

<b>Form ADV Brochure – Part 2A - Page 1</b>	<b>Applicant: Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number: 801- 63495</b>	<b>Date: January 30, 2012</b>
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**FORM ADV BROCHURE**  
**January 30, 2012**

**FORM 2A**

<b>Item 1</b>					
Name of Investment Adviser: <b>Changing Parameters, LLC</b>					
Address:	(Number and Street)	(City)	(State)	(Zip Code)	Telephone Number:
	<b>250 Oak Grove Avenue, Suite A</b>	<b>Menlo Park</b>	<b>CA</b>	<b>94025</b>	<b>(650) 327-7705</b>

This brochure provides information about the qualifications and business practices of Changing Parameters, LLC (“CP”). If you have any questions about the content of this brochure, please contact us at (650) 327-7705. The information in this brochure has not been approved or verified by the U.S. Securities and Exchange Commission (“SEC”) or by any state securities authority. Additional information about CP also is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

CP refers to itself as a “registered investment adviser” in materials distributed to current and prospective clients. As a registered investment adviser with the SEC, CP is subject to the rules and regulation adopted by the SEC under the Investment Advisers Act of 1940, as amended (the “Advisers Act”). Registration as an investment adviser is not an indication that CP or its directors, officers, employees or representatives have attained a particular level of skill or ability.

<b>Form ADV Brochure – Part 2A - Page 2</b>	<b>Applicant: Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number: 801- 63495</b>	<b>Date: January 30, 2012</b>
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## **Item 2                    Material Changes**

Effective October 12, 2010, the SEC substantially and materially modified the structure and requirements of Part 2 of Form ADV. This brochure has been prepared in response to those changes, and the information provided herein will appear substantially different from information provided by CP in past years. In addition, this brochure includes certain new information that was not previously required to be included. Clients should note, however, that there has been no material change to the substance of the information provided, merely the form.

## **Item 3                    Table of Contents**

	<u><b>Page</b></u>
1      Cover Page .....	1
2      Material Changes .....	2
3      Table of Contents .....	2
4      Advisory Business.....	3
5      Fees and Compensation.....	4
6      Performance-Based Fees and Compensation .....	5
7      Types of Clients .....	6
8      Methods of Analysis, Investment Strategies and Risk of Loss .....	6
9      Disciplinary Information.....	10
10     Other Financial Industry Activities and Affiliations .....	11
11     Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	13
12     Brokerage Practices.....	14
13     Review of Accounts .....	16
14     Client Referrals and Other Compensation.....	17
15     Custody .....	17
16     Investment Discretion .....	18
17     Voting Client Securities .....	18
18     Financial Information.....	19
19     Requirements for State-Registered Advisers.....	20

<b>Form ADV Brochure – Part 2A - Page 3</b>	<b>Applicant:</b> <b>Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number:</b> <b>801- 63495</b>	<b>Date:</b> <b>January 30, 2012</b>
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<p><b>Item 4</b></p> <p><b>Advisory Business</b></p>	<p><b>A. Advisory Firm</b></p> <p>CP is a Delaware limited liability company that commenced operation in July 2004, and is owned and controlled by Howard P. Smith and Sally Ann Talarico.</p> <p><b>B. Advisory Services</b></p> <p>CP currently provides the following types of advisory services:</p> <p><u><i>Investment Advisory Timing Services</i></u></p> <p>CP provides a mutual fund timing service to clients (“<u>separate account clients</u>”) on a discretionary basis. Mutual fund timing services involve investing in bond and equity mutual funds and money market mutual funds, some of which may be inside universal variable life or variable annuity policies using price trend analysis methods to provide trigger points. For some or all of its separate account clients, CP may seek to follow its investment strategy by causing all or substantially all client funds held in the separate account client’s account (each, a “<u>separate account</u>” and collectively, the “<u>separate accounts</u>”) to be invested in the Mutual Funds (see below).</p> <p><u><i>Investment Management Services to Registered Investment Companies</i></u></p> <p>CP provides investment management under contract to Changing Parameters Fund, a series of Northern Lights Fund Trust, and Changing Parameters Portfolio, a series of Northern Lights Variable Trust (each, a “<u>Mutual Fund</u>,” and collectively, the “<u>Mutual Funds</u>”), each of which is an open-end management investment company registered under the Investment Company Act of 1940 (the “<u>1940 Act</u>”).</p> <p>CP pursues an investment program for the Mutual Funds using the same or similar models employed for its separate account clients, by investing and reinvesting fund assets in certain securities and financial instruments, including, without limitation, index futures, money market, high yield bond index mutual funds, high yield bond mutual funds, other bond and equity mutual funds, treasury instruments and/or options as further described in the prospectus and statement of additional information for each fund.</p> <p><b>C. Tailoring of Advisory Services</b></p> <p>CP does not tailor its investment program to the needs of individual clients, nor does it accept client-generated investment restrictions on its activities.</p> <p><b>D. Wrap Fee Programs</b></p> <p>Not applicable.</p> <p><b>E. Assets Under Management (as of December 31, 2011)</b></p> <p><i>Discretionary:</i> \$ 123,998,888</p> <p><i>Non-Discretionary:</i> \$0.00</p>
<p><b>Item 5</b></p> <p><b>Fees and Compensation</b></p>	<p><b>Investment Advisory Timing Services</b></p> <p><b>A. Types of Fees</b></p>

