



975 SW Colorado, Suite 200
Bend, Oregon 97702

(541) 382-4847

www.Ascentcap.com

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This Brochure provides information about the qualifications and business practices of Ascent Capital Management, LLC. If you have any questions about the contents of this Brochure, you may contact us at (541) 382-4847, or email devin@ascentcap.com or scott@ascentcap.com to obtain answers and additional information. Ascent Capital Management, LLC is a registered investment advisor with the Securities and Exchange Commission. Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC).

Additional information about Ascent Capital Management, LLC is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published “Amendments to Form ADV” which amends the disclosure document that we provide to Clients as required by SEC Rules. This Brochure dated March 1, 2012 is a new document prepared according to the SEC’s new requirements and rules. As such, this document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide Clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

We will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business’ fiscal year. We may further provide other ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Devin Harrigan or Scott Agnew at (541) 382-4847, or by email to devin@ascentcap.com or scott@ascentcap.com.

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Item 4 – Advisory Business

- A** Ascent Capital Management, LLC (“Ascent” “we” “us” and “Advisor”) is an Oregon limited liability company registered as an investment advisor under the laws of the Securities and Exchange Commission. Our principal place of business is located in Bend, Oregon. Ascent Capital Management, LLC was founded in 2001 and its members are John P. Harrigan, CPA, Wesley B. Price, CPA Candace S. Fronk, CPA, and Scott Agnew, Chief Investment Officer. All members of Ascent and Devin Harrigan, Certified Financial Planner[®], are registered investment representatives of Ascent, and serve on Ascent’s Investment Committee, which directs Ascent’s investment policy and strategy.
- B, C** Ascent Capital Management is an independent investment advisory firm. Our founding partners are successful CPAs as well as investment advisors. We are a fee-only firm with fees based on a percentage of assets under management or a flat fee. Our financial planning fees are charged hourly or by the project. We sell no products and collect no commissions or rebates.

Our firm is distinguished by the extensive financial and investment expertise of our partners. Our advisory services include advice on complex financial matters such as:

- preparing for a successful retirement
- tax minimization alternatives
- concentrated stock strategies
- estate planning
- philanthropic guidance
- portfolio management
- wealth management
- succession planning

INVESTMENT ADVISORY AND FINANCIAL PLANNING SERVICES:

Ascent’s advisory process begins with comprehensive financial planning designed to assist Clients in defining personal financial goals and objectives in the areas of retirement planning, business and succession planning, children’s education, risk management, estate and tax planning. The financial plan is followed by careful analysis and recommendations as to what financial actions and investment strategies are necessary to attain these goals and objectives.

Portfolios are structured on the core principle of diversification, exploring all major asset classes and utilizing both traditional and alternative investments. Ascent does not receive commissions, rebates or incentives from any investment products. This independence allows us to choose from the universe of available investment vehicles to manage a diversified portfolio.

The economic landscape is not static, neither are our portfolios, we constantly monitor economic and market conditions, looking for both areas of opportunity and excessive risk, adjusting the portfolios accordingly. Investment vehicles and managers are reviewed on an ongoing basis against their respective peer groups in both performance and risk, as well as for qualitative factors such as firm structure, consistency of portfolio managers, and fees.

Ascent provides comprehensive quarterly performance reports, which allow clients to monitor their portfolios progress against market benchmarks and over multiple time periods. Financial plans are reviewed as needed and compared against performance reports to ensure objectives and goals are being achieved.

On a limited basis we provide consultation services to select Clients regarding non-traditional or alternative assets, including privately traded securities and limited partnerships. Included in these services are due diligence and assistance in locating a custodian to hold the asset(s) and review of the investment's structure to ensure the format is such that the asset can be held by an appropriate custodian.

D We do not participate in any wrap-fee programs.

E We manage \$116,000,000 of Client assets on a discretionary basis, and \$3,400,000 on a non-discretionary basis. These amounts were calculated as of December 31, 2011.

Item 5 – Fees and Compensation

A We are a fee-only advisory firm, meaning we are compensated only by our clients and do not receive compensation or commissions from any other parties. We believe this method of compensation minimizes conflicts of interest.

