

CHESTNUT CREEK MANAGEMENT COMPANY LLC

REGISTERED INVESTMENT ADVISER

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SEC FORM ADV PART 2A

BROCHURE

This brochure provides information about the qualifications and business practices of Chestnut Creek Management Company LLC. If you have any questions about the contents of this brochure, please contact us at 940-322-2984. 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 Chestnut Creek Management Company LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

Registration does not imply a certain level of skill or training.

REVISED APRIL 20, 2012

CHESTNUT CREEK MANAGEMENT COMPANY LLC

SUMMARY OF MATERIAL CHANGES TO BROCHURE

CHANGES SINCE PREVIOUS VERSION DATED MARCH 19, 2011

- (1) A descriptive list of the types of investments with respect to which Chestnut Creek Management Company LLC (“CCMC”) provides investment advice and investment management services was added to Part (1) Advisory Business.

The previous version of the Brochure did not contain such a list.

- (2) Updated information is provided in Part (1) Advisory Business with regard to the current market value of assets under management by CCMC, as managed both on a discretionary basis and on a non-discretionary basis.

The previous information is now obsolete.

- (3) Information contained in Part (2) Fees and Compensation was expanded to provide information regarding the most common fee arrangement currently selected by CCMC clients, information regarding fees that may be charged for services provided by CCMC that are not related to investment management services, information regarding the fact that CCMC fees are never deducted from client investment accounts, and information regarding the fact that CCMC does not receive any form of “soft dollar” benefits from any brokerage firm or mutual fund company.

The previous version of the Brochure did not contain this information.

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(1) ADVISORY BUSINESS

Chestnut Creek Management Company LLC (hereinafter referred to as “CCMC”) is engaged in the business of providing investment advisory services and investment management services to individuals and organizations. On occasion, CCMC also furnishes advice and administrative assistance on matters not involving investment securities.

CCMC was organized in July 2004 expressly for the purpose of conducting a business to provide such services.

CCMC is not engaged in any other line of business, and does not sell securities.

CCMC is solely owned and operated by David I. Ramsey. There are no other employees.

CCMC provides investment advice and investment management services only with regard to common stocks, preferred stocks, corporate bonds, government bonds, government agency bonds, municipal bonds, mutual funds, exchange traded funds, and money market funds. In rare situations, CCMC may provide guidance with regard to annuities issued by life insurance companies.

When providing investment portfolio management services to clients, CCMC will typically:

- (a) Maintain a comprehensive data base of the investment portfolio
- (b) Monitor the asset allocation (the percentage mix of equity securities, fixed-income securities, and cash reserves) of the portfolio so that the mix is appropriate for client needs and objectives
- (c) Monitor the fixed-income portion of the portfolio for maturities or expected calls of fixed-income securities so that reinvestment may be done timely
- (d) Implement purchase and sale transactions of securities which in the opinion of CCMC are appropriate for the client portfolio
- (e) Provide CCMC clients with timely reports on transactions implemented by CCMC
- (f) Provide CCMC clients with regular reports known as “Investment Reviews” listing all securities contained in their investment portfolios and providing pertinent information about each security and the overall portfolio
- (g) Meet with CCMC clients regularly to review and discuss their investment portfolios to ensure client needs and objectives are being met.

When providing non-managerial investment advisory services to clients, CCMC will advise the client with regard to retention, purchase, or sale of securities in the client portfolio.

Services are tailored to the individual needs of clients, based upon their personal desires, age, attitude toward risk, size of portfolio, and whether the client is dependent on portfolio cash income for their support.

Clients may impose restrictions on investing in or avoiding certain types of securities.

As of April 20, 2012 CCMC managed client assets on a discretionary basis having a market value of approximately \$32,730,000 and managed client assets on a non-discretionary basis having a market value of approximately \$5,492,000 for total assets under management of approximately \$38,222,000.

(2) FEES AND COMPENSATION

As compensation for its services to clients, CCMC receives a fee from each client according to one of the following three options as selected by mutual agreement in writing between CCMC and the client:

- (a) At the hourly rate of \$175 per hour for all work done, to be billed at the end of each month or each calendar quarter, or
- (b) A fee based upon the total market value of portfolio assets, at the annual percentage rate of 1% per year of such value, calculated quarterly and billed at the end of each calendar quarter, or
- (c) A fixed fee (per month, per calendar quarter or per year) in an amount to be negotiated; such fee would be billed at the end of each applicable time period.

For current CCMC clients, the fixed fee option is the most common, with fees billed at the end of the month or quarter during which advisory services were provided.

For services provided to CCMC clients that are not related to investment management, CCMC may bill additional amounts for such services, based upon the time expended and/or responsibility assumed.

Fees are negotiable in case of special circumstances.

Fees are not billed or paid in advance.

Payment is expected from the client within thirty days of receipt of a bill from CCMC.

In the event of termination of an advisory relationship in which compensation was paid on a fixed amount per time period, the final fee would be pro-rated on a per diem basis.

Fees are billed to the client, and are not deducted by CCMC from client accounts.

Fees payable to CCMC are in addition to any fees or expenses charged to the client by an involved brokerage firm or an involved mutual fund company.

CCMC does not receive any form of compensation, directly or indirectly, other than fees billed directly to clients and paid by clients from their own funds. No fees are ever paid to CCMC directly from a client brokerage account or mutual fund account.

CCMC does not receive any form of “soft dollar” benefit or free subscriptions from any brokerage firm. Investment-related subscriptions such as *The Wall Street Journal*, *Morningstar* and *Value Line* are paid for directly by CCMC with its own funds.

