

Part 2A of Form ADV: Firm Brochure
Item 1 – Cover Page

PCM Advisors LLC

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This brochure provides information about the qualifications and business practices of **PCM Advisors LLC** ["PCM" or the "Adviser"]. If you have any questions regarding the contents of this Brochure, please contact us at (518) 431-3500 and/or via electronic mail at jgulick@paradigmcapital.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission ("SEC") or by any state securities authority. PCM is a 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 with which you may determine to hire or retain advisory services. Additional information about PCM is available on the SEC's website at www.adviserinfo.sec.gov. You can search for advisers on this site by using a unique identification number, known as a CRD number. PCM's CRD number is 133594.

Item 2 – Material Changes

Pursuant to SEC Rules, PCM will ensure that clients receive a summary of any material changes to this and subsequent brochures within 120 days of the close of our fiscal year. The Adviser may also provide other ongoing disclosure information about material changes as necessary and provide you with a new brochure as necessary based on changes or new information, at any time, without charge.

There have been no material changes to the Adviser's previously published October 31, 2011 brochure.

PCM's brochure may be requested by contacting John Gulick, Vice President and Chief Compliance Officer at (518) 431-3500 or by email at jgulick@paradigmcapital.com.

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Item 4 – Advisory Business

PCM has been in business since 2004 and offers the services described below primarily to individuals (including high net worth individuals). PCM provides investment supervisory services, defined as giving continuous advice to a client or making investments for a client based specific investment objectives and strategies. Under certain circumstances, the Adviser may agree to tailor advisory services to the individual needs of clients. Clients may impose restrictions on investing in certain securities or certain types of securities.. The Adviser is owned primarily by Candace King Weir, Director, Chief Executive Officer, President, and Chief Investment Officer of the Adviser.

As of December 31, 2011, PCM managed discretionary client assets valued at \$9,200,000. PCM does not manage assets on a non-discretionary basis.

Portfolio Management Services

Item 5 – Fees and Compensation

Fees charged to clients for investment advisory services are fully set forth in the investment advisory agreement executed by the client at the commencement of the advisory relationship. The Adviser's standard advisory fee schedule for retail accounts is 1.0% per annum. Nothing precludes the Adviser from charging a higher or lower fee based upon negotiations with the client.

Unless the investment advisory agreement provides otherwise, advisory fees shall be calculated through the last day of the quarter and paid in arrears within 30 days after the last business day of such quarter, based upon the average month-end value of the managed assets for such quarter, as calculated by the Adviser based on values generally obtained from third-party pricing sources. In the absence of such information, the fair value will be reasonably determined by the Adviser on the payable date of each such stated period. If the advisory relationship is terminated prior to the end of the quarterly period, the quarterly fee shall be pro-rated and paid through the termination date. Fees will be debited directly from the account, unless other arrangements are made for payment of fees. The client shall be provided with quarterly statements detailing the activity of the managed assets. The Adviser and any client may discontinue the advisory relationship and terminate the investment advisory agreement upon written notice to the other party.

Client assets invested in money market funds or other mutual funds managed by independent managers, including funds at custodian banks, broker dealers or other custodians, may be subject to management fees charged by the manager of these funds which are in addition to management fees charged by the Adviser.

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

The Adviser does not charge performance-based fees.

Item 7 – Types of clients

PCM offers the services described below primarily to individuals (including high net worth individuals).

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

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

PCM believes the equity markets are inefficient with investor psychology and sentiment having a significant impact on short-term pricing. It is PCM's opinion that extensive academic research supports the Adviser's assessment that these phenomena are especially prevalent in the smaller end of the market capitalization spectrum. Investor expectations are volatile, and investors often overreact to news, both positively and negatively. Thus, PCM believes that disciplined fundamental research can identify mispriced small-capitalization equities whose short-term pricing does not accurately reflect the true earning potential of the company. We look for what we believe to be high-quality companies trading at discounts to PCM's assessment of intrinsic value.