For accounts managed under the Investment Advisory Agreement, Clients pay a Fee quarterly in advance, calculated in accordance with fees set-forth in "Schedule A" of the Investment Advisory Agreement ("IAA"). The Fee will be equal to the respective percentage per annum below based on the market value of the Account on the last trading day of the previous quarter. We reserve the right to amend the fees set forth in Schedule A of the IAA upon 30-days prior written notice to each Client.

STANDARD FEE SCHEDULE

Schedule A

<u>Assets</u>	<u>Maximum Annual Fee</u>
\$0 to \$250,000	1.50%
\$250,001 to \$500,000	1.25%
\$500,001 to \$1,000,000	1.00%
\$1,000,001 to \$2,000,000	0.85%
\$2,000,001 to \$5,000,000	0.75%
\$5,000,001 and over	Negotiable

For purposes of determining value, securities, mutual funds, and other instruments traded on a market for which actual transaction prices are publicly reported shall be valued at the last reported sale price on the principal market in which they are traded.

For our Alternative Asset Consultation services, we enter into an Alternative Asset Consulting Agreement with each Client when we begin our professional relationship. For these services we charge an initial flat fee of \$500.00 and an annual administrative fee of \$250.

Notwithstanding the above, fees are generally negotiable.

- B** Our fees for asset management and consulting services may be paid directly to us from the agreed upon client account by the custodian holding a Client's assets upon submission of an invoice to the custodian showing the amount of fees. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the account. Clients bear the responsibility for verifying the accuracy of fee calculations. The amount of the fee deducted from the account is reflected on Ascent's quarterly performance reports and the client's monthly custodial statements.
- C** Clients may be required to pay a proportionate share of any mutual fund's fees and charges, brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to us.
- D** The Investment Advisory Agreement may be terminated at any time by either party by written notice to the other party as set in the Investment Advisory Agreement. The market value of the assets will be construed to equal the sum of the values of all assets in the account, adjusted by any margin debit. Fees for partial quarters at the commencement or termination of this Agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter. Quarterly fee adjustments for

additional assets received into the account during a quarter or for partial withdrawals will also be provided on the above pro rata basis.

The Alternative Asset Consulting Agreement may be terminated at any time by either party by written notice to the other party as set in that Agreement. Refunds will be considered on a case by case basis at the request of a Client.

- E** We are a fee-only investment advisory firm paid on a percentage of Client assets managed. We accept no commissions, referral fees, soft dollars, or other hidden costs often associated with the money management industry.

Item 6 – Performance-Based Fees and Side-By-Side Management

We do not charge any performance-based fees for our services. Accordingly, this item is not applicable to our firm.

Item 7 – Types of Clients

We provide investment advice to the following types of clients:

- Individuals
- Corporations
- Pension and Profit Sharing Plans
- Trusts, Estates and Charitable Organizations

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

- A** We offer advice on investments primarily including (but not limited to) the following:

- Equity securities:
 - Exchange-listed securities
 - Securities traded over-the-counter
 - Foreign Issuers
- Warrants
- Corporate debt securities
- Commercial paper
- Certificates of deposit
- Municipal securities
- Investment company securities:
 - Variable Life Insurance
 - Variable Annuities
 - Mutual fund shares

- Exchange traded funds
- United States government securities
- Options contracts on:
 - Securities
- Interests in limited partnerships and alternative investments.

Our primary investment strategies used to implement investment advice given to Clients includes long-term (securities held at least one year) and short-term purchases (securities sold within a year) purchases.

We research and analyze securities using fundamental and cyclical methods. The main sources of information we rely upon when researching and analyzing securities include financial newspapers and magazines; inspections of corporate activities; research materials prepared by others; on-site due diligence, annual reports, prospectuses, and filings with the Securities and Exchange Commission.

- B** We will use our best judgment and good faith efforts in rendering services to our Clients. However, we cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. Clients assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understands that investment decisions made for this account are subject to various market, currency, economic, political and business risks.

The above language does not relieve Ascent from any responsibility or liability we may have under state or federal statutes such as the Advisers Act of 1940.

Except as may otherwise be provided by law, we are not liable to Clients for:

- any loss that a Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by us with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- any loss arising from our adherence to a Client's instructions; or
- any act or failure to act by a custodian of a Client's account.