<b>Form ADV Brochure – Part 2A - Page 4</b>	<b>Applicant: Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number: 801- 63495</b>	<b>Date: January 30, 2012</b>
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<b>Item 5 (cont.)</b>	<p>Advisory fees will be negotiable; however, total direct and indirect advisory fees paid to CP will be subject to a maximum cap of 2.50% per annum of the separate account client's aggregate assets under management.</p> <p><b>B. <i>Payment Method.</i></b></p> <p>Generally, advisory fees will be paid by each separate account client as of the first day of each calendar quarter (<i>i.e.</i>, January 1, April 1, July 1, and October 1) for services to be rendered during that quarter. The advisory fee is calculated based on the separate account client's assets as of the prior quarter-end, adjusted for additions and withdrawals during the quarter. Currently, CP's investment advisory agreements with separate account clients authorize CP to directly debit client accounts for its investment advisory fees, although clients may alternatively choose to pay CP's fees by check.</p> <p><b>C. <i>Costs and Expenses.</i></b></p> <p>In addition to the advisory fee, separate account clients are responsible for any fees, expenses or changes incurred by or on behalf of the separate account client related to (i) custodial services provided for the separate account; (ii) transactions effected for the separate account, including brokerage and execution charges, markups and commissions, and (iii) any other service provided for the separate account by any person other than CP. For additional information regarding brokerage and execution charges, see Item 12 below.</p> <p><b>D. <i>Refunds.</i></b></p> <p>Each separate account client will generally have the right to terminate CP's services at any time upon prior written notice to CP. If the separate account client has prepaid fees, such prepaid fees will be refunded pro rata to the separate account client, based on the date of such termination, unless termination occurs within five (5) business days of the date of such separate account client's advisory contract, in which case all prepaid fees will be refunded without penalty.</p> <p><b>E. <i>Sales Compensation.</i></b></p> <p>CP does not directly receive compensation for investment advisory services from brokerage commissions. However, certain officers and associated persons of CP are registered representatives of Ceros Financial Services ("<u>Ceros</u>"), a registered broker-dealer, and may, but do not currently, earn standard commissions (including sales loads and Rule 12b-1 distribution fees) on securities transactions entered into for separate account clients. This affiliation creates a conflict of interest in that CP may cause a greater portion of its separate account clients' trades to be directed to Ceros than would be the case absent such affiliation. Generally, CP reduces the advisory fees charged to a separate account client or the fees and expenses charged by Ceros for custody of the separate account by the amount of such commissions that are directly attributed to the accounts of that separate account client. Separate account clients have the option to purchase investment products that CP recommends through other brokers or agents that are not affiliated with CP.</p> <p><b>Investment Management Services to Registered Investment Companies</b></p> <p><b>A. <i>Types of Fees</i></b></p> <p>CP receives from each Mutual Fund, on a monthly basis, an annual advisory fee equal to 1.50% of the average daily net assets of such Mutual Fund.</p> <p><b>B. <i>Payment Method.</i></b></p> <p>Advisory fees are due and payable quarterly after services are rendered. Fees are payable</p>
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<b>Form ADV Brochure – Part 2A - Page 5</b>	<b>Applicant:</b> <b>Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number:</b> <b>801- 63495</b>	<b>Date:</b> <b>January 30, 2012</b>
---	--	------------------------------------	--	---

	<p>quarterly for full or partial three month periods ending as of the last day of March, June, September and December (each such day, a “Quarter-End”). The Mutual Funds authorize their custodian to disburse to Advisor from their account the full amount of the advisory fee for each Quarter-End.</p> <p><b>C. <i>Costs and Expenses.</i></b></p> <p>In addition to the fees and compensation described above, each Mutual Fund is responsible for the fees, expenses or charges described in each Mutual Fund’s prospectus. Such fees, expenses and charges include, but are not limited to, fees incurred in connection with the maintenance of its securities law registration, printing and mailing prospectuses and statements of additional information to shareholders, certain financial accounting services, taxes or governmental fees, custodial, transfer and shareholder servicing agent costs, expenses of outside counsel and independent accountants, preparation of shareholder reports and expenses of trustee and shareholder meetings. For additional information regarding brokerage and execution charges, see Item 12 below.</p> <p><b>D. <i>Refunds.</i></b></p> <p>Not applicable.</p> <p><b>E. <i>Sales Compensation.</i></b></p> <p>Changing Parameters does not currently receive any sales compensation in respect of the Changing Parameters Fund or the Changing Parameters Portfolio, although it may do so in the future.</p>
<b>Item 6</b>  <b>Performance- Based Fees and Compensation</b>	Not applicable.
<b>Item 7</b>  <b>Types of Clients</b>	<p><b>Investment Advisory Timing Services</b></p> <p>CP provides market timing services to a variety of clients, including individuals, investment companies, pensions and profit sharing plans, trusts, estates, or charitable organizations, and corporations or other business entities. CP generally requires a minimum of \$1 million of assets under management for an individual separate account, although CP may waive this minimum at its discretion.</p> <p><b>Registered Investment Companies</b></p> <p>CP provides investment management under contract to the following registered investment companies: Changing Parameters Fund, a series of Northern Lights Fund Trust, a Delaware statutory trust; and Changing Parameters Portfolio, a series of Northern Lights Variable Trust, a Delaware statutory trust.</p> <p>The Changing Parameters Fund requires a minimum initial investment of \$2,500 in the Fund; additional investments to the account can be made at any time with as little as \$100. There is no minimum investment requirement for the Changing Parameters Fund when an investor is buying shares by reinvesting dividends or distributions from the Fund.</p> <p>There is no minimum investment for the Changing Parameters Portfolio.</p>

