

Item 1 – Cover Page

SAM Advisors, LLC

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May 24, 2012

This Brochure provides information about the qualifications and business practices of SAM Advisors, LLC. If you have any questions about the contents of this Brochure, please contact us at 212-812-9330 and/or operations@samadvisorsllc.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

SAM Advisors, LLC is an SEC registered investment adviser. Registration of an Investment Adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

Additional information about SAM Advisors, LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

A copy of this disclosure document shall be provided to the client prior to, or contemporaneously with, the execution of any advisory agreement between each client and SAM Advisors, LLC.

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 the SEC Rules.

This Brochure is dated May 24, 2012 which is an amendment of a previous brochure dated March 20, 2012 and is prepared according to the SEC’s new requirements and rules.

This brochure reflects the fact that on May 23, 2012 William Smith was appointed Executive Chairman and President of Vu1 Corporation.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials 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.

We 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 us at 212-812-9330 or operations@samadvisorsllc.com.

Additional information about SAM Advisors, LLC (SAMA) is also available via the SEC’s web site www.adviserinfo.sec.gov. The SEC’s web site also provides information about any persons affiliated with SAM Advisors, LLC who are registered, or are required to be registered, as investment adviser representatives of SAM Advisors, LLC.

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Item 4 – Advisory Business

SAM Advisors, LLC is an Independent SEC Registered Investment Advisor that has been providing investment management services since October 1997. Formerly known as an investment advisory unit of Smith Asset Management, Inc. it was spun-off as a separate entity in September 2004.

At SAM Advisors, LLC we provide clients with money management services, grounded in the principles of transparency, independence, and discipline. While taking a long-term approach to investing, we use our own knowledge and experience to implement our investment strategy.

We are an All-Cap Special Situation/Value Investment Manager that uses a "bottom up" approach to find "deep-value" companies that are out-of-favor and undervalued by the market. We find these undervalued companies through our own independent research. It is this commitment to research and the discipline to remain steadfast in our strategy that has allowed us to navigate all investment climates.

SAM Advisors, LLC adheres to a disciplined, fundamental value approach to investing, utilizing an opportunistic investment process to analyze companies from the "bottom up" with a focus on balance sheet analysis. We seek long term capital appreciation from portfolio companies and attempt to minimize investment risk.

At SAM Advisors, LLC stock market prices do not determine business value. This means, we take market risk, but attempt to limit investment risk. Investment risk is limited by seeking companies with very strong financial positions whose securities are priced at significant discounts to private market and historical intrinsic value.

Types of Investments

Equity Securities

- Exchange-Listed Securities
- Securities trades over-the-counter
- Non-exchange listed ("Penny Stock") securities
- Foreign Issuers

Corporate Debt Securities

Certificates of Deposit

Municipal Securities

Investment Company Securities

- Mutual Fund Shares
- ETFs

United States Government Securities

Option Contracts on Securities

SAM Advisors, LLC offers separate accounts to institutional and private clients. We employ an opportunistic approach to identify potential investments, and then apply our disciplined, "bottom up", fundamental research process with a focus on the balance sheet to identify attractive investments. Based on the conviction of our analysis, we take significant positions in securities that we believe are sound investments, and we hold them for the long term.

Portfolios are fairly concentrated, typically holding between 25 and 40 securities, but portfolios may hold as little as one investment depending on account size, individual client risk tolerances and investment objectives. Depending upon market conditions, it could take a number of months for an account to become fully invested, which we consider to be 100% of a Portfolio's total value. No attempt is made to construct Portfolios in line with a benchmark on sector basis.

SAMA may offer to provide investment supervisory services. Such service may be provided on a discretionary or non-discretionary basis and would include ongoing monitoring and supervision of the client's account(s). For ease of reference, this service type shall be referred to as "investment supervisory" services.

SAMA serves as investment manager of the SAM Special Opportunities Fund, L.P. ("Fund") and is responsible for providing certain administrative services to the Fund pursuant to a Management Agreement with the Fund. **SAM Capital Partners, LLC** ("General Partner") is the General Partner of the Fund, and is responsible for all the investment decisions of the Fund and has authority over the day to day operation of the Fund. As the General Partner of the Fund, SAM Capital Partners, LLC is deemed to have custody of client assets. Interests to the Fund are available to individuals who are "Accredited Investors" under Regulation D of the Securities Act of 1933, as amended (with limited exception), and Rule 506 of Regulation D promulgated thereunder. Accredited Investors are generally individuals with a net worth of more than \$1,000,000 or who meet certain income thresholds, and entities with assets of at least \$5,000,000.