One strategy is primarily offered to clients as an investible product: Growth & Income.

Growth & Income: Growth & Income is a balanced strategy of capital appreciation and current income generation. The portfolio manager attempts to accomplish capital appreciation primarily through the investment in what he believes to be underappreciated equity securities and equities with above average earnings growth potential. Income is generated through investments in common and preferred equity securities with above-average yield and fixed income securities (primarily bonds and convertible bonds of out of favor companies). The strategy has the freedom to invest in all market capitalizations as well as commodities and cash. The use of short selling, leverage and derivatives is allowed though used infrequently.

Material Risks

The list of risk factors below is not a complete enumeration or explanation of the risks involved in an investment through PCM or any of the client portfolios it manages.

Trading in Small and Mid-Capitalization Markets. PCM invests in the stocks of small and mid-capitalization companies. The earnings and prospects of these companies are generally more volatile than larger companies. Small and mid-capitalization companies may experience higher failure rates than do larger companies. The trading volume of the securities of these companies is normally less than that of larger companies and, therefore, may disproportionately affect their market price, tending to make them fall more in response to selling pressure than is the case with larger companies. These securities entail more risk (and potentially more benefit) than investments in shares of companies with higher market capitalizations because of market conditions in general, especially in times of market volatility and illiquidity. In addition, failed expectations concerning particular industries or companies and negative analyst comments could have a relatively dramatic effect on the prices of these securities.

Value Investing. Value investing attempts to identify companies selling at a discount to their intrinsic value. Value investing is subject to the risk that a company's intrinsic value may never be fully realized by the market or that a company judged by the Adviser to be undervalued may actually be appropriately priced.

Sector risk. Sector risk is the possibility that all stocks within the same group of industries will decline in price due to sector-specific market or economic developments. The Adviser's client portfolios may be overweight in certain sectors at various times.

Speculative Purchases of Securities. Client portfolios may also make certain speculative purchases of securities. Such purchases may include securities which the Adviser believes to be undervalued, or

where a significant position in the securities of the particular issuer has been taken by one or more other persons or where other companies in the same or a related industry have been the subject of acquisition attempts. There can be no assurances that securities which the Adviser believes to be undervalued are in fact undervalued, or that undervalued securities will increase in value. If PCM purchases securities in anticipation of an acquisition attempt or reorganization, which does not in fact occur, the client portfolio may experience losses. Further, in such cases, a substantial period of time may elapse between the purchase of the securities and the acquisition attempt or reorganization. During this period, a portion of the portfolio's funds would be committed to the securities purchased.

Risks From Hedging Activities. The Adviser will, from time to time, employ various hedging techniques to attempt to reduce the risk of highly speculative investments in securities. There remains a substantial risk, however, that hedging techniques may not always be effective in limiting losses. If the Adviser analyzes market conditions incorrectly or employs a strategy that does not correlate well with portfolios' investments, the hedging techniques could result in a loss, regardless of whether the intent was to reduce risk or increase return. Further, a specific hedge may not be available with respect to a particular investment and even if available, may not perfectly match the position which is sought to be hedged. These hedging techniques may also increase the volatility of client portfolios; may involve a small investment of cash relative to the magnitude of the risk assumed; or result in a loss if the other party to the transaction does not perform as promised.

Lack of Liquidity. The Adviser monitors the liquidity of client assets in making decisions regarding the client investments. However, certain investments may have to be held for a substantial period of time before they can be liquidated to the portfolio's greatest advantage or, in some cases, at all. In addition, portfolios may hold securities for which no market exists and which have restricted transferability under United States federal or state securities laws, and it may be able to dispose of these securities only at substantial discounts or losses. Portfolios may also hold securities for which a market exists but which generally have a relatively low trading volume. Portfolios may not be able to dispose of such securities at the most favorable price or time if there is limited demand when the Adviser wishes to sell them.

