

## Item 1 – Cover Page

### Della Parola Capital Research, LLC

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Date of Brochure: March 30, 2012

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This brochure provides information about the qualifications and investment advisory business practices of Della Parola Capital Research, LLC. If you have any questions about the contents of this brochure please contact us at +01 970-232-3326 or [info@dellaparola.com](mailto:info@dellaparola.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.

Additional information about my investment advisory business is also available on the Internet at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can view my information on this website by searching for “Della Parola Capital Research, LLC” You can also search using the firm’s CRD numbers. The CRD number for the firm is **138897**.

\*Registration as an investment advisor does not imply a certain level of skill or training.

## **Item 2 – Material Changes**

There have been no material changes to this disclosure brochure since filing our last annual update in March 2011. We will ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

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## **Item 4 – Advisory Business**

### **General Description of Advisory Firm**

Della Parola Capital Research, LLC is an investment advisor registered with the United States Securities and Exchange Commission (“SEC”) and is a limited liability company formed under the laws of the State of Colorado.

- The Firm has been registered as an SEC Registered Investment Advisor since May 13, 2009.
- The Firm is owned and operated by David A. Mascio
  - Details regarding his education background and business experience, along with other information, are provided in his Brochure Supplement which has been inserted at the back of this Disclosure Brochure.
- Through Della Parola Capital Research, LLC, we offer and consider ourselves to specialize in providing personalized Portfolio Management Services (described below).

Clients are advised that the investment recommendations and advice offered by Della Parola does not constitute legal or accounting advice. Therefore, you should coordinate and discuss the impact of financial advice with your attorney and/or accountant. Clients are advised that it is necessary to inform Della Parola promptly with respect to any changes in their financial situation, investment goals and objectives. Failure to notify Della Parola of any such changes could result in investment recommendations not meeting the needs of the client.

### **Description of Advisory Services**

Della Parola Capital Research’s principal business focus is serving pensions, charities, endowments, individual and corporate separate accounts, retirement plans as well as ultra high net worth families and individuals in a comprehensive, research based environment dedicated to solving our clientele’s unique investment management needs.

Our delivery of premier custom problem solving demanded of our clientele is only achieved through consistent, close and thoughtful interaction with our clientele. We carefully gather our financial, economic and research information from a broad range of subscription and other services including on-line computer services, research materials prepared by others, corporate rating services, annual reports, company press releases, financial newspapers and magazines.

Our investment strategies are founded upon proprietary asset allocation models built upon the principles of modern portfolio theory, academic research, and quantitative economic models. We favor a long term approach utilizing non correlating asset classes, both foreign and domestic as well as customized hedging strategies. We advise on a broad range of financial instruments. Our equity, debt and financial derivative recommendations are derived from fundamental, technical and historic financial analysis.

### **Portfolio Management Services**

Portfolio Management Services involve providing clients with continuous and on-going supervision over client accounts. This means that we will continuously monitor a client’s account and make trades in client

accounts when necessary. Through this service, we implement a customized and individualized investment program for clients by applying our investment strategy and philosophy. We shall actively manage client investment portfolios in accordance with the client's individual needs, return objectives and risk tolerance.

Clients are always responsible for notifying us of any changes to their financial situation or investment objectives. At least annually, we will contact each client for the specific purpose to determine whether the client's financial situation or investment objectives have changed, or if the client would like to impose and/or modify any reasonable restrictions on the management of their accounts. We are always reasonably available to consult with clients relative to the status of their accounts. A client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the accounts. A separate account is always maintained for each client with the broker-dealer/custodian and the client retains all rights of ownership to their accounts (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

It is important that you understand that Della Parola manages investments for other clients and may give them advice or take actions for them or for our personal accounts that is different from the advice we provide to you or actions we take for you. We are not obligated to buy, sell or recommend to you any security or other investment that we may buy, sell or recommend for any other clients or for our own accounts.

Conflicts may arise in the allocation of investment opportunities among accounts that we manage. We strive to allocate investment opportunities believed appropriate for your account(s) and other accounts advised by our Firm among such accounts equitably and consistent with the best interests of all accounts involved. However, there can be no assurance that a particular investment opportunity that comes to our attention will be allocated in any particular manner. If we obtain material, non-public information about a security or its issuer that we may not lawfully use or disclose, we have absolutely no obligation to disclose the information to any client or use it for any client's benefit.