In order to determine a suitable course of action for an individual client, SAMA shall perform a review of the client's financial circumstances. Such review may include, but would not necessarily be limited to, investment objectives, consideration of the client's overall financial condition, income and tax status, personal and business assets, risk profile, and other factors unique to the client's particular circumstances.

Some examples of SAMA's investment advisory services may include the following:

- SAMA may design, revise, and reallocate a client's custom portfolio. Investments are determined based upon the client's investment objectives, risk tolerance, net worth, net income, age, time horizon, tax situation and other various suitability factors.
- SAMA may manage the client's custom accounts on an individualized basis. Restrictions

and guidelines imposed by the client, are allowed, but may affect the composition and performance of custom portfolios (as a result, performance of custom portfolios within the same investment objective may differ and the client should not expect that the performance of his/her custom portfolios will be identical to any other individual's portfolio performance).

- SAMA may utilize services of sub-advisers and established third-party research services to assist SAMA with formulating asset allocation, industry and sector selection, and individual investment recommendations in constructing and maintaining custom portfolios.

In making investment decisions on behalf of the client, SAMA shall rely on a client profile document or client questionnaire, which would be completed by the client.

In performing its services, SAMA relies on the information received from the client or from the client's other professionals. If requested by the client, SAMA may recommend and/or engage the services of other professionals for implementation purposes. The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from SAMA.

The Client is encouraged to renew SAMA's client profile on an annual basis for the purpose of reviewing/updating SAMA's previous recommendations and/or services. Moreover, the Client should be advised that it remains his/her responsibility to promptly notify SAMA if there is ever any change in his/her financial situation or investment objectives for the purpose of reviewing/evaluating/revising SAMA's previous recommendations and/or services.

Direct Owners and Executive Officers

SAM Advisors, LLC is a privately held business. The principal owner is William B. Smith.

Item 5 – Fees and Compensation

Fees for SAMA's advisory services are based on the **Percentage of Assets Under Management**.

Please refer to the table below for specific details related to the fees SAMA may charge for its investment supervisory or asset management services. The following information shall address the fees that SAMA may charge for the service. Information noted below shall address the general fee ranges, calculation methods, billing frequency, and manner of billing.

Annual Percentage of Assets Under Management:

Gross Account(s) Value	Annual Percentage
\$0 - \$249,999	2.50%
\$250,000 - \$999,999	1.75%
\$1,000,000 and up	1.25%
Fees noted above do not include normal, customary transaction costs charged by the broker of record and/or the custodian.	
This schedule is used as a guideline only; all fees are negotiable.	

Assessment of Annual Fees.

One quarter (1/4) of the total annual investment advisory fee (i.e. percentage of assets under management) amount, prorated according to the date ("inception date") of execution of the customer account agreement (CAA), shall be payable at the end of the calendar quarter in which the initial funding of the account takes place. Quarterly fees are based on the account(s) value on the last business day of the custodian's statement cycle during the applicable calendar quarter. The remaining three quarterly portions of the annual fee amount shall be individually due and payable by the client at the end of each subsequent calendar quarter and such arrangements shall continue in effect unless the CAA is properly terminated or otherwise modified in accordance with the provisions of the CAA.

If any advisory relationship begins after the first day of a quarter or terminates before the last day of a quarter, fees are prorated accordingly.

Other Fee Considerations:

Billing by custodian. Contemporaneously with the execution of the CAA, the client may be asked to sign an authorization that will allow the custodian of any of his/her accounts to debit such account(s) the amount of certain service fees owed to SAMA and remit such to SAMA. The authorization shall remain valid until a written revocation of the authorization is received by SAMA. In connection with this fee deduction process, the custodian shall send to the client a statement, at least quarterly, indicating:

- all amounts disbursed from the account, and
- the amount of advisory fees paid directly to SAMA.

SAMA, in its sole discretion, may charge a lesser or no advisory fee based upon certain criteria (i.e. anticipated future earnings capacity, anticipated future additional assets, dollar amount of

assets to be managed, related accounts, account composition, negotiations with the client, etc.). No increase in SAMA's fee(s) shall be effective without prior written notification of at least thirty (30) days to the client.

Clients may also incur certain charges imposed by third parties other than SAMA in connection with investments made through the account, including but not limited to, mutual fund sales loads, surrender charges, and IRA and qualified retirement plan fees. Please see applicable fund's prospectus for more information about fees.

In addition, our clearing firm, Charles Schwab & Co., Inc., may charge accounts certain additional fees such as wire transfer fees, fees associated with checks, margin interest on margin balances, safekeeping fees, account transfer fees as well as other miscellaneous items. A miscellaneous fee schedule is available upon request. SAMA does not charge these miscellaneous account fees. No direct compensation is provided to an individual advisor for such margin activities and you would need to opt in for the use of margin by signing a margin agreement.