Exchange Traded Funds. PCM may also invest in exchange traded funds (ETFs). Investment in an ETF carries security specific risk and the market risk. Also, if the area of the market representing the underlying index or benchmark does not perform as expected for any reason, the value of the investment in the ETF may decline. In addition, due to transactions via market prices rather than at net asset value, the performance of an ETF may not completely replicate the performance of the underlying index.

Foreign Risk. PCM may invest in foreign equity securities including American Depositary Receipts ("ADRs"). To the extent PCM invests in foreign securities or ADRs, portfolios may be subject to risks not usually associated with owning securities of U.S. issuers. These risks can include fluctuations in foreign currencies, foreign currency exchange controls, political and economic instability, differences in financial reporting, differences in securities regulation and trading, and taxation issues.

New Issues. PCM may also purchase so-called "new issue" securities for client accounts. The risk of loss associated with securities purchased in initial public offerings is greater than those in connection with general securities trading. While the Adviser believes that "new issues" offer significant potential for gain, the prices of newly issued securities may not increase as expected, and in fact may decline to a significant extent. The Adviser will have access to new issue markets only if it is able to generate relationships with broker-dealers. Also, if the Adviser is not correct in its assessment of which new issues will appreciate, portfolios will suffer losses. If the Adviser is unable to liquidate such positions in a timely manner, portfolios will be exposed to further losses which could be considerable.

Fixed Income Securities Risk

Interest Rate Risks. Prices of fixed income securities rise and fall in response to changes in the interest rate paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities.

Credit Risks. Credit risk is the possibility that an issuer or counterparty will default on a security or repurchase agreement by failing to pay interest or principal when due. If an issuer defaults, the client's portfolio holding securities of that issuer may lose money. Lower credit ratings correspond to higher credit risk. Bonds rated BBB or Baa have speculative characteristics.

Call Risks. If the fixed income securities in which a portfolio managed by PCM invests are redeemed by the issuer before maturity (or "called"), the portfolio may have to reinvest the proceeds in securities that pay a lower interest rate, which may decrease the portfolio's overall yield. This will most likely happen when interest rates are declining.

Government Obligations Risks. No assurance can be given that the United States government will provide financial support to United States government-sponsored agencies or instrumentalities where it is not obligated to do so by law. As a result, there is risk that these entities will default on a financial obligation.

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 evaluating the Adviser or the integrity of its management. PCM has no applicable disciplinary information to disclose.

Item 10 – Other Financial Industry Activities and Affiliations

Candace King Weir owns a majority of the outstanding voting stock of PCM and C.L. King & Associates, Inc. In addition, several of the officers of PCM are also officers of C.L. King. C.L. King is a registered broker/dealer pursuant to the Securities Exchange Act of 1934, various state securities laws, and is a member of the Financial Industry Regulatory Association (FINRA).

C.L. King engages in a general securities business including equity and debt trading and execution, option execution and underwriting. The Adviser utilizes C.L. King to effect securities transactions for the accounts of clients who consent to use C.L. King as its broker or agent for such transactions.

Paradigm Capital Management, Inc. ("Paradigm"), an affiliate of the Adviser, has been in business since 1994 and offers investment supervisory services primarily to corporations, pension and profit sharing plans, foundations, individuals, investment funds, wrap fee programs, trusts and individuals (including high net worth individuals), registered investment companies, other separate accounts, and pooled investment vehicles such as private investment limited partnerships to which the Adviser acts as the investment manager. Paradigm is a wholly-owned subsidiary of Paradigm Capital Holdings, Inc. ("Paradigm Holdings"), a Delaware corporation. Paradigm Holdings is owned primarily by Candace King Weir, Director, Chief Executive Officer, President, and Chief Investment Officer of the Adviser. Paradigm is the adviser to four private investment partnerships (PCM Partners, L.P. I, PCM Partners, L.P. II, PCM Partners, L.P. III and PCM Partners International, Ltd.) wherein limited partnership units and shares respectively, are available to qualified investors. PCM Partners L.P. I is an investor in PCM Partners L.P. II. PCM Partners L.P. II, PCM Partners, L.P. III and PCM Partners International, Ltd. principally take positions in the same equities on both the long and short side. Additionally, PCM Partners L.P. II, PCM Partners, L.P. III and PCM Partners International, Ltd. may from time to time borrow on margin to purchase securities if conditions warrant. Paradigm may solicit its clients, who are also qualified