See Item 5 of this Brochure for fee descriptions.

#### **Limits Advice to Certain Types of Investments**

We provide investment advice on the following types of investments.

- Exchange-listed securities (i.e. stocks)
- Securities traded over-the-counter (i.e. stocks)
- Foreign Issues
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States government securities
- Options contracts on securities

- Options contracts on commodities
- Futures contracts on tangibles and intangibles
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests

When providing Portfolio Management Services, the Firm will typically construct each client's account holdings using publicly traded securities primarily consisting of individual equities, exchange traded funds, financial derivatives, and individual bonds to build diversified portfolios. It is not our typical investment strategy to attempt to time the market but we may increase cash holdings modestly as deemed appropriate, based on your risk tolerance and our expectations of market behavior. We may modify our investment strategy to accommodate special situations like: low basis stock, stock options, legacy holdings, inheritances, closely held businesses, or special tax situations. In addition, we may modify holdings based on macro-economic and geopolitical events in which will hedge the portfolio holdings to minimized overall downside investment risk.

(Please refer to Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss for more information.)

### **Tailor Advisory Services to Individual Needs of Clients**

Our services are always provided based on the individual needs of each client. This means, for example, that you are given the ability to impose restrictions on the accounts we manage for you, including specific investment selections and sectors. We work with each client on a one-on-one basis through interviews and questionnaires to determine the client's investment objectives and suitability information. We will then design a customized investment portfolio specifically addressing the client's individual investment needs and situations.

### **Client Assets Managed by Della Parola Capital Research, LLC**

The amount of clients assets managed by Della Parola totaled \$92,279,000 as of March 30, 2012. \$82,145,000 are managed on a discretionary basis and \$10,134,000 are managed on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

In addition to the information provide in Item 4 – Advisory Business, this section provides details regarding our Firm's services along with descriptions of each service's fees and compensation arrangements. Please note that lower fees for comparable services may be available from other sources.

### **Fees for Portfolio Management and Consultation Services**

The fees we charge for our Portfolio Management Services and Portfolio Consultation Services are always based upon a percentage of assets under management.

Our annual asset based fees are as follows:

I. 1.00% per annum for the first \$2 million;

II. 0.85% per annum for the next \$3 million;

III. 0.75% per annum for the next \$20 million;

IV. 0.60% per annum for the next \$75 million; and

V. 0.35% per annum for amounts over \$100 million.

Client relationships accepted with assets under management of less than \$2 million will be charged an annual asset based fee of 1.50%.

When fees are based on a percentage of the assets held within the Account, fees are billed quarterly in arrears based on the value of the account on the last business day at the end of the previous quarter.

Fees are generally deducted directly from the client's account. Clients must provide the custodian with written authorization to have fees deducted from the account and paid to us. Upon our discretion, you may pay fees directly to us. For clients that pay directly, payment is due within thirty (30) days after receipt of the billing statement from Della Parola. The custodian will send client statements, at least quarterly, showing all disbursements for the account including the amount of the advisory fee, if deducted directly from the account. Please refer to Item 15 – Custody for more information.

### **How to Terminate Services**

Either party (i.e. the client or Della Parola) may terminate our Firm's agreement for services at any time by providing written notice to the other party. If services are terminated within five (5) business days of executing the agreement, services will be terminated without penalty and any pre-paid fees shall be refunded. In the event a client terminates services, termination shall be effective from the time we receive written notification or such other time as may be mutually agreed upon, subject to the settlement of transactions in progress and the final payment or refund of advisory fees. In the event we terminate the relationship, the agreement will be terminated on the (15<sup>th</sup>) fifteenth day after written notification is delivered to the client or such time as may be mutually agreed upon, also subject to the settlement of transactions in progress and the final payment or refund of advisory fees. There will be no penalty charge upon termination any pre-paid quarterly fees will be refunded on a pro-rated basis to the date of receipt of the termination notice.

### **Other Fees and Expenses**

Brokerage commissions and/or transaction ticket fees charged by the custodian will be billed directly to the client. We will not receive any portion of such commissions or fees from the custodian or client. In addition, you may incur certain charges imposed by third parties other than Della Parola in connection with investments made through the account, including but not limited to, and IRA and qualified retirement plan fees. Management fees charged by us are separate and distinct from the fees and expenses charged by investment company securities that may be recommended to you. A description of these fees and expenses are available in each investment company security's prospectus.