It is the responsibility of each Client to give us complete information and to notify us of any changes in financial circumstances or goals.

- C** While all investing involves risks of loss, our advisory services recommend a broad and diversified use of equities, mutual funds, exchange traded funds, fixed income and private equity. This broad allocation helps Ascent manage volatility and risk of loss.

Item 9 – Disciplinary Information

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. We have no information to disclose applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Ascent is engaged solely in providing investment management and advice. However, certain principals of Ascent (John P. Harrigan, CPA, Wesley B. Price, CPA and Candace Fronk, CPA) are founding partners in the Bend Oregon based CPA firm of Harrigan Price Fronk & Co., LLP. The performance of certified public accounting services by these principals occupies the majority of their professional time on a day-to-day basis. Certain Clients of our firm are also Clients of Harrigan Price Fronk & Co., LLP and vice versa.

Item 11 – Code of Ethics, Participation or Interest in Client Transaction & Personal Trading

A CODE OF ETHICS

Ascent has a Code of Ethics which all employees are required to follow. The Code of Ethics outlines proper conduct related to all services provided to Clients. Prompt reporting of internal violations is mandatory. Our chief compliance officer regularly evaluates employee performance to ensure compliance with the Code of Ethics. A copy of the Code of Ethics is available to any client or prospective client upon request.

B-D PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

Ascent or individuals associated with our firm may buy and sell some of the same securities for their own account that we buy and sell for our clients. In all instances where appropriate Ascent will purchase a security for all of its existing accounts for which the investment is appropriate before purchasing any of the securities for his own account and, likewise, when it determines that securities should be sold, where appropriate will cause these securities to be sold from all of its advisory accounts prior to permitting the selling of the securities from its accounts. In some cases Ascent may buy or sell securities for its own account for reasons not related to the strategies adopted by our clients.

When we are newly engaged by an investment advisory client for whom it expects to recommend securities in which Ascent or its principal hold a position, we will notify the new client of policies with respect to officers trading for their own account.

We may refrain from rendering any advice or services concerning securities of companies of which any of the Advisor's may have substantial economic interest, unless the Advisor either determines in good faith that it may appropriately do so without disclosing such conflict to

Client or discloses such conflict to the Client prior to rendering such advice or services with respect to the account.

Item 12 – Brokerage Practices

A Our Clients' assets are held by independent third-party custodians. Except to the extent that a Client directs otherwise, we may use our discretion in selecting or recommending the custodian. Clients are not obligated to effect transactions through any custodian recommended by us. In recommending a custodian we will comply with our fiduciary duty in accordance with the Securities Exchange Act of 1934, to obtain best execution and will take into account such relevant factors as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
- Any other factors that we consider to be relevant.

B We are authorized in our discretion to aggregate purchases and sales and other transactions made for the account with purchases and sales and other transactions in the same or similar securities or instruments for our other Clients. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price so obtained. We direct that confirmations of any transactions effected each Client's account will be sent, in conformity with applicable law, to the Client.

Item 13 – Review of Accounts

A Scott Agnew, John Harrigan, Wesley Price, Candace Fronk and Devin Harrigan each oversee client accounts that are directly under their responsibility. John Harrigan, Wesley Price, and Candace Fronk will work directly with either Scott Agnew or Devin Harrigan to make sure that oversight is maintained on a daily basis. Factors reviewed daily include changes in fundamentals of the companies or entities issuing securities owned or being considered for ownership as well as the prices of such securities, mutual fund analysis, and significant economic or industry developments.

Scott Agnew and Devin Harrigan review client accounts on a weekly basis to evaluate performance, current asset allocation, and current objectives.

John Harrigan, Wesley Price, Candace Fronk, Scott Agnew, and Devin Harrigan also review client accounts on a quarterly basis to evaluate performance, current asset allocation, and current objectives.

- B** More frequent reviews may also be triggered by a change in Client's investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in macro-economic climate.
- C** Detailed reports of account holdings and performance and other information are provided to clients on a quarterly basis. Clients will receive monthly statements from the independent custodian holding their account.

Item 14 – Client Referrals and Other Compensation

We have no arrangements, written or oral, in which we compensate others or are compensated for Client referrals.