investors, to invest in PCM Partners L.P. I, PCM Partners L.P. II or PCM Partners, L.P. III. Clients of the Adviser may be limited partners in PCM Partners L.P. I, PCM Partners, L.P. II, PCM Partners, L.P. III and /or PCM Partners International, Ltd.

Paradigm Funds Advisor LLC, an affiliate of the Adviser, is the adviser to the Paradigm Funds, a series of registered investment companies. Under the terms of the management agreement, Paradigm Funds Advisor LLC manages the investment portfolio of the Paradigm Funds subject to policies adopted by the Paradigm Funds' Board of Trustees. Paradigm has agreed to act as the Paradigm Funds Advisor LLC's guarantor in the event it is unable to meet any obligation to the Paradigm Funds or its shareholders. Under the management agreement, Paradigm Funds Advisor LLC, at its own expense and without reimbursement from the Paradigm Funds, furnishes office space and all necessary office facilities, equipment and executive personnel necessary for managing the assets of the Paradigm Funds. Paradigm Funds Advisor LLC also pays the salaries and fees of all of its officers and employees that serve as officers and trustees of the Paradigm Funds. Paradigm Funds Advisor LLC pays all operating expenses of Paradigm Funds Advisor LLC, with the exception of taxes, borrowing expenses (such as (a) interest and (b) dividend expenses on securities sold short), brokerage commissions and extraordinary expenses.

Paradigm Capital Management Growth Advisors, Inc. ("Growth Advisors"), an affiliate of the Adviser, is an SEC registered investment adviser that has been in business since 2006 and offers investment supervisory services primarily to individuals and other separate accounts. Growth Advisors is owned primarily by Candace King Weir, Director, Chief Executive Officer, President, and Chief Investment Officer of the Adviser.

Item 11 – Code of Ethics

The Adviser has adopted a Code of Ethics which, in general, requires employees to obtain approval prior to opening a brokerage account outside of C.L. King. Unless prior approval is obtained, such outside accounts may not invest in any PCM, Paradigm, Growth Advisors or Paradigm Funds Advisor LLC (collectively the "Company") name or name on the Company's restricted/watch list unless the trade is cleared by the Compliance Department. For those employee accounts at C.L. King, employees can generally trade in a Company name if the employee trade is bunched with a trade for a Company client or if the trade is cleared by the Compliance Department. If blocking or bunching of trades is not possible, the Compliance Department is required to review the facts and circumstances of the trade to avoid a possible conflict of interest. Employees are also precluded from investing in initial public offerings or unregistered securities without prior approval from the Chief Compliance Officer. The Code of Ethics also requires employees to certify their holdings, including those in investment companies advised by the Company on an annual basis.

Furthermore, Paradigm for its own account is prohibited from trading in securities traded by the Adviser on behalf of its advisory clients in violation of internal policies and applicable laws. In all cases, procedures have been established to prevent (1) the misuse of any research prepared by the Company or C.L. King, (2) trading in securities appearing on internal restricted lists and (3) trading in initial public offerings and private placements.

A copy of the Adviser's Code of Ethics is available to our clients and prospective clients. Please contact John Gulick, Chief Compliance Officer, at (518) 431-3500 for a copy of the Code of Ethics.