No matter what structure of compensation a firm receives for managing customer's assets, conflicts of interest are inevitable. SAMA attempts to avoid these conflicts whenever possible and if not feasible, we try to disclose these conflicts to our customers. The primary means we have of disclosing these conflicts of interest to our customers is through this brochure which is updated not less than annually.

Clients have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with our firm. Additional information regarding brokerage practices is available in Item 12 below.

Prior to engaging SAMA to provide investment advisory services, the client will be required to enter into an advisory agreement with SAMA and a separate brokerage agreement. The advisory agreement shall set forth the terms and conditions of the engagement, and describes the scope of the services to be provided and the fees for such.

The fee which SAMA receives for serving as investment manager to the SAM Special Opportunities Fund, L.P. is a management fee ("Management Fee") with respect to the assets of the Fund. SAMA will receive a Management Fee from each Limited Partner payable in arrears at the rate of 0.5% (2% on an annualized basis) of the Limited Partner's capital account as of the end of each calendar quarter. The Management Fee is paid quarterly by a deduction from the Limited Partner's capital account, unless other payment arrangements are made with SAMA. SAMA, in its sole discretion, may choose to waive or reduce the Management Fee for any Limited Partner for a particular period of time.

In the past SAMA served as a consultant to Vu1 Corporation for which it was compensated.

Neither SAMA, nor the client, may assign the Client Advisory Agreement (CAA) without the prior written consent of the other party. Transactions or other events that do not result in a change of actual control or management of SAMA shall not be considered an assignment.

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

SAM Advisors, LLC has entered into performance fee arrangements with qualified clients, specifically SAMA is the investment manager of private investment Fund, SAM Special Opportunities Fund, L.P. Such fees are subject to individualized negotiation on a separate client basis. SAM Advisors, LLC will structure any performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, SAM Advisors, LLC shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for SAM Advisors, LLC to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. SAM Advisors, LLC has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

At the end of each calendar year in which the aggregate net profit of the Fund exceed the aggregate net loss of the Fund, an amount equal to 20% of the excess of net profit over net loss will be allocated. A performance fee will also be allocated upon any withdrawal by a Limited Partner, whether the withdrawal is voluntary or involuntary, and upon the dissolution of the Fund. All or any portion of the performance fees may be waived with respect to any Limited Partner during any calendar year.

SAMA does not earn fees based on a share of capital gains on or capital appreciation of (e.g. performance fees) the assets of separately managed accounts.

Item 7 – Types of Clients

SAM Advisors, LLC provides portfolio management services to individuals, high net worth individuals, corporate pension and profit-sharing plans, trusts, estates, corporations or business entities, private investment funds.

In addition, SAM Advisors, LLC is the investment manager of private investment fund, SAM Special Opportunities Fund, L.P. Minimum contribution to the Fund is \$50,000, but the General Partner reserves the right to change or waive this requirement at its sole discretion.

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

SAM Advisors, LLC adheres to a disciplined, "bottom up", value approach to investing. The strategy invests opportunistically, paying little regard to market capitalization, sector, country or other benchmark-oriented criteria. Portfolios are relatively concentrated with holdings ranging from a single security to approximately forty securities, depending on individual client risk tolerances and investment objectives.

SAM Advisors, LLC seeks to achieve its objective mainly by acquiring securities of companies at a discount to what management believes is their historical intrinsic value. Fundamental research is the foundation of our process, with a focus on restructuring, corporate events and special situations.

There may be a potential of significant volatility and potential loss of principal associated with concentrated positions in our portfolios.

The following are the investment strategies we offer:

Special Situation/Value Equity Strategy

Portfolio seeks to generate returns over a long-term time horizon by investing in undervalued companies at attractive valuations. The investment strategy of "bottom up", value approach identifies growth opportunities in all economic sectors. SAM Advisors, LLC seeks to identify undervalued and distressed equities that are trading at deep discounts to their intrinsic values that could possibly lead to above average return of principle. The Portfolio typically invests in 25-40 equity securities with any market capitalization but can be invested in a single security at any time increasing the level of risk exposure. The strategy seeks to outperform the S&P500 Total return Index over time.

Special Situation/Value Balanced Strategy

Portfolio is created to generate returns over a long-term time horizon supplemented with current income. The objective of the Balanced Portfolio is to add a "laddered" approach to our Equity Portfolio investment process, diversifying our risk in any credit and interest rate environment. The Portfolio typically invests in 25-40 equity securities across the market capitalization spectrum and government, agency, corporate and municipal debt instruments with allocation of 70% Equity and 30% Fixed Income allowing for deviation due to market conditions as well as individual client risk tolerance. The overall credit quality of the Portfolio ranges from High Yield to AAA.

