a related person recommends to clients. Such practices present a conflict where, because of the information an Adviser has, the Adviser or its related person are in a position to trade in a manner that could adversely affect clients (e.g., place their own trades before or after client trades are executed in order to benefit from any price movements due to the clients' trades). In addition to affecting the Adviser's or its related person's objectivity, these practices by the Adviser or its related persons may also harm clients by adversely affecting the price at which the clients' trades are executed. The Adviser has adopted the following procedures in an effort to minimize such conflicts: The Adviser forbids its related persons and access persons from purchasing or selling, directly or indirectly, a security for his or her own account within one day before the time that the same security or related security is being purchased or sold by any client. In addition, the Adviser's Code prohibits the Adviser or its related persons and access persons from executing personal securities transactions of any kind in any securities on a restricted securities list maintained by the Chief Compliance Officer. All of the Adviser's related persons must generally provide the Adviser with a written record of his or her personal securities transactions within ten 10 days of the end of each calendar quarter. All of the Adviser's related persons are also required to provide a copy of each confirmation and periodic account statement issued by such person's broker. Trading in employee accounts will be reviewed by the Chief Compliance Officer or a designated related person and compared with transactions for the client accounts and reviewed against the restricted securities list.

To the extent that the Adviser or a related person or any of their employees own securities that the Adviser or its related person also recommends to clients, such clients' proxies will be voted according to predetermined guidelines rather than subject to the Adviser's (or its related person's) discretion.

The Adviser or a related person from time to time recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that the Adviser or related person buys or sells the same securities for its own account in accordance with the procedures described above in order to minimize the conflicts stemming from situations where the contemporaneous trading results in an economic benefit for the Adviser or its related person to the detriment of the client.

Item 12. Brokerage Practices

The Adviser considers a number of factors in selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation. Such factors include net price, reputation, financial strength and stability, efficiency of execution, and error resolution. In selecting a broker-dealer to execute transactions (or series of transactions) and determining the reasonableness of the broker-dealer's compensation, the Adviser need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

Gulfstream CM does not permit the Opportunity Fund to direct Gulfstream CM to execute its trades with a specified broker-dealer.

Under certain circumstances, Gulfstream Capital Management may permit clients to direct Gulfstream Capital Management to execute the client's trades with a specified broker-dealer. When a client directs Gulfstream Capital Management to use a specified broker-dealer to execute all or a portion of the client's securities transactions, Gulfstream Capital Management treats the client direction as a decision by the client to retain, to the extent of the direction, the discretion Gulfstream Capital Management would otherwise have in selecting broker-dealers to effect transactions and in negotiating commissions for the client's account. Although Gulfstream Capital Management attempts to effect such transactions in a manner consistent with its policy of seeking best execution, there may be occasions where it is unable to do so, in which case Gulfstream Capital Management will continue to comply with the client's instructions. Transactions in the same security for accounts that have directed the use of the same broker will be aggregated. When the directed broker-dealer is unable to execute a trade, Gulfstream Capital Management will select broker-dealers other than the directed broker-dealer to effect client securities transactions upon prior approval by the client. A client who directs Gulfstream Capital Management to use a particular broker-dealer to effect transactions should consider whether such direction may result in certain costs or disadvantages to the client. Such costs may include higher brokerage commissions (because Gulfstream Capital Management may not be able to aggregate orders to reduce transaction costs), less favorable execution of transactions, and the potential of exclusion from the client's portfolio of certain securities due to the inability of the particular broker-dealer in question to provide adequate price and execution of all types of securities transactions. By permitting a client to direct Gulfstream Capital Management to execute the client's trades through a specified broker-dealer, Gulfstream Capital Management will make no attempt to negotiate commissions on behalf of the client and, as a result, in some transactions such clients may pay materially disparate commissions depending on their commission arrangement with the specified broker-dealer and upon other factors such as number of securities, round and odd lots and the market for the security. The commissions charged to clients that direct Gulfstream Capital Management to execute the client's trades through a specified broker-dealer may in some transactions be materially different than those of clients who do not direct the execution of their trades. Clients that direct Gulfstream Capital Management to execute the client's trades through a specified broker-dealer may also lose the ability to negotiate volume commission discounts on batched transactions that may otherwise be available to other clients of Gulfstream Capital Management.