All trading transaction costs will be billed at an institutional rate by the broker engaged and passed along to the client. Our experience shows that these fees range from .02 to .05 cents per share on equity transactions, which corresponds to no more than an additional .05 to .10 % (5 to 10 basis points) charged on client assets under management.

Della Parola Capital Research, LLC receives no additional compensation from) any broker transaction fees. In addition, any performance based software, 3rd party portfolio accounting software, or customized portfolio reporting software's costs that are not directly provided by the custodian will be evenly shared pro-rata across all client portfolios on an annual basis.

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

Item 6 of the Form ADV Part 2 instructions is **not** applicable to this Disclosure Brochure because Della Parola Capital Research, LLC does not charge or accept performance-based fees which can be defined as fees based on a share of capital gains on or capital appreciation of the assets held within a client's account.

### **Item 7 – Types of Clients**

We generally provide investment advice to the following types of clients:

- Individuals,
- Pension and profit sharing plans
- Trusts, estates or charitable organizations

### **Minimum Investment Amounts Required**

With limited exceptions, Della Parola requires a minimum account size of \$5,000,000 of assets under management. We will accept individual portfolios of no less than \$250,000 per account that will be managed in one of our four separate account portfolios: Alpha Growth, Alpha Income, Select Growth or Select Income. All other portfolios relationships will be manage in accordance with the investment policy statement between Della Parola and the client based on the minimum account size stated above.

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

#### **Della Parola Capital Research, LLC uses the following methods of analysis in formulating investment advice.**

**Charting** - The set of techniques used in technical analysis in which charts are used to plot price movements, volume, settlement prices, open interest, and other indicators, in order to anticipate future price movements. Users of these techniques, called chartists, believe that past trends in these indicators can be used to extrapolate future trends.

**Cyclical** - Analyzes the investments sensitive to business cycles and whose performance is strongly tied to the overall economy. For example, cyclical companies tend to make products or provide services that are in lower demand during downturns in the economy and higher demand during upswings. Examples include the automobile, steel, and housing industries. The stock price of a cyclical company will often rise just before an economic upturn begins, and fall just before a downturn begins. Investors in cyclical stocks try to make the largest gains by buying the stock at the bottom of a business cycle, just before a turnaround begins.



**Fundamental** - A method of evaluating a security by attempting to measure its intrinsic value by examining related economic, financial and other qualitative and quantitative factors. Fundamental analysts attempt to study everything that can affect the security's value, including macroeconomic factors (like the overall economy and industry conditions) and individually specific factors (like the financial condition and management of companies). The end goal of performing fundamental analysis is to produce a value that an investor can compare with the security's current price in hopes of figuring out what sort of position to take with that security (underpriced = buy, overpriced = sell or short). This method of security analysis is considered to be the opposite of technical analysis. Fundamental analysis is about using real data to evaluate a security's value. Although most analysts use fundamental analysis to value stocks, this method of valuation can be used for just about any type of security.

**Technical** - A method of evaluating securities by analyzing statistics generated by market activity, such as past prices and volume. Technical analysts do not attempt to measure a security's intrinsic value, but instead use charts and other tools to identify patterns that can suggest future activity. Technical analysts believe that the historical performance of stocks and markets are indications of future performance.

**Della Parola Capital Research, LLC uses the following investment strategies when managing client assets and/or providing investment advice.**

- ✓ Long term purchases - Investments held at least a year.
- ✓ Short term purchases - Investments sold within a year.
- ✓ Short sales. A short sale is generally the sale of a stock not owned by the investor. Investors who sell short believe the price of the stock will fall. If the price drops, the investor can buy the stock at the lower price and make a profit. If the price of the stock rises and the investor buys it back later at the higher price, the investor will incur a loss. Short sales require a margin account.
- ✓ Margin transactions. When an investor buys a stock on margin, the investor pays for part of the purchase and borrows the rest from a brokerage firm. For example, an investor may buy \$5,000 worth of stock in a margin account by paying for \$2,500 and borrowing \$2,500 from a brokerage firm. Clients cannot borrow stock from Della Parola.
- ✓ Option writing including covered options, uncovered options, or spreading strategies. Options are contracts giving the purchaser the right to buy or sell a security, such as stocks, at a fixed price within a specific period of time.