Form ADV Brochure – Part 2A - Page 6	Applicant: <b>Changing Parameters, LLC</b>	IARD/CRD Number: <b>132551</b>	SEC File Number: <b>801- 63495</b>	Date: <b>January 30, 2012</b>
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<p><b>Item 8</b></p> <p><b>Methods of Analysis, Investment Strategies and Risk of Loss</b></p>	<p><b>A. Methods of Analysis and Investment Strategies</b></p> <p><u>Investment Analysis.</u></p> <p>CP recommends transfers for its separate account clients using price trend analysis methods to provide trigger points for investing in bond and equity mutual funds and money market mutual funds, some of which may be inside universal variable life or variable annuity policies.</p> <p>For the Mutual Funds, CP uses technical, quantitative and momentum analysis to assess trends and current investment opportunities across the securities markets generally and to allocate the Mutual Funds' investment portfolios between the equity and fixed income markets, and among various market segments within the equity and fixed income markets. Technical analysis is the study of an index's or a security's past prices and trading volumes for the purpose of forecasting price trends. Quantitative methods compute price trends, such as moving average price, and statistical measures, such as standard deviation, to use as predictive tools. Momentum measures use many of these same tools to measure the speed of price changes as a leading indicator of trends. The Mutual Funds will invest in specific market segments when CP's proprietary investment models indicate a high probability that the applicable investments in such chosen market segments are likely to outperform investments in other market segments. The Mutual Funds will sell interests or reduce their investment exposure among specific market segments when CP's models indicate that investments in such markets are likely to underperform. The Mutual Funds are actively managed and CP anticipates that the Portfolio will continue to have a high portfolio turnover rate.</p> <p>CP has entered into arrangements with sub-advisers who provide strategy inputs/signals to CP based on their respective models; CP trades a portion of its assets under management based on these models. In the future, CP may seek to increase the percentage of its assets that are traded based on such models. To help develop its investment recommendations, CP may use commercially available information services and financial publications dealing with investment research, securities law and taxation. Such information may be obtainable in print, via the internet or by some other means. Issuer-prepared materials (particularly prospectuses), private placement due diligence materials, and research releases prepared by third parties are also utilized. CP also may use research materials prepared by various investment product vendors or custodians as well as in-house analysts.</p> <p><i>Investment in securities involves risk of loss that investors in the Mutual Funds or separate account clients must be prepared to bear.</i></p> <p><u>Investment Strategies.</u></p> <p>CP's investment strategy is to enter the market when CP's proprietary models indicate a suitable uptrend in the equity and/or bond markets. When the models no longer indicate an uptrend, CP seeks to be defensive and moves into money market instruments.</p> <p>The investment objective of the Mutual Funds is total return. CP seeks to achieve its investment objective by investing primarily in a combination of long and short positions in equity securities (which may include common stocks, preferred stocks, shares of open-end and closed-end investment companies and ETFs, futures contracts, options on futures contracts and U.S. Treasury instruments. The open-end and closed-end investment companies may include those that invest in equity and fixed income securities (including lower rated, high yield "junk" bonds). High yield junk bonds are those rated below Baa3 by Moody's Investors Service or below BBB by Standard and Poor's Rating Group, or if unrated, determined by CP to be of similar quality.</p> <p>In general, the Mutual Funds' investments in equity securities, futures contracts, options on futures contracts and high yield bonds are intended to achieve the capital appreciation</p>
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<b>Form ADV Brochure – Part 2A - Page 7</b>	<b>Applicant:</b> <b>Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number:</b> <b>801- 63495</b>	<b>Date:</b> <b>January 30, 2012</b>
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<b>Item 8 (cont.)</b>	<p>component, and the investments in fixed income securities (including high yield bonds), money market instruments, and to a lesser extent U.S. Treasuries, are intended to achieve the income component of the Mutual Funds’ total return objective. The Mutual Funds typically invest in U.S. Treasuries with maturities of any duration, or their derivatives, and the Mutual Funds’ allocation of their investments between the equity and fixed income market segments may vary without limitation. The Mutual Funds may sell securities short and establish short positions in derivatives for both investment and hedging purposes.</p> <p>The Mutual Funds are nondiversified, which means that they can invest a greater percentage of its assets in any one issuer rather than in a diversified fund.</p> <p><b>B. Investment Strategy Risks</b></p> <p>Acquiring interests in the Mutual Funds or opening a separate account with CP is intended for sophisticated investors who can accept a high degree of risk in their portfolio, do not need regular current income from their investment with CP and can accept a potential loss of their entire investment. The material risks to which investors are subject are listed below. Investment risks specific to the investment strategy of each Mutual Fund are described in the prospectus of each Mutual Fund and should be read carefully before making an investment in the Mutual Funds. Risks specific to any investment strategy employed by CP in managing a separate account will be explained to the separate account client prior to the opening of the separate account. Such risks may include (but are not limited to):</p> <ul style="list-style-type: none"> <li>• <i>Leverage.</i> For CP’s Mutual Fund clients, the use of leverage by buying securities on margin or use of certain derivatives is a speculative technique that involves special risk considerations. Interest costs on borrowings may fluctuate with changing market rates of interest and may partially offset or exceed the return earned on borrowed funds. Interest on borrowings will be an expense of a client account and will affect the investment performance of the account. To the extent an account is leveraged, the value of its assets will tend to increase more when its portfolio securities increase in value, and to decrease more when its portfolio securities decrease in value, than if its assets were not leveraged.</li> <li>• <i>Portfolio Management.</i> The performance of a Mutual Fund or separate account depends on the skill of CP and its portfolio manager(s) in making appropriate investment decisions. CP’s judgments about the potential appreciation of a particular security or instrument in which the Fund or a separate account invests may prove to be incorrect. CP cannot guarantee the future performance of the Mutual Funds or separate accounts or any specific level of performance, the success of any investment decision or strategy that CP may use, or the success of CP’s overall management of the Mutual Funds or separate accounts. Client understands that investment decisions made by CP for the Mutual Funds or separate accounts are subject to various market, currency, economic, political and business risks, and that those investment decisions will not always be profitable</li> <li>• <i>Concentration.</i> Mutual Funds or separate accounts may hold a relatively small number of securities. Losses incurred in such securities could have a disproportionate effect on the account’s overall financial condition.</li> <li>• <i>Short Selling.</i> Short selling involves selling securities not owned and borrowing the same securities for delivery to the purchaser, with an obligation to replace the borrowed securities at a later date. Short sales that are not part of a hedging strategy are speculative and involve special risk considerations. Because the borrowed securities must be replaced by purchases at market prices in order to close out the short position, any appreciation in the market price of the borrowed securities can result in a loss, which, theoretically speaking, could be unlimited. Since a short seller in effect</li> </ul>
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<b>Form ADV Brochure – Part 2A - Page 8</b>	<b>Applicant: Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number: 801- 63495</b>	<b>Date: January 30, 2012</b>
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<b>Item 8 (cont.)</b>	<p>profits from a decline in the price of the securities sold short without the need to invest the full purchase price of the securities on the date of the short sale, returns will tend to increase more when the securities sold short decrease in value, and to decrease more when the securities sold short increase in value, than would otherwise be the case if the short seller had not engaged in such short sales. If the prices of securities sold short increase, the Mutual Fund or separate account may be required to provide additional funds or collateral to maintain the short positions, which could, in turn, require the Mutual Funds or separate accounts to liquidate other investments to provide additional margin at unfavorable prices. Further, the lender of securities can request return of the borrowed securities, and the Mutual Funds or separate accounts may not be able to borrow those securities from other lenders. It may also be impossible for the Mutual Funds or separate accounts to borrow securities at the most desirable time to make a short sale.</p> <ul style="list-style-type: none"> <li>• <i>Turnover Risk.</i> A higher portfolio turnover may result in higher transactional and brokerage costs.</li> </ul> <p><b>C. Portfolio Investment Risks</b></p> <p>The Mutual Funds and one or more separate accounts managed by CP invest primarily in a combination of long and short positions in equity and/or fixed income securities (which may include common stocks, bonds, preferred stocks, shares of open-end and closed-end investment companies and ETFs, futures contracts, options on futures contracts and U.S. Treasury instruments. The open-end and closed-end investment companies may include those that invest in equity and fixed income securities (including lower rated, high yield “junk” bonds). Risks specific to this type of investment may include (but are not limited to):</p> <ul style="list-style-type: none"> <li>• <i>Issuer-Specific Risk.</i> The value of a specific security can be more volatile than the market as a whole and may perform worse than the market as a whole.</li> <li>• <i>Derivatives.</i> The Mutual Funds and separate accounts may invest in various types of derivatives, including options on securities, securities indexes and futures contracts and may use derivatives to, among others, hedge risks inherent in its portfolio, enhance the potential return of its portfolio, diversify its portfolio, to take a position in an underlying debt or equity security and/or to reduce transaction costs associated with managing its portfolio. Derivatives involve the risks separate from the risks of the underlying instrument, including improper valuation and ambiguous documentation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying instrument. Derivatives are also subject to other risks, such as the risk of an illiquid secondary market which may result in significant, rapid, and unpredictable changes in the prices for such derivatives, risks relating to the financial soundness and credit worthiness of the counterparty, and the risk of the failure of any of the exchanges on which a client account’s positions trade or of their clearinghouses. The use of a derivative is speculative if CP is primarily seeking to enhance returns, rather than offset the risk of other positions. When CP invests client assets in derivatives for speculative purposes, the client account will be fully exposed to the risks of loss of that derivative, which may sometimes be greater than the cost of the derivative. Even a small investment in derivatives may give rise to leverage risk, and can have a significant impact on the Mutual Fund or separate account’s performance.</li> <li>• <i>Futures Risk.</i> The Mutual Funds’ use of futures contracts involves risks different from, or possibly greater than, the risks associated with investing directly in securities and other traditional investments. These risks include (i) leverage risk; (ii) correlation or tracking risk and (iii) liquidity risk. Because futures require only a small initial investment in the form of a deposit or margin, they involve a high degree of leverage. Accordingly, the fluctuation of the value of futures in relation to the underlying assets</li> </ul>
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Form ADV Brochure – Part 2A - Page 9	Applicant: Changing Parameters, LLC	IARD/CRD Number: 132551	SEC File Number: 801- 63495	Date: January 30, 2012
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Item 8 (cont.)	<p>upon which they are based is magnified. Thus, the Mutual Funds may experience losses that exceed losses experienced by funds that do not use futures contracts. There may be imperfect correlation, or even no correlation, between price movements of a futures contract and price movements of investments for which futures are used as a substitute, or which futures are intended to hedge. Lack of correlation (or tracking) may be due to factors unrelated to the value of the investments being hedged, such as speculative or other pressures on the markets in which these instruments are traded. Consequently, the effectiveness of futures as a security substitute or as a hedging vehicle will depend, in part, on the degree of correlation between price movements in the futures and price movements in underlying securities. While futures contracts are generally liquid instruments, under certain market conditions they may become illiquid. Futures exchanges may impose daily or intra-day price change limits and/or limit the volume of trading. Additionally, government regulation may further reduce liquidity through similar trading restrictions. As a result, the Mutual Funds may be unable to close out its futures contracts at a time which is advantageous. The successful use of futures depends upon a variety of factors, particularly the ability of CP to predict movements of the underlying securities markets, which requires different skills than predicting changes in the prices of individual securities. There can be no assurance that any particular futures strategy adopted will succeed.</p> <ul style="list-style-type: none"> <li>• <i>Options Risk.</i> The seller of an uncovered call option assumes the risk of a theoretically unlimited increase in the market price of the underlying security above the exercise price of the option. The securities necessary to satisfy the exercise of the call option may be unavailable for purchase except at much higher prices. Purchasing securities to satisfy the exercise of the call option can itself cause the price of the securities to rise further, sometimes by a significant amount, thereby exacerbating the loss. The buyer of a call option assumes the risk of losing its entire premium invested in the call option. The seller (writer) of a put option which is covered (e.g., the writer has a short position in the underlying security) assumes the risk of an increase in the market price of the underlying security above the sales price (in establishing the short position) of the underlying security plus the premium received, and gives up the opportunity for gain on the underlying security below the exercise price of the option. The seller of an uncovered put option assumes the risk of a decline in the market price of the underlying security below the exercise price of the option. The buyer of a put option assumes the risk of losing his entire premium invested in the put option.</li> <li>• <i>Exchange Traded Funds.</i> The ETFs in which the Mutual Funds invest will not be able to replicate exactly the performance of the indices they track because the total return generated by the securities will be reduced by transaction costs incurred in adjusting the actual balance of the securities. In addition, the ETFs in which the Mutual Funds invest will incur expenses not incurred by their applicable indices. Certain securities comprising the indices tracked by the ETFs may, from time to time, temporarily be unavailable, which may further impede the ETF's ability to track their applicable indices. The market value of the ETF shares could affect the timing, amount and character of distributions to investors and therefore may increase the amount of taxes investors pay. Each ETF is subject to specific additional risks, depending on its investments.</li> <li>• <i>Fixed Income Securities.</i> When CP invests in fixed income securities directly or indirectly by investing in mutual funds that invest primarily in fixed income securities, the value of the Mutual Fund or separate account will fluctuate with changes in interest rates. The prices of fixed income securities respond to economic developments, particularly interest rate changes, as well as to perceptions of an issuer's creditworthiness. Generally, fixed income securities decrease in value if interest rates rise and increase in value if interest rates fall, with lower rated securities more volatile than higher rated securities. The duration of these securities affects risk as well, with</li> </ul>
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<b>Form ADV Brochure – Part 2A - Page 10</b>	<b>Applicant:</b> <b>Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number:</b> <b>801- 63495</b>	<b>Date:</b> <b>January 30, 2012</b>
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<b>Item 8 (cont.)</b>	<p>longer term securities generally more volatile than shorter term securities. Defaults by fixed income issuers in which CP invests will also harm performance.</p> <ul style="list-style-type: none"> <li>• <i>High Yield Bonds.</i> Fixed income securities that are below investment grade or unrated involve greater risks of default and are more volatile than investment grade securities. High yield bonds involve a greater risk of price declines than investment grade securities due to actual or perceived changes in an issuer's creditworthiness. In addition, issuers of high yield bonds may be more susceptible than other issuers to economic downturns, which may result in a weakened capacity of the issuer to make principal or interest payments. High yield bonds are subject to a greater risk that the issuer may not be able to pay interest or dividends and ultimately to repay principal upon maturity. An economic downturn or period of rising interest rates could adversely affect the market for these bonds and reduce a fund's ability to sell its bonds.</li> <li>• <i>Equity Securities.</i> By investing in stocks, CP may expose a Mutual Fund or separate account to a sudden decline in the share price or to an overall decline in the stock market. The value of investments held in a Mutual Fund or separate account will fluctuate daily and cyclically based on changes in the issuer's financial condition and prospects and on overall market and economic conditions. The risks associated with investing in equity securities of companies include the financial risk of selecting individual companies that do not perform as anticipated, the risk that the stock markets in which the mutual funds invest may experience periods of turbulence and instability, and the general risk that domestic and global economies may go through periods of decline and cyclical changes.</li> </ul>
<b>Item 9</b>  <b>Disciplinary Information</b>	Not applicable.
<b>Item 10</b>  <b>Other Financial Industry Activities or Affiliations</b>	<p><b>A. Registration as a Broker-Dealer or Registered Representative</b></p> <p>Mr. Smith is a registered representative of Ceros, a registered broker-dealer that performs certain brokerage services for CP in respect of CP's separate account clients.</p> <p><b>B. Registration as a Futures Commission Merchant, Commodity Pool Operator, Commodity Trading Adviser or Associated Person</b></p> <p>Not applicable.</p> <p><b>C. Material Relationships</b></p> <p>CP, or certain of CP's management persons, currently has certain relationships or arrangements with certain related persons that are considered material to CP's advisory business as follows:</p> <ol style="list-style-type: none"> <li>1. <i>broker-dealer, municipal securities dealer, or government securities dealer or broker</i></li> </ol> <p>See Item 10.A above. This affiliation creates a conflict of interest in that CP may cause a greater portion of its separate account clients' trades to be directed to Ceros than would be the case absent such affiliation. Generally, CP reduces the advisory fees charged to a separate account client or the fees and expenses charged by Ceros for custody of the client account by the amount of such commissions that are directly attributed to the accounts of that separate account client.</p> <ol style="list-style-type: none"> <li>2. <i>investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)</i></li> </ol>