Item 12 – Brokerage Practices

The Adviser is responsible for the decisions to buy and sell securities for Advisory clients, the selection of brokers and dealers, and the negotiation of brokerage commissions, if any. The particular securities and the amounts of such securities to be purchased and sold are determined by the Adviser consistent with

each Advisory client's investment objective, policies and restrictions. The Adviser has (1) responsibility to act as a fiduciary, (2) duty to obtain best execution and (3) a duty to manage the account consistent with the advisory contract. Errors created in an advisory account will be corrected so as not to harm any Advisory client. The Adviser corrects trade errors through Paradigm's "trade error account" and will be responsible for any losses in the account.

In purchasing and selling securities, primary consideration will be given to obtaining the most favorable prices and efficient execution of transactions. When securities transactions are effected on a stock exchange or on an agency basis, Advisory clients will pay commissions which are considered by the Adviser to be fair and reasonable without necessarily determining that the lowest possible commissions are paid in all circumstances. In seeking to determine the reasonableness of brokerage commissions paid in any transaction, the Adviser will rely on its experience and knowledge regarding commissions generally charged by various brokers and on its judgment in evaluating the brokerage and research services received from the broker effecting the transaction. These determinations are necessarily subjective and imprecise, as in most cases an exact dollar value for those services is not ascertainable.

The Adviser recommends C.L. King as a broker/dealer and as a custodian for its clients. The Adviser and C.L. King are both principally owned by Candace King Weir.

Clients who select C.L. King as a broker/dealer will be charged the same commission rates generally as non-investment advisory clients. However, there may be exceptions to the standard rates charged based on the size of the investment advisory relationship and the frequency of transactions, and prior or on-going relationships. Brokerage commission rates are negotiated between C.L. King and clients. C.L. King may negotiate different rates with different clients. This may result in different clients of the Company, whose orders are aggregated, paying different commission rates to C.L. King in the same transaction. C.L. King, when executing trades in over the counter securities on behalf of an advisory client of the Adviser, may acquire such over the counter securities from broker/dealers who are market makers. As such, a client may pay commission charges to C.L. King based on the price at which C.L. King is able to acquire the security from the other broker/dealer.

Soft Dollars

The Adviser may also select non-affiliated broker/dealers to execute orders on behalf of accounts based on the ability of such broker/dealer to provide the best possible execution, the broker/dealer's commission rates, and the value of products and services made available to the Adviser. The Adviser may receive research or brokerage from a broker-dealer and/or a third party in connection with client securities transactions. This is known as a "soft dollar" relationship. The Adviser will limit the use of "soft dollars" to obtain research and brokerage services to services that constitute research and brokerage within the meaning of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)"). Research services within Section 28(e) may include, but are not limited to, research reports (including market research); certain financial newsletters and trade journals; software providing analysis of securities portfolios; corporate governance research and rating services; attendance at certain seminars and conferences; discussions with research analysts; meetings with corporate executives; consultants' advice on portfolio strategy; data services (including services providing market data, company financial data and economic data); advice from broker-dealers on order execution; and certain proxy services. Brokerage services within Section 28(e) may include, but are not limited to, services related to the execution, clearing and settlement of securities transactions and functions incidental thereto (i.e., connectivity services between an adviser and a broker-dealer and other relevant parties such as custodians); trading software operated by a broker-dealer to route orders; software that provides trade analytics and trading strategies; software used to transmit orders; clearance and settlement in connection with a trade; electronic communication of allocation instructions; routing settlement instructions; post trade matching of trade information; and services required by the SEC or a self regulatory organization such as comparison services, electronic confirms or trade affirmations. In return for these products and services, clients may pay higher commissions than those obtainable from other broker/dealers.

The Adviser is authorized to pay to a broker or dealer who provides such brokerage and research services a commission for executing a portfolio transaction which is in excess of the amount of commission another broker or dealer would have charged for effecting that transaction. The Adviser will determine in good faith that such commission was reasonable in relation to the value of the brokerage and research services provided. There is no policy that the research obtained will be used in selecting investments for the account that generated commissions used to acquire the research. Research obtained from the broker/dealer in exchange for orders is generally used by the Company in selecting investments for other clients of the Company and related accounts.