**Risk of Loss**

Clients must understand that past performance is not indicative of future results. Therefore, current and prospective clients (including you) should never assume that future performance of any specific investment or investment strategy will be profitable. Investing in securities (including stocks, exchange traded funds, bonds, and derivative contracts) involves risk of loss. Further, depending on the different types of investments there may be varying degrees of risk. Clients and prospective clients should be prepared to bear investment loss including loss of original principal.

Because of the inherent risk of loss associated with investing, our Firm is unable to represent, guarantee, or even imply that our services and methods of analysis can or will predict future results, successfully identify market tops or bottoms, or insulate you from losses due to market corrections or declines. There

are certain additional risks associated when investing in securities through our investment management program.

- Market Risk – The stock market as a whole goes down resulting in a decrease in the value of client investments. This is also referred to as systematic risk.
- Equity (stock) market risk – Common stocks are susceptible to general stock market fluctuations and to volatile increases and decreases in value as market confidence in and perceptions of their issuers change. If you held common stock, or common stock equivalents, of any given issuer, you would generally be exposed to greater risk than if you held preferred stocks and debt obligations of the issuer.
- Company Risk. When investing in stock positions, there is always a certain level of company or industry specific risk that is inherent in each investment. This is also referred to as unsystematic risk and can be reduced through appropriate diversification. There is the risk that the company will perform poorly or have its value reduced based on factors specific to the company or its industry. For example, if a company's employees go on strike or the company receives unfavorable media attention for its actions, the value of the company may be reduced.
- Fixed Income Risk. When investing in bonds, there is the risk that issuer will default on the bond and be unable to make payments. Further, individuals who depend on set amounts of periodically paid income face the risk that inflation will erode their spending power. Fixed-income investors receive set, regular payments that face the same inflation risk.
- Options Risk. Options on securities may be subject to greater fluctuations in value than an investment in the underlying securities. Purchasing and writing put and call options are highly specialized activities and entail greater than ordinary investment risks.
- ETF and Mutual Fund Risk – When we invest in an ETF or mutual fund for a client, the client will bear additional expenses based on its pro rata share of the ETFs or mutual fund's operating expenses, including the potential duplication of management fees. The risk of owning an ETF or mutual fund generally reflects the risks of owning the underlying securities the ETF or mutual fund holds. Clients will also incur brokerage costs when purchasing ETFs.
- Management Risk – Your investment with our Firm varies with the success and failure of our investment strategies, research, analysis and determination of portfolio securities. If our investment strategies do not produced the expected returns, the value of the investment will decrease.
- Margin Risks -When you purchase securities, you may pay for the securities in full or you may borrow part of the purchase price from your Account Custodian or Clearing Firm. If you intend to borrow funds in connection with your Account, you will be required to open

a margin account, which will be carried by Clearing Firm. The securities purchased in such an account are Clearing Firm's collateral for its loan to you.

If the securities in a margin account decline in value, the value of the collateral supporting this loan also declines, and, as a result, a brokerage firm is required to take action, such as issue a margin call and/or sell securities or other assets in your accounts, in order to maintain necessary level of equity in the account.

It is important that you fully understand the risks involved in trading securities on margin, which are applicable to any margin account that you may maintain, including any Margin Account that may be established as a part of the Asset Management Agreement established between you and (Advisory Firm Name) and held by the Account Custodian or Clearing Firm.

These risks include the following:

- **You can lose more funds than you deposit in your margin account.**
- **The Account Custodian or Clearing Firm can force the sale of securities or other assets in your account.**
- **The Account Custodian or Clearing Firm can sell your securities or other assets without contacting you.**
- **You are not entitled to choose which securities or other assets in your margin account that may be liquidated or sold to meet a margin call.**
- **The Account Custodian or Clearing Firm may move securities held in your cash account to your margin account and pledge the transferred securities.**
- **The Account Custodian or Clearing Firm can increase its "house" maintenance margin requirements at any time and are not required to provide you advance written notice.**
- **You are not entitled to an extension of time on a margin call.**

#### **Item 9 – Disciplinary Information**

This item is not applicable to this brochure because there are no legal or disciplinary events listed at Item 9 of the Form ADV Part 2 instructions that are material to a client's or prospective client's evaluation of this business or integrity.