<b>Form ADV Brochure – Part 2A - Page 11</b>	<b>Applicant:</b> <b>Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number:</b> <b>801- 63495</b>	<b>Date:</b> <b>January 30, 2012</b>
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<b>Item 10 (cont.)</b>	<p>See Item 7 above. As discussed above, CP serves as investment adviser to Changing Parameters Fund, a series of Northern Lights Fund Trust, and Changing Parameters Portfolio, a series of Northern Lights Variable Trust, each of which is an open-end management investment company registered under the 1940 Act. Pursuant to other provisions of the 1940 Act, CP may be deemed to control the Mutual Funds, and may therefore be considered a “related person” of the Mutual Funds for the purposes of this Item 10.C. This creates a conflict if separate account clients are invested in a Mutual Fund. CP will address this conflict by disclosing the issue when investing client money in a Mutual Fund run by CP. For separate account clients with assets invested in either or both of the Mutual Funds, advisory fees may be paid directly to CP at the separate account level and indirectly to CP at the Mutual Fund level, because, as an investor in the fund, the separate account client will indirectly bear the annual advisory fee that each Mutual Fund pays CP (as well as other expenses). In this case, total direct and indirect advisory fees the separate account client pays to CP will be subject to a maximum of 2.5% per annum of total asset value under management.</p> <p>3. <i>other investment adviser or financial planner</i></p> <p>CP is under common control with Value Monitoring, Inc. (“VMI”) because Mr. Smith is an executive officer of both VMI and CP, as well as a part owner of CP. VMI provides general financial planning services to CP’s separate account clients, including tax planning. Although VMI does not charge a separate advisory fee directly to CP’s separate account clients for furnishing such services, VMI receives royalty payments from CP under licensing software licensing agreements in which VMI licenses to CP the proprietary technology related to the models used by CP in providing mutual fund timing services to CP’s separate account clients. Both of these arrangements could create a conflict of interest by providing CP and the executive officers of CP with a separate financial interest in maintaining a close relationship with VMI and recommending VMI’s financial planning services, which could conflict with the duty of CP to its clients. CP mitigates this risk by giving the ultimate decision as to implementation of a financial plan to its clients, who are under no obligation to enter into a relationship with VMI. CP makes a full disclosure of its relationship with VMI prior to recommending their services to any of its separate account clients.</p> <p>4. <i>futures commission merchant, commodity pool operator, or commodity trading adviser</i></p> <p>Not applicable.</p> <p>5. <i>banking or thrift institution</i></p> <p>Not applicable.</p> <p>6. <i>accountant or accounting firm</i></p> <p>Not applicable.</p> <p>7. <i>lawyer or law firm</i></p> <p>Not applicable.</p> <p>8. <i>insurance company or agency</i></p> <p>Ceros (as discussed in Section 10.A) is a broker-dealer through which CP may place orders for universal variable life insurance and variable annuity contracts. Certain employees and officers of CP may sell universal variable life insurance and variable annuities to CP’s advisory clients and receive commissions on those sales. This may create a conflict of interest between certain employees and officers of CP and their clients. CP will seek to</p>
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<b>Form ADV Brochure – Part 2A - Page 12</b>	<b>Applicant:</b> <b>Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number:</b> <b>801- 63495</b>	<b>Date:</b> <b>January 30, 2012</b>
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<b>Item 10 (cont.)</b>	<p>mitigate this conflict by reducing the advisory fees charged to a separate account client or the fees and expenses charged by Ceros for custody of the separate account by the amount of such commissions that are directly attributed to the accounts of that separate account client.</p> <p>9. <i>pension consultant</i></p> <p>Not applicable.</p> <p>10. <i>real estate broker or dealer</i></p> <p>Not applicable.</p> <p>11. <i>sponsor or syndicator of limited partnerships</i></p> <p>Not applicable.</p> <p><b>D. Recommendation of Other Investment Advisers</b></p> <p>As discussed above, CP may recommend that VMI provide general financial planning services, including tax planning, to CP’s separate account clients. VMI does not charge a separate advisory fee directly to CP’s separate account clients for furnishing such services, nor does CP receive any fees from VMI for client referrals.</p>
<b>Item 11</b>  <b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading</b>	<p><b>A. Code of Ethics</b></p> <p>In order to address conflicts of interest, CP has adopted a code of ethics (the “<u>Code</u>”) which is applicable to all of CP’s officers, manager, members, and employees (collectively, “<u>Employees</u>”). CP’s Code generally sets the standard of ethical and professional business conduct that CP requires of its Employees, requires Employees to comply with applicable federal securities laws and regulations, and sets forth provisions regarding personal securities transactions by Employees. Additionally, the Code sets forth CP’s policies and procedures with respect to material, non-public information and other confidential information, and the fiduciary obligations that CP and each of its Employees owes to each advisory client. The Code is circulated at least annually to all Employees, and each Employee at least annually must certify in writing that he or she has received and followed the Code and any amendments thereto. CP will provide a copy of the Code to any client or prospective client upon request.</p> <p><b>B. Participation or Interest in Client Transactions</b></p> <p>CP may solicit clients to invest in a Mutual Fund or other investment vehicles sponsored or managed by CP (each, a “<u>CP-related fund</u>”). Because of the relationships between CP and any CP-related fund, CP could be considered to have recommended the investment as suitable for a client if such client should invest in the fund. CP will inform each client of its relationship with a CP-related fund prior to the client’s investment, but does not intend to advise any client as to the appropriateness of the investment and will not receive any compensation for doing so or for selling interests in a CP-related fund (except to the extent that CP receives management fees and performance-based fees indirectly from all fund investors).</p> <p><b>C. Personal Trading</b></p> <p>CP and its officers and employees may buy and own many of the same mutual funds, including funds within universal variable life and variable annuity products, as will be held by CP’s separate account clients. However, CP believes that any conflict of interest that may be created thereby will have little or no adverse effect on CP’s separate account clients due to the large size and liquidity of the mutual funds and the funds within the variable products.</p>