Special Situation/Value Fixed Income Strategy

SAM Advisors, LLC's objective is to build a quality, well diversified Portfolio with multiple credits in multiple sectors covering a wide range of industries. The goal of our Fixed Income

Portfolio is two-fold. First, generate low principle risk with the highest return possible; and second, generate a total return taking advantage of distressed credits with high coupons that will lead to greater principle appreciation and higher coupon payments. The Portfolio typically invests in fixed income securities with positions in government, agency, corporate, and municipal debt. The overall credit quality of the Portfolio ranges from High Yield to AAA.

SAMA's investment strategy may include investments in micro-cap securities, including Vu1 Corporation (Vu1). Micro-cap equity securities ("penny stocks") are low-priced and high risk investments that are often thinly traded and which therefore may be difficult to sell once purchased. Penny Stocks are not listed or authorized for quotation on a NASDAQ market exchange. Penny stock investments are speculative in nature and involve the inherent risk of losing one's entire capital investment in that security.

A material conflict of interest may exist with regard to Vu1 in that SAM Advisors, LLC related persons may trade opposite of their clients in their personal accounts. Related persons may engage in transactions that are the same as or different from transactions recommended to or made for the clients' account(s).

The SAM Special Opportunities Fund, LP (SAM Fund") is a private investment fund which primary and only investment at this time is stock of Vu1 Corporation.

Currently, SAMA and its related persons have discretionary authority over approximately fifteen percent (15%) of the outstanding shares of Vu1 common stock. Mr. Smith is Executive Chairman and President of Vu1 Corporation (as of 5/23/2012, previously Chairman of the Board of Directors). This presents a potential conflict of interest given that Mr. Smith provides discretionary advice to advisory clients. As a result of his position with Vu1 Corporation, Mr. Smith may become aware of certain material, non-public information, the use of which could benefit SAMA clients, Fund Limited Partners and relater persons' clients. However, Mr. Smith will not be able to use such information until such time as it is publicly disclosed by Vu1.

We consider Mr. Smith's position with Vu1 Corporation a positive for all shareholders as the main reason of Mr. Smith for becoming a part of Vu1 is to represent interests of the shareholders including clients of SAM Advisors, LLC and all affiliated parties. This can present a potential conflict of interest as well as multiple benefits to the shareholders including clients of SAM Advisors, LLC and its affiliates.

Risks, Disclosures and other important information

Shorting, Margin and Use of Leverage: SAMA from time to time opens client accounts as margin accounts and if a client or SAMA elects to use margin, such use can magnify risk to client's accounts. As these are separately managed accounts, use of margin should be discussed with your portfolio manager. Separately managed accounts wishing to use margin are required to complete a margin agreement with our clearing firm, Charles Schwab & Co., Inc. Other forms of leverage open to SAMA include options, short sales, and other inverse or leveraged

derivative instruments. SAMA also has the ability to short stocks in the client portfolios, and there is a high level of risk associated with this strategy. Shorting securities requires the use of margin. SAMA believes shorting provides opportunities for additional return on investment for margin approved clients if SAMA believes a stock is overvalued. In rare circumstances, structured products may be offered to certain Clients. These products often involve a significant amount of risk and should only be offered to Clients who have carefully read and considered the product's offering documents, as they are often times based on derivatives. Structured products are intended to be "buy and hold" investments and are not liquid instruments.

Performance differences: SAMA believes in managing its separately managed accounts on an individual basis rather than "one size fits all" model portfolios. Investment decisions are based on customer's objectives, risk tolerances, conversations with the customer, as well as other factors. The composition of individual customer portfolios (and thus performance and security allocation) will vary based on the above factors as well as a customer input on investment levels and individual positions, customer willingness to use margin or options, availability of certain investments, size of the account, cash availability at the time of an investment opportunity, tax considerations, customer preferences on activity levels, as well as other factors. Customers are encouraged to discuss their preferences and goals in depth with their advisor.

Best Execution: The client's consent that SAMA will use reasonable diligence in assuring clients receive the best possible price in terms of execution.

Primary Investment Risks

As with any investment manager that invests in common stocks, SAMA's investments are subject to market risk—the possibility that common stock prices will decline over short or extended periods of time. As a result, the value of your account will fluctuate with the market, and you could lose money over short or long periods of time. **You should recognize whenever you invest in the securities markets your entire investment is at risk. You should not invest money if you are unable to bear the risk of total loss of the investment.**

SAMA's estimate of a company's current worth may prove to be inaccurate, or this estimate may not be recognized by other investors, which could lead to portfolio losses.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of SAM Advisors, LLC or the integrity of SAM Advisors, LLC's management. SAM Advisors, LLC has no information applicable to this Item.