#### **Item 10 – Other Financial Industry Activities and Affiliations**

Della Parola is not a registered securities broker-dealer, nor is it a futures commission merchant, commodity pool operator or commodity trading adviser.

Della Parola is **not** and does **not** have a related company that is a:

1. Broker/dealer, municipal securities dealer, government securities dealer or broker,
2. 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),
3. Other investment adviser or financial planner,

4. Financial planning firm,
5. Futures commission merchant, commodity pool operator, or commodity trading advisor,
6. Banking or thrift institution,
7. Accountant or accounting firm,
8. Lawyer or law firm,
9. Insurance company or agency,
10. Real estate broker or dealer, or
11. Sponsor or syndicator of limited partnerships.

### **Other Activity of Company Principal**

David Mascio the firm's President and Chief Investment officer is a Lecturer/Instructor at Colorado State University College of Business. Approximately 25% of his time is spent on this activity.

## **Item 11 – Code of Ethics, Participation in Client Transactions and Personal Trading**

### **Code of Ethics Summary**

Section 204A-1 of the *Investment Advisers Act of 1940* requires all investment advisers to establish, maintain and enforce a Code of Ethics. Della Parola has established a Code of Ethics that will apply to all of its supervised persons. An investment adviser is considered a fiduciary according to the *Investment Advisers Act of 1940*. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. This fiduciary duty is considered the core underlying principle for the advisor's Code of Ethics which also covers its Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand and agree to comply with the advisor's Code of Ethics. We have the responsibility to make sure that the interests of all clients are placed ahead of ours or our supervised person's own investment interest. Full disclosure of all material facts and potential conflicts of interest will be provided to clients prior to any services being conducted. We, along with our supervised persons, must conduct business in an honest, ethical and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of advisor's Code of Ethics. However, if a client or a potential client wishes to review advisor's Code of Ethics in its entirety, a copy will be provided promptly upon request.

### **Affiliate and Employee Personal Securities Transactions Disclosure**

We and our supervised persons may buy or sell for their personal accounts, investment products identical to those recommended to clients. This presents no conflict of interest as any securities traded under this scenario are widely held and publicly traded. It is our express policy that no person employed by us may purchase or sell any security prior to a transaction being implemented for an advisory account, and therefore, preventing such employees from benefiting from transactions placed on behalf of advisory accounts.

## **Item 12 – Brokerage Practices**

We require that all portfolios under our management be held at Merrill Lynch Bank of America Institutional in Rochester, New York. Please note that not all investment advisors require the use of a specific broker/dealer. Some investment advisors allow clients to select the broker/dealer. However, for compliance and operational efficiency purposes, we have decided to require all clients open accounts through Merrill Lynch when participating in the Firm's Asset Management Services,

The Firm through its advisory representatives have the authority to determine, without obtaining specific client consent, the securities to be bought or sold, the amount thereof, the broker or dealer to use and the commission rates to be paid. No limitations on such authority exist. If a dealer is used, it is selected based upon commission rate and past history with the Firm. Reasonableness of commissions is determined based upon comparable industry rates. While the Firm and its Managing Partners may occasionally suggest certain brokers to clients, such suggestions will always be objectively based upon competitive commission rates and historically favorable execution.

### **Trade Errors**

Based on industry practice and SEC guidance to broker-dealers, a trade error under this policy is defined as including:

- Inaccurate transmission or execution of any term of an order including, but not limited to: price; number of shares or other unit of trading; identification of the security; identification of the account for which securities are purchased or sold; short sales that were instead sold long or vice versa; or the execution of an order on the wrong side of a market;
- Unauthorized (because of misunderstanding or mistake) or unintended purchase, sale or allocation of securities, or the failure to follow specific client instructions; and
- Incorrect entry of data into relevant systems, including reliance on incorrect cash positions, withdrawals or securities positions reflected in an account.

Della Parola has implemented procedures designed to prevent trade errors; however, trade errors in client accounts cannot always be avoided. Consistent with its fiduciary duty, it is our policy to correct trade errors in a manner that is in the best interest of the client. In cases where the client causes the trade error, the client will be responsible for any loss resulting from the correction. Depending on the specific circumstances of the trade error, you may not be able to receive any gains generated as a result of the error correction. In all situations where you do not cause the trade error, you will be made whole and any loss resulting from the trade error will be absorbed by us if the error was caused by the firm. If the error is caused by the broker-dealer, the broker-dealer will be responsible for covering all trade error costs. If an investment gain results from the correcting trade, the gain will remain in the client's account unless the same error involved other client account(s) that should also receive the gains and it is not permissible for all clients to retain the gain. Della Parola may also confer with clients to determine if the client should forego the gain (e.g., due to tax reasons).