<b>Form ADV Brochure – Part 2A - Page 13</b>	<b>Applicant:</b> <b>Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number:</b> <b>801- 63495</b>	<b>Date:</b> <b>January 30, 2012</b>
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<b>Item 11 (cont.)</b>	<p>In addition, because these funds are open-end investment companies, there is not expected to be any major impact on the price of the fund shares or its performance from the relatively small fund share amounts bought and sold by CP and its officers and employees. Nonetheless, CP recognizes its obligations under federal law to avoid insider trading and comply with other applicable federal securities laws. CP's Code includes personal trading policies as well as those relating to insider trading. In the future, CP may trade ETF's and certain options for client accounts. At such time, CP will review its Code and revise as necessary.</p> <p><b>D. Concurrent Trading Activity</b></p> <p>When CP employees invest for their own accounts, conflicts of interest may arise between clients and employees. The conflicts may include an employee taking an investment opportunity from clients for the employee's own portfolio, using an employee's advisory position to take advantage of available investments or front-running, which includes an employee trading before placing client transactions, thereby taking advantage of information or using client portfolio assets to have an effect on the market that is used to the employee's benefit. To implement its personal trading policies, CP has adopted Employee Trading Policies, which includes an Insider Trading Policy for the requirements imposed by Section 204A of the Advisers Act and a Code of Ethics for Rule 204A-1. The Employee Trading Policies direct that CP employees shall allocate limited investment opportunities to CP clients prior to investing for their own account.</p>
<b>Item 12</b>  <b>Brokerage Practices</b>	<p><b>A. Selection of Broker-Dealers</b></p> <p><u>Execution Quality</u></p> <p>CP will generally seek "best execution" in light of the circumstances involved in transactions. In selecting a broker for any transactions, CP may consider a number of factors, including, for example, execution capability, price, financial responsibility and responsiveness to the money manager. CP is not obligated to obtain the lowest commission or best net price for an account on any particular transaction. CP has established a Best Execution Policy under which CP is required to execute securities transactions for separate account clients in such a manner that a separate account client's total cost or proceeds in each transaction is the most favorable under the circumstances.</p> <p>In selecting the broker-dealers to execute CP's securities transactions on behalf of its separate account clients in transactions where CP has discretion in the selection of brokers, CP shall evaluate each broker-dealer's capabilities to provide best execution. When making such an evaluation, CP will consider, among other things: (i) the broker-dealer's financial responsibility, (ii) the broker-dealer's responsiveness to CP, (iii) the commission rate or spread involved, (iv) the range of services offered by the broker-dealer, and (v) the overall execution capabilities of the broker.</p> <p><u>Soft Dollars</u></p> <p>In addition to execution quality, CP may consider the value of various research services or products, beyond execution, that a broker-dealer provides to CP or its separate account clients. Selecting a broker-dealer in recognition of such other services or products is known as paying for those services or products with "soft dollars." Because many of those services could benefit CP, it may have a conflict of interest in allocating client brokerage business. In other words, CP could have an incentive to execute separate account client transactions through a broker or dealer that provides valuable services or products and pays transaction commissions charged by that broker or dealer which may be higher than CP might otherwise be able to negotiate. In addition, CP could also have an incentive to cause separate account clients to engage in more securities transactions than would otherwise be optimal in order to generate soft dollars with which to acquire research products and services.</p>