Item 15 – Custody

Other than having the ability to deduct our fees from our Client accounts, we do not have custody of the assets in the account and shall have no liability to Clients for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation ("SIPC") or any other insurance which may be carried by the custodian. Clients understand that SIPC provides only limited protection for the loss of property held by a broker-dealer. Ascent's custodians recognize that many of our clients have accounts with balances in excess of the coverage provided by the SIPC. In order to ensure our clients with the most comprehensive coverage possible, our custodians offer supplemental coverage through highly rated insurers for additional protection. There is no per account dollar limit on coverage of securities through our custodians supplemental insurance.

Item 16 – Investment Discretion

Except as otherwise instructed, Clients grant us ongoing and continuous discretionary authority to execute its investment recommendations in accordance with Advisor's Investment Profile used to establish each Client's risk tolerance, objectives and suitability, without the Client's prior approval of each specific transaction. Under this discretionary authority, Clients allow us to purchase and sell securities and instruments in their Account, arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on behalf of the Client in all matters necessary or incidental to the handling of the Account, including monitoring certain assets.

In some limited circumstances, Clients may limit our authority to non-discretionary status requiring us to obtain their approval for each specific transaction prior to executing investment recommendations, as well as for the selection and retention of sub-advisors to their Account.

All transactions in a Client's account are made in accordance with the directions and preferences provided to us by each Client. Clients execute instructions regarding our trading authority as required by each custodian.

Item 17 – Voting Client Securities

Unless specifically directed otherwise in writing by a Client, we are not authorized to receive and vote proxies on issues held in any Client accounts.

Item 18 – Financial Information

- A** Ascent does not require prepayment of fees more than three months in advance for discretionary accounts. Alternative asset accounts are charged on an annual basis.
- B** As noted in Item 15 above, we do not have custody of Client's funds or securities excepting the ability to deduct fees.
- C** We have no financial commitments which would impair our ability to meet the contractual and fiduciary commitments to our Clients, and have not been the subject of any bankruptcy proceedings.

Item 19 – Education and Business Background of Advisors

A EDUCATION AND BUSINESS BACKGROUND

SCOTT KEMPER AGNEW, MEMBER

Birth Date: December 3, 1966

Educational Background

University of Colorado, BS Business

Business Background

5/01 – Present Member, Ascent Capital Management, LLC
3/99 – 4/01 Director of Marketing DeSpain & Coby LLC
5/95 – 2/99 Marketing Rep Copper Mountain Financial Management
8/93 – 4/95 Marketing Rep Crabbe Huson Co.
4/92 – 7/93 Account Manager Sunset Publishing Co.
4/90 – 3/92 Marketing Rep Sunset Publishing Co.
7/89 – 3/90 Media Chiat Day Advertising

JOHN PAUL HARRIGAN, CPA, MEMBER

Birth Date: May 11, 1948

Educational Background

University of Portland, BBA Accounting

Business Background

5/01 – Present Member, Ascent Capital Management, LLC
7/85 – Present CPA/Partner Harrigan Price Fronk & Co.

CANDACE SUE FRONK, CPA, MEMBER

Birth Date: March 17, 1961

Educational Background

Eastern Oregon University, BS Business/Economics

Business Background

5/01 – Present Member, Ascent Capital Management, LLC
6/97 – Present CPA/Partner, Harrigan Price Fronk & Co.

WESLEY BAILEY PRICE III, CPA, MEMBER

Birth Date: June 19, 1957

Educational Background

Oregon State University, BS Accounting

Business Background

5/01 – Present Member, Ascent Capital Management, LLC

6/97 – Present CPA/Partner Harrigan Price Fronk & Co.

DEVIN JAMES HARRIGAN, CERTIFIED FINANCIAL PLANNER®

Birth Date: June 13, 1979

Educational Background

Santa Clara University, B.S. Finance/International Business

Business Background

10/02 – Present Registered Representative, Ascent Capital Management, LLC

- B** Other than the CPA firm of Harrigan Price Fronk & Co. disclosed in Item 10, we are not involved in any other business activities
- C** We do not receive performance-based fees.
- D** None of the Members or Advisors associated with Ascent Capital Management, LLC, have been the subject of any arbitration claims or any other proceedings (civil, self-regulatory organization or administrative).
- E** We have no relationship or arrangements with any securities issuers.