We will never benefit or profit from trade errors.

### **Aggregation of Client Orders-Block Trading Policy**

Transactions we implement for client accounts are generally effected independently, unless the Firm decides to purchase or sell the same securities for several clients at approximately the same time. This process is referred to as aggregating orders, batch trading or block trading and is used by the Firm when we believe such action may prove advantageous to clients. When we aggregate client orders, the allocation of securities among client accounts will be done on a fair and equitable basis. Typically, the process of aggregating client orders is done in order to achieve better execution, to negotiate more favorable commission rates or to allocate orders among clients on a more equitable basis in order to avoid differences in prices and transaction fees or other transaction costs that might be obtained when orders are placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among the Firm's clients in proportion to the purchase and sale orders placed for each client account on any given day. When we determine to aggregate client orders for the purchase or sale of securities, including securities in which we may invest, we will do so in accordance with the parameters set forth in the SEC No-Action Letter, *SMC Capital, Inc.* It should be noted, we do not receive any additional compensation or remuneration as a result of aggregation.

## **Item 13 – Review of Accounts**

### **Account Reviews and Reviewers**

The Firm, through David Mascio and Jason Hall, reviews managed accounts frequently based upon market conditions, economic news and geopolitical events; generally managed accounts are reviewed at least quarterly.

### **Statements and Reports**

Clients will receive statements at least quarterly from the account custodian, Merrill Lynch Bank of America. Clients are encouraged to always compare communications provided by Della Parola Capital Research against the accounts statements delivered from the broker/dealer-qualified custodian.

## **Item 14 – Client Referrals and Other Compensation**

### **Client Referrals**

- We do not directly or indirectly compensate anybody for client referrals.

### **Other Compensation**

The only form of other compensation received from advisory services is the fees charged for providing investment advisory services as described in Item 5 of this brochure. We receive no other forms of compensation in connection with providing investment advice.

## **Item 15 – Custody**

Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment advisor has the ability to access or control client funds or securities, the investment advisor is deemed to have custody and must ensure proper procedures are implemented.

Della Parola is deemed to have custody of client funds and securities whenever Della Parola is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody we will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which we are deemed to have custody, the Firm has established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. You, or an independent representative of yours, will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. Finally, account statements are delivered directly from the qualified custodian to each client, or the client's independent representative, at least quarterly. You should carefully review those statements and are urged to compare the statements against reports received from Della Parola. When clients have questions about their account statements, they should contact us or the qualified custodian preparing the statement.

## **Item 16 – Investment Discretion**

Through its asset management services and upon receiving written authorization from a client, Della Parola will maintain trading authorization over client accounts. Upon receiving written authorization from the client, we may implement trades on a **discretionary** basis. When discretionary authority is granted, we will have the authority to determine the type of securities and the amount of securities that can be bought or sold for the client's portfolio without obtaining the client's consent for each transaction. However, it is the policy of Della Parola to consult with the client prior to making significant changes in the account even when discretionary trading authority is granted by the client.

Once the above factors are agreed upon, we will be responsible for making decisions regarding the timing of buying or selling an investment and the price at which the investment is bought or sold. If your accounts are managed on a non-discretionary basis, you need to know that if you are not able to be reached or are slow to respond to our request, it can have an adverse impact on the timing of trade implementations and we may not achieve the optimal trading price.

All clients have the ability to place reasonable restrictions on the types of investments that may be purchased in an account. Clients may also place reasonable limitations on the discretionary power granted to our firm so long as the limitations are specifically set forth or included as an attachment to the client agreement.

## **Item 17 – Voting Client Securities**

We will not vote proxies on behalf of your account. While there are some investment advisors that will vote proxies and other corporate decisions on behalf of their clients, we have determined that taking on

the responsibility for voting client securities does not add enough value to the services provided to clients to justify the additional compliance and regulatory costs associated with voting client securities. Therefore, it is your responsibility to vote all proxies for securities held in accounts managed by our Firm.