<b>Form ADV Brochure – Part 2A - Page 14</b>	<b>Applicant: Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number: 801- 63495</b>	<b>Date: January 30, 2012</b>
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**Item 12 (cont.)**

CP typically does not enter into soft dollar arrangements; however, if CP does enter into soft dollar arrangements, such arrangements will meet the requirements of the safe harbor provisions of Section 28(e) of the Securities Exchange Act of 1934, as amended. That is, CP will generally determine, considering all appropriate factors (including those described here), that commissions paid are reasonable in relation to the value of all the brokerage and research products and services provided by the broker-dealer. In making that determination, CP may consider not only the particular transaction, and not only the value of brokerage and research services and products to a particular client, but also the value of those services in CP's performance of its overall responsibilities to all of its clients. In some cases, the commissions charged by a particular broker for a particular transaction or set of transactions may be greater than the amounts another broker who did not provide research services or products might charge. Additionally, in some cases, a client's transaction may be executed by a broker-dealer in recognition of services or products that are not used in managing that client's account. Broker-dealers are not excluded from a client's business simply because they have not provided research services or products, although CP may not be willing to pay the same commission to such broker as CP might have been willing to pay had the broker provided research products and services.

Where a particular service or product that a broker or dealer is willing to provide for soft dollars has not only a "research" application, but is also useful to CP for non-"research" purposes, CP will allocate the cost of the product or service between its research and non-research uses and pay only the "research" portion with soft dollars. CP's interest in making such an allocation may differ from clients' interests in that CP has an incentive to designate as great a portion of the cost as "research" as possible in order to permit payment with soft dollars.

CP will disclose to its discretionary brokerage clients that it may and expects to engage in soft dollar arrangements with respect to their accounts. CP will also disclose to its clients a description of (i) the types of research received through proprietary or third-party research arrangements, and (ii) the extent of CP's use of the research.

CP has not acquired any products or services with client brokerage commissions within the last fiscal year.

*Brokerage for Client Referrals*

CP does not enter into agreements with, or make commitments to, any broker-dealer that would bind CP to compensate that broker-dealer, directly or indirectly, for client referrals (or sale of fund interests) through the placement or brokerage transactions.

*Directed Brokerage*

CP accepts instructions for the direction of brokerage from clients. Currently, all trades are directed to Gemini Fund Services, L.L.C. or the custodian of an insurance product. For clients who open and maintain accounts directly with the Mutual Fund's transfer agent, purchases and redemptions of shares of the Mutual Fund are made through the Mutual Fund's principal underwriter, Aquarius Fund Distributors, LLC, in accordance with the terms of the transfer agent's account application agreement with the client and as governed by the terms of the principal underwriting agreement between the principal underwriter of the Mutual Fund and the registered investment company of which the Mutual Fund is a series.