C.L. King has trading and execution relationships with some broker-dealers whereby the broker-dealer has provided C.L. King with dedicated communications, trading software and/or equipment. Such arrangements provide an incentive to C.L. King to utilize such broker-dealers; however, C.L. King will only do so when it concludes that the prices and terms offered are consistent with obtaining the best execution.

Aggregation of Client Transactions

The Company may aggregate client transactions when a particular security is bought or sold for multiple client accounts. Employee accounts may also be aggregated with client transactions when a particular security is bought or sold. This practice generally allows the Company to obtain more favorable prices for all its clients trading in such security. In addition, this practice may reduce the transaction costs. The Company will not aggregate client transactions unless it believes such aggregation is consistent with the obligation to seek best execution for each client and is consistent with terms of the investment advisory agreement between the client and the Adviser. No advisory account will be favored over any other advisory account in connection with the aggregation of client transactions, and each account will participate in the aggregated order at the average price of the security on a given business day for all transactions in connection with the aggregated order. Such average price could be higher or lower than would have been received by a client had the transaction been executed for such client individually. The portfolio manager in his individual discretion will allocate the security traded in the aggregated transaction amongst participating client accounts based on several factors, including, but not limited to, the amount of cash available in the accounts, a client's individual portfolio, the tax state of the account and the number of shares acquired in the transaction. In all cases, securities traded in the aggregated transaction will be allocated on a fair and equitable basis. In such circumstances, clients will receive the average price of such security traded during the course of the day which could be higher or lower than would have been received by a client had the transaction been executed for such client individually. Transaction costs will similarly be shared on a pro rata basis.

Client Directed Brokerage

Any client who directs the Adviser to use a specific broker (including C.L. King) or type of broker may pay higher commission rates or receive less favorable execution on same transactions than non-directing clients at least in part because the directed broker may maintain a higher commission schedule or provide less favorable service or because such transactions may be excluded from combined or block orders and any corresponding economies of scale. In such instances where the client directs Adviser to use a specific broker, the commission rate may be negotiated by the client or by the Adviser depending on the arrangement, or client instructions. The Adviser may also aggregate client transactions, and then "step-out" transactions to satisfy directed brokerage requests. Step-out trading is the practice of brokerage firms executing an order, but giving other brokerage firms credit and the commission for the trade.

Principal and Agency Cross Transactions

The Adviser may engage in principal and/or agency cross transactions on behalf of clients with C.L. King if such transactions are permitted and believed to be in the best interest of the client. All principal transactions are identified in a written disclosure delivered to the client prior to the completion of the transaction. Agency cross transactions will be identified to the advisory client by written confirmation

upon execution of such transaction and an annual summary of all such transactions will be sent to such advisory clients.

Item 13 – Review of Accounts

The Adviser offers separately managed accounts to individual investors. The Portfolio Manager reviews accounts on an ongoing basis to monitor the disciplined and consistent implementation of his investment decisions. The Chief Compliance Officer conducts account reviews on an ongoing basis to assure adherence to clients' stated investment objectives, investment restrictions and limitations, as well as to Adviser's trading and trade allocation policies and procedures. The Performance Manager reviews monthly account performance for significant variations among accounts within the same composite upon finalization of GIPS compliant performance results.

The Adviser offers standardized client reports. The Adviser may also create customized reports at the clients' request. At a minimum, clients receive annual portfolio appraisal reports which specify the total asset value at the end of the period, and list portfolio assets specifying their cost, market value and aggregate market value. Clients may, and often do, request monthly portfolio updates and comprehensive quarterly reporting describing the value and performance of an account. In addition, those clients who choose C.L. King as their broker-dealer will receive trade confirmations and monthly account statements as clients of C.L. King.

Item 14 – Client Referrals and Other Compensation

Certain employees of the Adviser are also employees of C.L. King. These employees and Candace King Weir, as owner of C.L. King, may receive economic benefit from C.L. King as a result of the commissions paid by investment advisory clients from security trades done in their accounts. This is in addition to any compensation received by portfolio managers from the Adviser.