Clients will receive proxies directly from their custodian or transfer agent and such documents will not be delivered by our Firm. Although we do not vote client proxies, if you have a question about a particular proxy feel free to contact us.

#### **Item 18 – Financial Information**

This item is not applicable to this brochure. We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, we are not required to include a balance sheet for our most recent fiscal year. We are not subject to a financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients. Finally, we have not been the subject of a bankruptcy petition at any time.



## CUSTOMER PRIVACY POLICY NOTICE

In November of 1999, Congress enacted the Gramm-Leach-Bliley Act (GLBA). The GLBA requires certain financial institutions, such as investment advisor firms, to protect the privacy of customer information. In situations where a financial institution does disclose customer information to nonaffiliated third parties, other than permitted or required by law, customers must be given the opportunity to opt out or prevent such disclosure. Della Parola Capital Research does not share or disclose customer information to nonaffiliated third parties except as permitted or required by law.

Della Parola Capital Research is committed to safeguarding the confidential information of its clients. Della Parola Capital Research holds all personal information provided by clients in the strictest confidence and it is the objective of Della Parola Capital Research to protect the privacy of all clients. Except as permitted or required by law, Della Parola Capital Research does not share confidential information about clients with nonaffiliated parties. In the event that there were to be a change in this policy, Della Parola Capital Research will provide clients with written notice and clients will be provided an opportunity to direct Della Parola Capital Research as to whether such disclosure is permissible.

To conduct regular business, Della Parola Capital Research may collect personal information from sources such as:

- Information reported by the client on applications or other forms the client provides to Della Parola Capital Research
- Information about the client's transactions implemented by Della Parola Capital Research or others
- Information developed as part of financial plans, analyses or investment advisory services

To administer, manage, service, and provide related services for client accounts, it is necessary for Della Parola Capital Research to provide access to customer information within the firm and to nonaffiliated companies, with whom we have entered into agreements with. To provide the utmost service, Della Parola Capital Research may disclose the information below regarding customers and former customers, as necessary, to companies to perform certain services on Della Parola Capital Research's behalf.

- Information Della Parola Capital Research receives from the client on applications (name, social security number, address, assets, etc.)
- Information about the client's transactions with Della Parola Capital Research or others (account information, payment history, parties to transactions, etc.)
- Information concerning investment advisory account transactions
- Information about a client's financial products and services transaction with Della Parola Capital Research

Since Della Parola Capital Research shares nonpublic information solely to service client accounts, we do not disclose any nonpublic personal information about our customers or former customers to anyone, except as permitted by law. However, Della Parola Capital Research may also provide customer information outside of the firm as required by law, such as to government entities, consumer reporting agencies or other third parties in response to subpoenas. In the event that Della Parola Capital Research has a change to its customer privacy policy that would allow it to disclose non-public information not covered under applicable law, we will allow our clients the opportunity to opt out of such disclosure.

Information Required by Part 2B of Form ADV: **Brochure Supplement - David A. Mascio**

**Item 1 – Cover Page**

**Supervised Person Brochure**

Part 2B of Form ADV

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David A. Mascio  
Della Parola Capital Research, LLC  
155 East Boardwalk Dr.  
Suite 400  
Fort Collins, CO 80527  
970-412-8188  
[www.dellaparola.com](http://www.dellaparola.com)

Date of Brochure: March 30, 2012

This brochure supplement provides information about David A. Mascio that supplements this Disclosure Brochure. Please contact David A. Mascio if you have any questions about the contents of this supplement.

Additional information about David A. Mascio is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Educational Background and Business Experience**

**Educational Background and Business Experience**

David A. Mascio, Born 1970

**Education Background:**

**MBA** – Master in Business Administration, University of Liverpool 2007

**BA** – Bachelor of Arts, - Economics, University of New Mexico 1994

Industry Designations:

AIF – Accredited Investment Fiduciary\* designation, Fiduciary Intelligence 360 (FI360) - 2006

AAMS – Accredited Asset Management Specialist\*\* designation, College for Financial Planning - 2000

*\* The Accredited Investment Fiduciary (AIF®) designation is granted by the Center for Fiduciary Studies*

*AIF designees must complete six hours of continuing professional education with at least four coming from fi360-produced sources and attest to a code of ethics.*