Where the client directs that some or all account transactions be effected through specific brokers or dealers, the client is responsible for negotiating the terms and conditions (including, but not limited to, commission rates) relating to all services to be provided by such brokers. CP will assume no responsibility for obtaining the best prices or any particular commission rates for transactions with or through any such broker for such client's account. A client must

<b>Form ADV Brochure – Part 2A - Page 15</b>	<b>Applicant:</b> <b>Changing Parameters, LLC</b>	<b>IARD/CRD</b> <b>Number: 132551</b>	<b>SEC File Number:</b> <b>801- 63495</b>	<b>Date:</b> <b>January 30, 2012</b>
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<p><b>Item 12 (cont.)</b></p>	<p>recognize that it may not obtain rates as low as it might otherwise obtain if CP had discretion to select brokers or dealers other than those chosen by the client and that, if CP is not able to aggregate orders to reduce transaction costs, the client may pay higher brokerage commissions. The client must further recognize that CP may have to enter orders for the client’s account after orders for other clients, if trades cannot be batched, with the result that market movements may work against the client’s account. Any client providing instructions to CP regarding direction of brokerage transactions must notify CP in writing if the client desires CP to cease executing transactions with or through any such broker or dealer.</p> <p><b>B. Aggregation of Orders</b></p> <p>CP may aggregate purchases or sales of any security effected for a client’s account with purchases or sales of the same security effected on the same day for other client accounts. When transactions are aggregated, the actual prices applicable to the aggregated transaction will be averaged, and all participating accounts will be deemed to have purchased or sold its share of the security, instrument or obligation involved at such average price. Further, all transaction costs incurred in effecting the aggregated transaction will be shared on a pro rata basis among all participating accounts, except to the extent that certain broker–dealers that also furnish custody services may impose minimum transaction charges applicable to some of the participating accounts.</p> <p>CP may not allocate trades in such a way that the firm’s own (or affiliated) account(s) receive more favorable treatment than CP client accounts. Similarly, CP may not favor one client or group of clients over another. CP has adopted Trade Allocation Policies attached to ensure that securities orders for more than one account are allocated in a fair or equitable manner.</p> <p>As permitted under Section 17(d) of the 1940 Act, CP is permitted to engage in aggregate trading of mutual fund and non-mutual fund clients, provided that the terms are no less or more advantageous than those of other accounts, and that the mutual fund is not participating in “joint” transactions with its affiliates.</p> <p>With respect to separate account clients invested in the Mutual Funds, including client variable annuity and/or universal variable life insurance account(s), all accounts of the same class generally will be in the same type of mutual funds at the same time. When a client’s money is transferred between mutual funds or other securities in the model, there will be no preference given to any individual client’s account. All similar accounts (<i>i.e.</i>, universal variable life, variable annuity, or mutual funds (other than the Mutual Funds)) will be transferred at approximately the same time. Triggers will be specified increases above or decreases below a formulated target.</p>
<p><b>Item 13</b></p> <p><b>Review of Accounts</b></p>	<p><b>A. Periodic Account Review</b></p> <p>One or more of Mr. Smith or Mr. Levenson will review all accounts and make all investment decisions.</p> <p><u>Individual Account Clients</u></p> <p>All accounts of separate account clients will be reviewed and updated quarterly for net price and total value changes. All accounts of separate account clients will also be reviewed for appropriateness of original investment advice in light of any changed financial information about which clients notify CP.</p> <p><u>Mutual Funds</u></p> <p>The portfolios of the Mutual Funds are reviewed daily and the net asset value of the Mutual Funds are determined at 4:00 p.m. (Eastern Time) on each day the New York Stock Exchange is open for business as further described in the prospectus for each Mutual Fund. Client</p>

<b>Form ADV Brochure – Part 2A - Page 16</b>	<b>Applicant:</b> <b>Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number:</b> <b>801- 63495</b>	<b>Date:</b> <b>January 30, 2012</b>
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<b>Item 13 (cont.)</b>	<p>accounts holding solely shares of the Mutual Funds are reviewed and maintained by the fund's transfer agent in accordance with the terms of a Transfer Agency Service Agreement between the Northern Lights Fund Trust, on behalf of the Changing Parameters Fund, and Northern Lights Variable Trust, on behalf of the Changing Parameters Portfolio, and Gemini Fund Services, LLC.</p> <p><b>B. Non-Periodic Account Review</b></p> <p>CP will review client accounts on a non-periodic basis as requested by the client.</p> <p><b>C. Client Reports</b></p> <p>CP will provide to clients a summary report at least once per quarter in addition to the confirmation and other statements that the client receives, at least quarterly, directly from the mutual fund companies, insurance companies and/or custodian. Each client's report will show the beginning and ending balances for that client's account for the previous quarter. CP may make reports available in hardcopy or via electronic transmission or in electronic form on its website unless otherwise requested by an investor.</p>
<b>Item 14</b>  <b>Client Referrals and Other Compensation</b>	<p><b>A. Compensation By Non-Clients</b></p> <p>See Section 10.A, above. Mr. Smith is a registered representative of Ceros. Ceros is a broker-dealer through which CP may place orders for universal variable life insurance, and variable annuity contracts. Ceros is also a broker-dealer through which CP may purchase mutual funds used to initially establish client accounts and make subsequent reallocations between mutual funds. As a registered representative of Ceros, Mr. Smith will be compensated based on Ceros' normal commission schedule with respect to dividends reinvested in certain mutual funds on behalf of advisory clients. While a commission is generally not paid by Ceros on exchanges between mutual fund accounts, a portion of 12b-1 fees on certain mutual funds that have adopted a distribution plan pursuant to Rule 12b-1 of the 1940 Act may be paid to Mr. Smith with respect to advisory client funds invested in those mutual funds. This affiliation creates a conflict of interest in that CP may cause a greater portion of its advisory clients' trades to be directed to Ceros than would be the case absent such affiliation. Generally, CP reduces the advisory fees charged to an advisory client or the fees and expenses charged by Ceros for custody of the client account by the amount of such commission that are directly attributed to the accounts of that advisory client.</p> <p><b>B. Compensation for Client Referrals</b></p> <p>CP may in the future employ third-party solicitors to whom it will pay cash or a portion of the advisory fees paid by clients referred to it by those solicitors. In such cases, the practice will be disclosed in writing to the client and CP will comply with the other applicable requirements under Investment Advisers Act Rule 206(4)(3). In particular, CP will ensure that each solicitor provides clients with a current copy of CP's Form ADV Brochure and the solicitor's written disclosure document.</p>
<b>Item 15</b>  <b>Custody</b>	<p>Client's funds and securities will be maintained with a "qualified custodian" as required under Advisers Act Rule 206(4)-2, and CP will not take physical possession of any client's funds or securities (except checks payable to third parties). As described in Item 13(C) above, the qualified custodian will provide fund investors with quarterly performance reports and account statements. Fund investors should carefully read these reports and compare any reports received from CP against reports received from the qualified custodian.</p> <p>Due to its ability to deduct fees directly from client accounts, CP is considered to have custody of client funds and securities under Rule 206(4)-2. CP will follow the requirements of Rule 206(4)-2 for all clients for which it has custody.</p>