(3) TYPES OF CLIENTS

CCMC provides services to individuals, trusts, foundations and corporations.

(4) METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Investing in securities involves risk of loss that clients should be expected to bear.

In providing investment advice and in managing client investment portfolios, CCMC undertakes to obtain and apply relevant and reliable information about securities held in a client portfolio and about securities considered for addition to a client portfolio.

In evaluating such investments, CCMC generally seeks information from established sources of information such as *Value Line* and *Morningstar*. In evaluating fixed-income securities, CCMC seeks to obtain information about the credit-worthiness of issuers of such securities, including credit ratings from Moody’s and Standard & Poor’s.

CCMC applies fundamental analysis of securities, and does not apply technical or market-timing techniques. Fixed-income securities are bought with the intention of holding them to their maturity. Equity securities are bought with the intention of holding them for the long term, unless underlying fundamentals of the security deteriorate to the point where continued retention is unwise. CCMC is not a frequent trader of securities.

For all securities recommended or acquired by or retained by CCMC for client portfolios, there is risk of loss.

(5) DISCIPLINARY INFORMATION

Not applicable. Neither CCMC nor its sole employee have been involved in any legal or disciplinary event involving investments or an investment-related business or activity.

(6) OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

None. Not applicable.

(7) CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS, AND PERSONAL TRADING

CCMC at all times conducts its investment advisory and investment management activities solely for the exclusive benefit of its clients.

In situations where CCMC has authority to place trades in behalf of clients, CCMC at all times places such trades solely in the best interest of its clients.

CCMC does not accept from any broker or mutual fund company or other financial institution any material benefit to itself or to its employee or any family member in the conduct of its business.

In situations where CCMC or its employee or a related family member buys (or sells) for itself securities that CCMC also recommends or buys (or sells) for clients, CCMC will instigate all purchases (or sales) for clients prior to any purchases (or sales) for itself or its employee or related family members.

CCMC does not ever buy securities from or sell securities to a client.

CCMC does not ever recommend or buy for clients or sell for clients any security in which CCMC or a related person has a material financial interest.

In summary, CCMC at all times conducts its business for the exclusive benefit of its clients and seeks at all times to avoid any conflict of interest between CCMC and a client.

(8) BROKERAGE PRACTICES

Client assets are at all times maintained in brokerage accounts or mutual fund accounts in the name of the client, and not ever in the name of CCMC. CCMC does not ever maintain custody of client funds or securities.

CCMC normally utilizes the same brokerage firms and mutual fund firms that a client was using prior to CCMC becoming advisor to that client. However, if CCMC believes that a client would be better served by using a different brokerage firm or mutual fund company, CCMC will recommend such different firm or company to its client.

There are routine occasions where CCMC directs client business to a particular brokerage firm or mutual fund company. The criteria for such recommendation or

direction are based solely on the best interest of the client. CCMC does not receive any compensation, research or soft-dollar benefit from any brokerage firm or third party.

CCMC does not seek or accept any referrals for new CCMC clients from any brokerage firm or financial institution, and does not pay any reward or incentive to anyone for referral of new clients to CCMC.

In choosing or recommending brokerage firms for clients, CCMC relies solely on the basis of commissions and fees charged for transactions, the extensiveness and competitive pricing of inventory of fixed-income securities offered by a brokerage firm, the value to the client of other services (such as a debit card or linked checking account desired by a client) provided by the brokerage firm, the accessibility and knowledge of employees of the brokerage firm, and similar factors.

In all cases, the client makes the final approval of choice of a brokerage firm.

(9) REVIEW OF ACCOUNTS

Reviews of client accounts are conducted at least semi-annually, and also at other times as the need arises, such as when there are significant additions or withdrawals of capital or significant bond or certificate of deposit maturities or calls. Reviews would also be conducted when there is a change in needs of a client. A review would also be conducted at any time upon a client request.

All reviews are conducted by David Ramsey, the sole employee and owner of CCMC.

A copy of the CCMC report on which the review is based, known as an "Investment Review," is provided to the client. Where feasible, it is normal for CCMC to meet personally with a client to review and discuss an Investment Review report.

Investment Reviews are furnished to clients at least semi-annually and at other times when appropriate or requested by the client.

When CCMC places a trade in a client portfolio, the client is furnished with a timely transaction report provided by CCMC describing the date and time of the trade, the quantity purchased or sold, the price paid or received, the brokerage or mutual fund account involved, significant information about the security bought or sold (such as credit ratings or *Morningstar* ratings) and the reason for the trade.

(10) COMPENSATED CLIENT REFERRALS / OTHER COMPENSATION

None. Not applicable. CCMC does not pay for or receive compensation for client referrals.

(11) CUSTODY

CCMC does not have custody of any client funds or securities, and does not plan to ever have custody.

(12) INVESTMENT DISCRETION

Upon mutual agreement of a client and CCMC, the client may execute a power of attorney or other appropriate authorization document conferring upon CCMC the authority to implement purchase or sale transactions with respect to an identified brokerage or mutual fund account. Such authority does not ever give CCMC the right to withdraw securities from the account or to have any other power over the identified account, unless specifically authorized in the governing authorization document. Such authorizing documents are revocable, but do remain in effect until revoked in writing.

(13) VOTING CLIENT SECURITIES

Not applicable. The broker holding the securities in a client account furnishes proxies and related shareholder material directly to clients, and CCMC has no authority to vote client securities.

(14) FINANCIAL INFORMATION ABOUT CCMC

Since CCMC does not have custody of client funds or securities, and does not require or solicit prepayment of fees, such information is not required to be furnished in this brochure. However, if a client wishes to have financial information about CCMC, it will be provided upon request from a client.