**Continuing Education Requirements:**

*AIF designees must obtain six combined hours of continuing professional education each renewal year from the sources listed below (at least four hours must be accumulated from the listed fi360-produced sources):*

- *The fi360 annual conference*
- *Archived recordings from past fi360 conferences (from the on-demand fi360 CE Directory)*
- *fi360 Resources webinars*
- *Archived recordings of Resources webinars (from the on-demand fi360 CE directory)*

- *Relevant events produced by sources outside of fi360 (max of two hours per year allowed)*
- *Web-based AIF Training (course audit)*
- *Participation in a CEFEX Certification team or as a liaison officer at a firm being Certified (max of 3 hours/year)*

**\*\* The College for Financial Planning® awards the ACCREDITED ASSET MANAGEMENT SPECIALIST<sup>SM</sup> AND AAMS® designation to candidates who:**

- *successfully complete the education program requirements;*
- *pass the final examination; and*
- *comply with the Code of Ethics, which includes agreeing to abide by the Standards of Professional Conduct and Terms and Conditions. Applicants must also disclose of any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct. Conferment of the designation is contingent upon the College for Financial Planning's review of matters either self-disclosed or which are discovered by the College that are required to be disclosed.*

**Successful candidates receive a certificate and are granted the right to use the designation on correspondence and business cards for a two-year period.**

**Continued use of the AAMS® designation is subject to ongoing renewal requirements. Every two years individuals must renew their right to continue using the AAMS® designation by:**

- *completing 16 hours of continuing education;*
- *reaffirming to abide by the Standards of Professional Conduct, Terms and Conditions, and self disclose any criminal, civil, self-regulatory organization, or governmental agency inquiry, investigation, or proceeding relating to their professional or business conduct.*

### **Business Experience:**

Colorado State University, Lecturer/Instructor, 1/2008-present

Della Parola Capital Research, LLC, President – Chief Investment Officer 1/2006-present

First Western Trust Bank, Chief Investment Officer 2/2004-1/2005

### **Item 3 – Disciplinary Information**

As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

### **Item 4 – Other Business Activities**

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

### **Item 5 – Additional Compensation**

Other than the fees detailed in Item 5 of this Disclosure Brochure, I receive no other compensation related to advisory services provided to clients.

### **Item 6 – Supervision**

David Mascio is the President and Chief Compliance Officer of Della Parola Capital Research, LLC and is ultimately responsible for the supervisions of all activities and services provided by the firm.

Information Required by Part 2B of Form ADV: *Brochure Supplement* – John Elder

**Item 1 – Cover Page**

**Supervised Person Brochure**

Part 2B of Form ADV

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John Elder  
Della Parola Capital Research, LLC  
155 East Boardwalk Dr.  
Suite 400  
Fort Collins, CO 80527  
970-412-8188  
[www.dellaparola.com](http://www.dellaparola.com)

Date of Brochure: March 30, 2012

This brochure supplement provides information about John Elder that supplements this Disclosure Brochure. Please contact John Elder if you have any questions about the contents of this supplement.

Additional information about John Elder is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 – Educational Background and Business Experience**

**Educational Background and Business Experience**

John Elder, Born 1965

**Education Background:**

**Ph.D** – Economics, University of Virginia 1995

**MA** – Master in Economics, University of Virginia 1990

**BA** – Bachelor of Arts, - Economics, Rutgers University 1987

Industry Designations:

CFA Designation -

*The Chartered Financial Analyst (CFA) designation is issued by the CFA Institute. A candidate for designation must have either: (1) an undergraduate degree and four years of professional experience involving investment decision-making or (2) four years of qualified work experience (full time but not necessarily investment related). There are 3 course exams that must be passed and each course level is a self-study program involving 250 hours of study time. There are no continuing education requirements.*

**Business Experience:**

Colorado State University, Professor, 8/2009-present

Della Parola Capital Research, LLC, Chief Economist 1/2012-present

North Dakota State University, Professor, 09/2000-5/2009

**Item 3 – Disciplinary Information**

As previously stated in Item 9 of this Disclosure Brochure, I have never been subject to a legal or disciplinary event.

**Item 4 – Other Business Activities**

Please see Item 10 of this Disclosure Brochure for details regarding my other business activities.

**Item 5 – Additional Compensation**

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