When a client directs Gulfstream Capital Management to use W. H. Mell Associates, Inc., which is affiliated with Gulfstream Capital Management, to effect transactions for the client, a conflict of interest arises because Gulfstream Capital Management has an incentive to place client trades with its affiliated broker-dealer instead of unaffiliated broker-dealers because Gulfstream Capital Management's affiliated organization earns commissions on such trades. By directing Gulfstream Capital Management to use a particular broker-dealer (including Gulfstream Capital Management's affiliated broker-dealer) to effect transactions, a client may incur additional costs. Such costs may include higher brokerage and commission rates, less favorable execution of transactions, and the potential of exclusion from the client's portfolio of certain securities due to the inability of the particular broker-dealer in question to provide adequate price and execution of all types of securities transactions.

The Adviser often purchases or sells the same security for many clients at or near the same time and using the same executing broker. It is the Adviser's practice, where possible, to aggregate client orders for the purchase or sale of the same security submitted at or near the same time for execution using the

same executing broker. The Adviser will also aggregate in the same transaction, the same securities for accounts where the Adviser has brokerage discretion. Orders of two or more clients may be aggregated only if the Chief Investment Officer determines, on an individual client basis that the securities order is (i) in the best interests of each client participating in the order, (ii) consistent with the Adviser's duty to obtain best execution and (iii) consistent with the terms of the investment advisory contract of each participating client. Such aggregation may enable the Adviser to obtain for clients a more favorable price or a better commission rate based upon the volume of a particular transaction. However, in cases where the client has negotiated the commission rate directly with the broker, the Adviser will not be able to obtain more favorable commission rates based on an aggregated trade. In such cases, the client will be precluded from receiving the benefit of any possible commission discounts that might otherwise be available as a result of the aggregated trade. In cases where trading or investment restrictions are placed on a client's account, the Adviser may be precluded from aggregating that client's transaction with others. In such a case, the client may pay a higher commission rate and/or receive less favorable prices than clients who are able to participate in an aggregated order.

Please see Item 6 for a description of the Adviser's trade allocation system.

Item 13. Review of Accounts

Each client account is reviewed by its portfolio manager or the Chief Investment Officer of the Adviser, on a monthly basis to determine whether securities positions should be maintained in view of current market conditions. Matters reviewed include specific securities held, adherence to investment guidelines and the performance of each client account.

Significant market events affecting the prices of one or more securities in client accounts, changes in the investment objectives or guidelines of a particular client or specific arrangements with particular clients may trigger reviews of client accounts on other than a periodic basis.

Each client that is a separate account will receive a detailed, written quarterly investment advisory report which contains, among other things, a portfolio summary, listing of securities in the portfolio, performance summary, and year-to-date realized gains and losses. Such reports may be delivered electronically to the client in accordance with the client's agreement with the Adviser.

Item 14. Client Referrals and Other Compensation

The Adviser makes cash payments to third-party solicitors for client referrals, provided that, to the extent required, each such solicitor has entered into a written agreement with the Adviser pursuant to which the solicitor will provide each prospective client with a copy of the Adviser's Form ADV Part 2, and a disclosure document setting forth the terms of the solicitation arrangement, including the nature of the relationship between the solicitor and Adviser and any fees to be paid to the solicitor. Where applicable, cash payments for client solicitations will be structured to comply fully with the requirements of Rule 206(4)-3 under the Advisers Act and related SEC staff interpretations.

Item 15. Custody

This Item is not applicable. Gulfstream Capital Management does not custody its managed account client funds or securities. Such client funds and securities are held by Pershing Advisor Solutions, the broker/dealer division of Pershing, Bank of New York Mellon; however, a client may custody assets with another institution, subject to Gulfstream Capital Management's approval.

Item 16. Investment Discretion

The Adviser provides investment advisory services on a discretionary basis to certain clients.

Prior to assuming full or limited discretion in managing a client's assets, the Adviser enters into an investment management agreement or other agreement that sets forth the scope of the Adviser's discretion.