The Adviser may compensate third-party marketing firms in compliance with Rule 206(4)-3 under the Investment Advisers Act of 1940. Such compensation is paid pursuant to a written agreement and generally represents a percentage of the fees earned by the Adviser from the accounts solicited.

Item 15 – Custody

PCM may directly debit advisory fees from clients' custodial accounts. These clients receive at least statements from the broker-dealer, bank or other qualified custodian that holds and maintains clients' investment assets. PCM urges clients to carefully review such statements and compare such official custodial records to the reports and statements that the Adviser provides to clients. PCM's reports to clients may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

PCM personnel may also serve as trustees of client accounts or have other forms of access to, or control of, client funds and securities. For forms of custody other than that related to the ability to deduct fees directly from client custodial accounts, PCM will engage an independent accounting firm to conduct a verification of client funds and securities with respect to which PCM has custody.

C.L. King & Associates, Inc., an affiliate of PCM in that both firms are principally owned by Candace King Weir, acts as a broker/dealer and as a custodian for certain of PCM's retail clients. PCM has engaged an independent accounting firm to conduct an annual independent verification and/or internal control report with respect to the client funds and securities for which C.L. King acts as custodian as required by the Advisers Act custody rule.

Item 16 – Investment Discretion

At the start of a client relationship, the client grants PCM the discretionary authority to manage a client's account by executing a client Agreement. Investment discretion is limited by a written statement of investment policy, which includes investment objectives. The discretionary authority granted to the Adviser typically includes the power and authority to determine the:

- (1) Securities to be bought or sold for a client's account;
- (2) Amount of securities to be bought or sold for a client's account;
- (3) Broker or dealer to be used for purchase or sale of securities for a client's account; and
- (4) Commission rates to be paid to a broker or dealer for a client's securities transactions.

At a client's request, the Adviser may accept investment guidelines and/or restrictions which will be included in the client Agreement. Clients may change/amend these limitations as required. Such amendments shall be submitted in writing.

Item 17 – Voting Client Securities

When the Adviser's accounts hold stock which the Adviser will vote in a fiduciary capacity, its voting obligations must be exercised in accordance with (1) the direction and guidance, if any, provided by the document establishing the account relationship, and (2) the principles of fiduciary duty which require the fiduciary to act in the best interests of the account. Thus, in voting such stock, the Adviser will exercise the care, skill, prudence, and diligence under the circumstances that a prudent person would use considering the aims, objectives, and guidance provided by the client.

In general, this will call for the voting of stock consistent with the best interests of the account, including long-term and short-term economic interests. In considering the best interests of the account, the Adviser will take into account, among other things, the effect of the proposal on the underlying value of the securities. All conflicts of interest will be resolved in the interest of the client.

Where the Adviser has an obligation to vote, (1) all stock by proxy will be voted, and (2) a written record of such voting will be kept by Operations. To assist it in analyzing proxies, the Adviser has subscribed to an unaffiliated third-party corporate governance research service ("Proxy Service Provider") that provides in-depth analyses of shareholder meeting agendas, vote recommendations, recordkeeping and vote disclosure services.

The portfolio manager determines how proxies are to be voted. Operations through the Proxy Service Provider will maintain a record of proxy voting determinations, together with all proxy proposals, including shareholder proposals and proposals included in dissident proxy materials. Decisions will be made exclusively in accordance with the economic interests, both long-and short-term, of the account. Except where required by the client, social interests shall not be among the criteria employed by the Portfolio Managers.

Please contact the Adviser at (518) 431-3500 and/or via electronic mail at jgulick@paradigmcapital.com if you would like a record of how proxies for your shares were voted or a copy of the Adviser's proxy voting policies and procedures.

Item 18 – Financial Information

A registered investment adviser is required to provide you with certain financial information or disclosures about its financial condition. PCM 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.