<b>Form ADV Brochure – Part 2A - Page 17</b>	<b>Applicant:</b> <b>Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number:</b> <b>801- 63495</b>	<b>Date:</b> <b>January 30, 2012</b>
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<p><b>Item 16</b></p> <p><b>Investment Discretion</b></p>	<p>CP has discretionary authority to make the following determinations without obtaining the consent of any Mutual Fund or investment advisory client before the transactions are effected:</p> <ul style="list-style-type: none"> <li>• the securities that are to be bought or sold;</li> <li>• the total amount of the securities to be bought or sold;</li> <li>• the brokers through which securities are to be bought or sold; and</li> <li>• the commission rates at which securities transactions for client accounts are effected.</li> </ul> <p>Separate account clients grant CP a limited power of attorney to allocate, and to reallocate, funds to the various models that comprise CP’s strategy and to effect transfers between mutual funds that comprise a particular model in accordance with CP’s timing analysis. The power of attorney is granted by investors in each Mutual Fund under the Mutual Fund’s Registration Statement and from an express grant of authority under each investment advisory client’s investment management agreement with CP.</p> <p>CP’s discretionary authority with respect to an investment advisory client may be subject to the client’s ability to direct CP to effect brokerage business for its account to a particular broker. See Item 12.A above.</p>
<p><b>Item 17</b></p> <p><b>Voting Client Securities</b></p>	<p><b>Investment Advisory Clients</b></p> <p>CP has deemed it to be in the best interests of each investment advisory client not to vote proxies. In its standard investment advisory agreement, CP specifically states that it does not vote proxies and the client, including clients governed by ERISA, is responsible for voting any proxies. CP has instructed all custodians, other than mutual fund custodians, to forward proxies directly to its clients, and if CP accidentally receives a proxy for any client, current or former, the Chief Compliance Officer will promptly forward the proxy to the client.</p> <p>For ERISA clients, where CP has been delegated the authority to manage plan assets, under DOL interpretations, the voting of proxies is a fiduciary activity required to be carried out by CP unless the responsibility for voting proxies has been expressly maintained by the plan’s named fiduciary. CP’s standard investment advisory agreement provides that with respect to any client account for a pension or other employee benefit plan governed by ERISA the right to vote those proxies has been expressly reserved to the plan’s trustees or another named fiduciary, and therefore CP will not vote, or give any advice about how to vote, proxies for securities held in such account. The Chief Compliance Officer must be consulted when a current or prospective ERISA client requests any modification to these terms and no such modification may be agreed to without the prior written approval of the Chief Compliance Officer.</p> <p><b>Mutual Funds</b></p> <p>For mutual fund clients, CP. has adopted Proxy Voting Policies and Procedures (the “<u>Policies</u>”) which are subject to review and approval by the Board of Trustees of Northern Lights Fund Trust. CP will vote (by proxy or otherwise) on behalf of mutual fund clients in all manners for which a shareholder vote is solicited by or with respect to, issuers of securities beneficially held by a Mutual Fund in accordance with the Policies.</p> <p>The Policies require CP to vote proxies received in a manner consistent with the best interests of its clients. Where the proxy vote presents a conflict between the interests of the client and the interests of CP, the Policies enable CP to abstain from making a voting decision. In such a case, CP will forward all necessary proxy voting materials to the client to enable the client to cast the votes.</p>

<b>Form ADV Brochure – Part 2A - Page 18</b>	<b>Applicant:</b> <b>Changing Parameters, LLC</b>	<b>IARD/CRD Number: 132551</b>	<b>SEC File Number:</b> <b>801- 63495</b>	<b>Date:</b> <b>January 30, 2012</b>
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<b>Item 17 (cont.)</b>	<p>Certain of CP's proxy voting guidelines are summarized below:</p> <ul style="list-style-type: none"> <li>• CP will generally support efforts to declassify boards or other measures that permit shareholders to remove a majority of directors at any time, and will generally oppose efforts to adopt classified board structures.</li> <li>• CP will generally vote in favor of non-incumbent independent directors.</li> <li>• When voting to approve independent auditors, CP will evaluate on a case-by-case basis instances in which the audit firm has a substantial non-audit relationship with a company to determine whether CP believes independence has been, or could be, compromised.</li> <li>• CP will generally support measures intended to increase stock ownership by executives and the use of employee stock purchase plans to increase stock ownership by employees.</li> <li>• CP supports the exercise of shareholders' rights, including but not limited to shareholders' rights to act by written consent, to call special meetings, and to remove directors. CP generally believes that shareholders should have voting power equal to their equity interest in the company and should be able to approve or reject changes to a company's by-laws by a simple majority vote.</li> <li>• CP generally supports the ability of shareholders to cumulate their votes for the election of directors.</li> <li>• CP will evaluate shareholders rights plans on a case by case basis, but will generally oppose such plans.</li> </ul> <p>Although many proxy proposals can be voted in accordance with CP's proxy voting guidelines listed above, some proposals will require special consideration, and CP will make a decision on a case-by-case basis in these situations.</p> <p>In the future, CP may elect to utilize a third party proxy voting service to assist it in voting mutual fund client proxies.</p> <p>For its mutual fund clients, CP must ensure that it maintains the appropriate records of how it voted the mutual fund's securities and provide those records within the appropriate time frame for the public filing of Form N-PX within 60 days of June 30th. Form N-PX for each mutual fund will be available without charge, upon request, by calling toll-free (866) 236-0050 and on the SEC's website at <a href="http://www.sec.gov">www.sec.gov</a>. Upon request to CP, investors in a Fund may obtain information on how CP voted shares on behalf of the Fund.</p>
<b>Item 18</b>  <b>Financial Information</b>	<p><b>A. Prepayment of Fees</b></p> <p>Not applicable.</p> <p><b>B. Impairment of Contractual Commitments</b></p> <p>Not applicable.</p> <p><b>C. Bankruptcy Petitions</b></p> <p>Not applicable.</p>

<b>Form ADV Brochure – Part 2A - Page 19</b>	Applicant: <b>Changing Parameters, LLC</b>	IARD/CRD Number: <b>132551</b>	SEC File Number: <b>801- 63495</b>	Date: <b>January 30, 2012</b>
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<b>Item 19</b>  <b>Requirements for State- Registered Advisers</b>	Not applicable.
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