Unless otherwise instructed or directed by a discretionary client, the Adviser has the authority to determine (i) the securities to be purchased and sold for the client account (subject to restrictions on its activities set forth in the applicable investment management agreement and any written investment guidelines) (ii) the amount of securities to be purchased or sold for the client account. Because of the differences in client investment objectives and strategies, risk tolerances, tax status and other criteria, there may be differences among clients in invested positions and securities held. The Adviser's portfolio managers submit an allocation statement to the Adviser's trading desk describing the allocation of securities to (or from) client accounts for each trade/order submitted. The portfolio managers may consider the following factors, among others, in allocating securities among clients: (i) client investment objectives and strategies; (ii) client risk profiles; (iii) tax status and restrictions placed on a client's portfolio by the client or by applicable law; (iv) size of the client account; (v) nature and liquidity of the security to be allocated; (vi) size of available position; (vii) current market conditions; and (viii) account liquidity, account requirements for liquidity and timing of cash flows. Although it is the Adviser's policy to allocate investment opportunities to eligible client accounts on a pro rata basis (generally based on the value of the order size), these factors may lead a portfolio manager to allocate securities to client accounts in varying amounts. Even client accounts that are typically managed on a pari passu basis may from time to time receive differing allocations of securities based on total assets of each account eligible to invest in the particular investment type divided by the total assets of all accounts eligible to invest in the particular investment.

The Adviser may effect cross transactions between discretionary client accounts, except as otherwise noted below. Cross transactions enable the Adviser to effect a trade between two clients for the same security at a set price, thereby possibly avoiding an unfavorable price movement that may be created through entrance into the market and saving commission costs for both accounts. Cross transactions include rebalancing transactions that are undertaken so that, after withdrawals or contributions have occurred, the portfolio compositions of similarly managed accounts remain substantially similar. The Adviser has a potentially conflicting division of loyalties and responsibilities regarding both parties to cross transactions. Cross transactions between client accounts are not permitted if they would constitute principal trades or trades for which the Adviser or its affiliates are compensated as a broker unless client consent has been obtained based upon written disclosure to the client of the capacity in which the Adviser or its affiliates will act. In addition, cross transactions are not permitted for benefit plan or other similar accounts that are subject to ERISA. Cross transactions involving a registered investment company for which the Adviser serves as adviser are permitted only in accordance with the company's rule 17a-7 procedures.

When an employee of the Adviser discovers a trade error, the Chief Compliance Officer shall be responsible for taking immediate corrective action. It is the policy of the Adviser to exercise the utmost care when handling client orders and correcting orders when trade errors occur. When a trade error is discovered, the following procedures will generally be implemented: (i) the employee who discovered the error will immediately report the error to the Adviser, (ii) the employee who discovered the error will not attempt to rectify trading errors by himself or herself, (iii) corrective action will be taken by the Adviser (the Adviser will arrange for the reversing of the erroneous trade and execution of a corrected trade), (iv) gains in client accounts caused by trades done in error that are discovered after settlement generally will be credited to the affected clients' accounts and (v) when appropriate, client accounts that experienced a post-settlement loss will be credited with a competitive rate of return which is calculated from the date of the error. These procedures are intended to provide general guidance. Exceptions may be warranted under certain circumstances.

Item 17. Voting Client Securities

To the extent the Adviser has been delegated proxy voting authority on behalf of its clients, the Adviser complies with its proxy voting policies and procedures that are designed to ensure that in cases where

the Adviser votes proxies with respect to client securities, such proxies are voted in the best interests of its clients.

The Adviser's *clients* are not permitted to direct their votes in a particular situation.

Clients may obtain a copy of the Adviser's proxy voting policies and procedures and information about how the Adviser voted a *client's* proxies by contacting S. Bradley Mell (Chief Compliance Officer) by email at bmell@gulfstreamcapitalmgmt.com or by telephone at (908) 277-3441.

If the Adviser receives proxies related to a client's securities and the Adviser is not responsible for voting such proxies, the Adviser shall make arrangements with the client's custodian or take such other steps to ensure that the client timely receives such proxies. Unless the power to vote proxies for a client is reserved to that client (or in the case of an employee benefit plan, the plan's trustee or other fiduciaries), the Adviser is responsible for voting the proxies related to that account. With respect to any questions about a particular situation, clients can contact S. Bradley Mell (Chief Compliance Officer) by email at bmell@gulfstreamcapitalmgmt.com or by telephone at (908) 277-3441.

Item 18. Financial Information

This Item is not applicable.

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