Item 10 - Other Financial Industry Activities and Affiliations

The following are the affiliates of SAM Advisors, LLC:

1. **Smith Asset Management, Inc. ("SAM")**, Member FINRA/SIPC.

Mr. Smith, President of SAMA, is also the CEO and a registered representative of SAM. Some individuals may also be dually registered with SAMA and SAM. Certain securities-related transactions and/or services available to clients of SAMA may be facilitated through SAM. Such services may include but would not be limited to, the opening of a brokerage account, securities transaction execution, and account administration.

Any broker-dealer activities (through SAM) facilitated by SAMA representatives may represent as much as or more than 50% of any such individual's overall professional activities.

2. **SAM Capital Partners, LLC**, the General Partner of SAM Special Opportunities Fund, L.P., which may be offered to clients of SAMA and SAM.

3. **SAM Special Opportunities Fund, L.P.**

SAMA serves as investment manager of the SAM Special Opportunities Fund, L.P. ("Fund") and is responsible for providing certain administrative services to the Fund pursuant to a Management Agreement with the Fund. **SAM Capital Partners, LLC** ("General Partner") is the General Partner of the Fund, and is responsible for all the investment decisions of the Fund and has authority over the day to day operation of the Fund. As the General Partner of the Fund, SAM Capital Partners, LLC is deemed to have custody of client assets. Interests to the Fund are available to individuals who are "Accredited Investors" under Regulation D of the Securities Act of 1933, as amended (with limited exception), and Rule 506 of Regulation D promulgated thereunder. Accredited Investors are generally individuals with a net worth of more than \$1,000,000 or who meet certain income thresholds, and entities with assets of at least \$5,000,000.

The fee which SAMA receives for serving as investment manager to the Fund is a management fee ("Management Fee") with respect to the assets of the Fund. SAMA will receive a Management Fee from each Limited Partner payable in arrears at the rate of 0.5% (2% on an annualized basis) of the Limited Partner's capital account as of the end of each calendar quarter. The Management Fee is paid quarterly by a deduction from the Limited Partner's capital account, unless other payment arrangements are made with SAMA. SAMA, in its sole discretion, may choose to waive or reduce the Management Fee for any Limited Partner for a particular period of time.

At the end of each calendar year in which the aggregate net profit of the Fund exceed the aggregate net loss of the Fund, an amount equal to 20% of the excess of net profit over

net loss will be allocated. A **performance fee** will also be allocated upon any withdrawal by a Limited Partner, whether the withdrawal is voluntary or involuntary, and upon the dissolution of the Fund. All or any portion of the performance fees may be waived with respect to any Limited Partner during any calendar year.

Minimum contribution to the Fund is \$50,000, but the General Partner reserves the right to change or waive this requirement in its sole discretion.

All client assets will be held by the custodians. SAMA will not hold client funds or securities. Charles Schwab & Co., Inc. and Pershing, LLC serve as the clearing broker and custodian of the Fund's investments and funds.

The day-to-day investment decisions for the Fund will be made by portfolio managers that may include the same employees primarily responsible for managing individual separately managed accounts. The Portfolio Managers may follow similar or different investment strategies for the Fund as they follow for other client portfolios.

While Portfolio Managers will use their best efforts to provide the Fund and other client portfolios with suitable investment opportunities, it is possible that Portfolio Managers might not present the Fund and other client portfolios with the same investment opportunities that may come to their attention even if such opportunities are consistent with the Fund's and other clients' investment objectives. Portfolio Managers will use their best judgment and specific knowledge of the Fund and client accounts when determining which securities to recommend or invest in specific instances.

Because Portfolio Managers may manage multiple accounts for different groups of clients, it is possible that some clients could be placed at a disadvantage with respect to the timing of trading decisions and/or the price of securities. Moreover, it may be perceived that the Companies' Portfolio Managers have an incentive to favor the Fund over other client portfolios because the Fund may pay a performance-based incentive fee to SAMA. However, SAMA does not believe that such conflict of interest is material because the investment objectives and strategies of the Fund are different from that of many client portfolios. Nevertheless, SAMA and the Portfolio Managers will attempt to resolve any actual or perceived conflicts of interest in a manner consistent with SAMA's fiduciary duties.

4. **Vu1 Corporation**

Mr. William Smith became Executive Chairman and president of Vu1 on May 23, 2012. Previously he held a position of Chairman of the Board of Directors since January 2011. This position can present a potential conflict of interest as well as multiple benefits to the shareholders including clients of SAM Advisors, LLC and its affiliates by Mr. Smith protecting their interests.

Item 11 - Code of Ethics

At SAM Advisors, LLC, we take great pride in our commitment to serving our clients' needs and the integrity with which we conduct our business. In our recent history, the financial services industry has come under significant scrutiny, especially in the area of the inherent responsibility of financial professionals to behave in the best interests of their clients.

Pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, SAMA has developed a Code of Ethics ("Code") as a means of memorializing our vision of appropriate and professional conduct in carrying out the business of providing investment advisory services. Our Code addresses issues such as the following:

- Standards of conduct and compliance with applicable laws, rules, and regulations
- Protection of material non-public information
- Addressing of conflicts of interest
- Employee disclosure and reporting of personal securities holdings and transactions
- The firm's IPO and private placement policy
- The reporting of violations of the Code
- Educating employees about the Code
- Enforcement of the Code

Each of SAMA's representatives has been furnished with a copy of our Code and has signed their names to a written acknowledgement attesting to their understanding of the Code and acceptance of its terms. A copy of our Code is available to all clients upon request.

Participation or Interest in Client Transactions

Smith Asset Management, Inc. (SAM) offers general securities products, which will be offered separately from SAMA's investment advisory services. As a result of certain investment-related recommendations (or other investment advisory services) provided to its clients, individuals associated with SAMA who are also properly qualified/licensed and registered on behalf of SAM may facilitate certain securities transactions related to SAMA's advisory services, on behalf of such clients through SAM. Any such transactions may be facilitated through SAM, in its capacity as a registered broker-dealer. All such activities are considered "broker-dealer activities" for the purposes of this disclosure document. To the extent allowed by applicable law and/or regulation, individuals associated with SAMA may receive compensation (i.e. commissions) for their broker-dealer activities. Individuals associated with SAMA may also be associated with SAM, Member FINRA/SIPC. SAMA and SAM are affiliated companies.

SAMA or its associated persons may recommend to clients the purchase or sale of the SAM Special Opportunities Fund, L.P. to which SAMA has an affiliation and/or in which SAMA or related persons may have some financial interest, including, but not limited to the receipt of compensation.

SAM Advisors, LLC or a related person:

- As broker or agent effects securities transactions for compensation for any client
- Recommends to clients that they buy or sell securities or investment products in which the applicant or a related person has some financial interest
- Buys or sells securities for itself that it also recommends to clients

Interest in Client Transactions

SAMA or its personnel may invest for their own accounts or have a financial interest in the same securities or other investments that SAMA recommends or acquires for the accounts of the client, and may engage in transactions that are the same as or different than transactions recommended to or made for the client's accounts. Subject to satisfying this policy and applicable laws, officers, directors and employees of SAM Advisors, LLC and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for SAMA's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of SAMA will not interfere with:

- making decisions in the best interest of advisory clients and
- implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Generally, personal securities transactions will be pre-cleared when an order for the same or a related security is pending for the account of the client. SAMA's Designated Principal reviews reports of personal transactions in securities by SAMA personnel quarterly or more frequently if required.

In order to implement SAMA's Investment Policy, the following procedures have been put into place with respect to SAMA and its Covered Persons:

1. If SAMA is recommending any security for purchase by the client, no Covered Persons may effect personal transactions in that security prior to the client's purchase having been completed, or until the client has made the decision not to purchase the security; and
2. If SAMA is recommending that the clients sell any security, no Covered Persons may effect personal transactions in that security prior to the client's sale of that security, or until the client has made the decision not to sell the security.

Affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with SAMA's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. SAMA will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order.

Administrative Trade Errors:

From time-to-time SAM Advisors, LLC may make an error in submitting a trade order for a client. Trading errors may include a number of situations, such as:

- Overbuying or overselling of securities into or out of a client account, caused by clerical errors made by personnel of SAMA or the broker/dealer;
- Buying or selling of unintended securities into, or out of, a client account, caused by clerical errors made by personnel of SAMA or the broker/dealer;
- Erroneously executing buy transactions as sales or vice versa, caused by clerical errors made by personnel of SAMA or the broker/dealer.
- Buying or selling securities into or out of a client account, which is inconsistent with a client's written investment guidelines or restrictions.

When this occurs, SAMA may place a correcting trade with the broker/dealer which has custody of client's account. The client may retain gains resulting from an error; however, if the client is unable/restricted from receiving that gain, SAMA will let the net gain remain in the designated error account at the broker/dealer to offset future trade error losses. Under no instances will SAMA use net trade error gains for anything other than the offsetting of trade error losses. Netting of gains and losses when correcting an error in a client's (or among clients) account(s) is generally prohibited. However, netting may be permitted in circumstances in which more than one transaction must be effected to correct one or more trade errors made as a result of a single investment decision. If a loss occurs due to SAMA's administrative trade error, SAMA is responsible and will pay for the loss to ensure that the client is made whole.

In addition, SAMA has created and implemented internal controls to monitor client account activity and proper allocation of investment opportunities, based on each client's stated investment objectives and risk tolerance, to address these conflicts.

Item 12 – Brokerage Practices

SAM Advisors, LLC is not a broker-dealer. Unless the client directs otherwise, SAMA shall generally recommend that all the client's accounts be maintained at, by, or through certain other firms that are not affiliated with SAMA. Such firms shall generally be broker-dealers that may also maintain registrations that allow such firms to engage in other types of businesses outside of their broker-dealer activities.

Any such other firm may act in the capacity of "broker of record" for the client's accounts, in which case, another firm may serve as the custodian for the client account(s). Alternatively, any such other firm may serve as both the "broker of record" and "custodian" for the client's accounts. In no case shall SAMA act or attempt to act in the capacity of "broker of record" or "custodian" of the client's account, funds, or other assets.

Although not all-inclusive, SAMA may recommend **Charles Schwab & Co., Inc.** as a broker of record and its corresponding custodian.

Factors which SAMA considers in recommending certain broker-dealers or custodians to clients may include such entity's financial strength, reputation, execution, pricing, and service. In return for effecting securities transactions through certain broker-dealers/custodians, SAMA or certain of its representatives may receive certain support services that may assist SAMA in its investment decision-making process for all of SAMA's clients.

In seeking best execution, the determinative factor is not always the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of broker-dealer services, including factors such as execution capability, commission rates, and responsiveness. Accordingly, although SAMA will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for the client's account transactions.

SAMA's general policies relative to the execution of the client's securities and brokerage transactions are as follows:

- ✓ Transactions for the client's account generally will be effected independently, unless SAMA decides to purchase or sell the same securities for several clients at approximately the same time. SAMA may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable transaction rates. To the extent that SAMA elects to aggregate client orders for the purchase or sale of securities, including securities in which SAMA's principal(s) and/or associated person(s), and clients of SAM may invest, SAMA shall generally do so in accordance with the parameters set forth in SEC No-Action Letter, *SMC Capital, Inc.* SAMA shall not receive any additional compensation or remuneration as a result of the aggregation.
- ✓ The client may direct SAMA to use a particular broker-dealer (subject to SAMA's right to decline and/or terminate the engagement) to execute some or all

transactions for the client's account. In such an event, the client will negotiate terms and arrangements for the account with that broker-dealer, and SAMA will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers

with orders for other accounts managed by SAMA. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

SAMA receives no products, research, or services (i.e. soft dollars) that it would consider a factor in utilizing a particular broker-dealer. However, SAMA does receive certain services and products, such as fundamental research reports, technical and portfolio analyses, pricing services, economic forecasting and general market information, historical data base information and computer software that assist SAMA's investment management process, from its custodian. Nonetheless, when selecting a particular broker for execution of client's transactions, SAMA will seek to obtain most favorable terms under the circumstances by considering such factors as: price, execution capability, reliability, responsiveness, financial responsibility, and the value of any products or services provided by such brokers.

All transactions for clients where such soft dollar transactions will be effected, if there are any, shall be in compliance with Section 28(e) of the Securities Exchange Act of 1934.

Initial Public Offering (IPO) Policy.

SAM Advisors, LLC on occasion may recommend the purchase of IPOs for its individual client accounts. This policy will also apply for those individual clients of SAMA who, on a completely unsolicited basis, contact SAMA to request that SAMA purchase a specific IPO for his/her account; to the extent same has been made available to SAMA. In the event of any such solicited or unsolicited request(s), SAMA, after first determining that the client(s) is *qualified* for such specific IPO (i.e., suitable for the client relative to the client's investment objective(s), financial situation(s) and current asset allocation(s)), *may* (to the extent possible under the circumstances) purchase such IPO on a pro-rata basis with other solicited or unsolicited client requests. To the extent possible and applicable under the circumstances, SAMA will allocate solicited/unsolicited individual client IPO share purchases among *qualified* individual clients on a rotational basis. To the extent possible and applicable under the circumstances, SAMA will use reasonable efforts to allocate available IPO shares on a fair and equitable basis in accordance with the terms and conditions of the aforementioned policy.

Item 13 – Review of Accounts

The Firm will review clients accounts quarterly. The Designated Principal or his /her designee shall review the client accounts for best execution, suitability, and service.

Every quarter, transaction suitability is reviewed. The Designated Principal will review the performance and cost basis for the client's transactions, comparing executed transactions to the offering memorandum, in the case of the Fund, and to the client's financial information, in the case of separate accounts. The clients' objectives are used to review for suitability. Quarterly, accounts are reviewed referencing client's objectives for any transaction that may not fit the client's stated objectives, or SAMA's understanding of the client's objectives will be flagged and reviewed with the investment adviser representative placing the trade.

Events that may trigger further client account reviews in addition to the standard quarterly review process may include, but would not be limited to, a notable increase in the volume of requests by the client to effect transactions in his/her account(s), where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Other factors may include requests by the client to liquidate certain securities positions/contracts where such transactions may appear to be inconsistent with the client's previously stated investment objectives. Additional triggering factors could be the performance on an individual account being an outlier to the performance of accounts with similar investment objectives, and a very important trigger would be customer complaints. This last trigger would be a prime example of a trigger for an intermittent review of a client account.

Annually, the Designated Principal shall have the advisers update client's information. However, it is client's responsibility to provide SAMA with any changes to the investment profile and objectives. SAMA will continue to provide services according to questionnaires it has on file unless notified otherwise.

Monthly statements will be provided by the custodian (not by SAMA) of the account identifying the account positions by cost basis, current price, and gains/losses for all securities transactions. Additionally, following the first calendar quarter in which investment advisory services were provided to the client for at least 31 days, and quarterly thereafter, SAMA will furnish the client with a compilation of the activity and the status of the client's account(s) (performance reports).

Limited Partners of SAM Special Opportunities Fund, L.P. will be advised, at least quarterly, as to the operation of the Fund by the administrator of the Fund. The Partners will be furnished with audited year-end financial statements, including a statement of profit or loss for such fiscal year. In addition, Limited Partners will receive a report reflecting the status of the changes in their capital account.

Item 14 – Client Referrals and Other Compensation

SAMA does not have any referral relationships.

Item 15 – Custody

Clients should receive monthly or quarterly statements from the broker/dealer, bank or other qualified custodian that holds and maintains client's investment assets. SAMA urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

Item 16 – Investment Discretion

SAM Advisors, LLC usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

When selecting securities and determining amounts, SAMA observes the investment policies, limitations and restrictions of the clients for which it advises. For registered investment companies, SAMA's authority to trade securities may also be limited by certain federal securities and tax laws that require diversification of investments and favor the holding of investments once made.

SAM Advisors, LLC may exercise discretion over the following areas:

- 1) The specific securities to be bought or sold on the client's behalf;
- 2) The amount of securities to be bought or sold on the client's behalf; and/or
- 3) The particular broker or dealer to be used for arranging client securities transactions.

SAMA will have authority to exercise its limited discretion on the above named factors without restriction. If done so on a non-discretionary basis, SAMA shall make certain recommendations that must be authorized by the client prior to SAMA's facilitation of any such transactions that may have been recommended. SAMA shall observe any other specific limitations that may be imposed by the client in relation to this discretionary authority.

Investment guidelines and restrictions must be provided to SAM Advisors, LLC in writing.

Item 17 – Voting Client Securities

It is SAMA's duty to monitor corporate actions and vote its clients' proxies for most of its clients. SAMA's policy is to always vote a proxy in the best interest of the client. Should SAMA find itself in conflict of interest with its client on a proxy matter, SAMA will disclose the conflict in writing to the client and propose the vote it intends to cast. The client must consent in writing to the proposed vote. If the client objects, he/she must instruct SAMA as to the vote to be cast. SAMA will follow those instructions.

As part of its record keeping requirements, SAMA will retain copies of its voting policies and any amendments thereto. SAMA maintains:

- all proxy statements received regarding the client's securities,
- an electronic "Proxy Voting" log and hard copies and/or other records reflecting votes cast on behalf of the client,
- copies of communications with the client disclosing a conflict of interest and the client's response,
- records of the client's request for proxy voting information, and
- any documents prepared or used by the adviser that were material to making a decision on how a vote should be cast.

For certain clients and accounts, the right to vote Proxy's might be reserved solely for the client. SAMA is typically provided with details of such proxy votes upon request.

SAMA will maintain all proxy information received and the CCO will ensure that any and all proxies are voted in accordance with these policies and procedures. Clients may obtain a copy of SAMA's voting policies and procedures upon request at 212-812-9330 or operations@samadvisorsllc.com.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about SAM Advisors, LLC's financial condition.

SAMA has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.