

**ADV Part 2A**

**Firm Brochure**

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This brochure provides information about the qualifications and business practices of COASTWISE CAPITAL GROUP, LLC. If you have any questions about the contents of this brochure, please contact us at: (858) 454-6670, or by email at: scott@coastwisegroup.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.

Additional information about the Adviser is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). (CRD # 139564)

Registration does not imply a certain level of skill or training.

Effective Date: June 28, 2012

## **Item 2: Material Changes**

### **Annual Update**

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure.

### **Material Changes since the Last Update**

As of 2011, Coastwise Capital Group, LLC's role as sub-advisor the Grunion Market Neutral Fund, LP has ended, as the Grunion Market Neutral Fund closed.

Coastwise Capital Group, LLC (the Adviser) entered into an arrangement as sub-advisor with Equity Logic, LLC whereby the Adviser receives compensation from Equity Logic in the form of a percentage of management fees collected by Equity Logic for its various trading strategies, as outlined in the agreement between the two firms.

Coastwise Capital Group, LLC (the Adviser) began providing advisory services for retirement plans. The Adviser receives compensation form of a percentage of net assets held by the employees enrolled in the retirement plan.

Supplements were added for Mr. James Cable, Mr. Brian Lavoie, and Mr. Brett Rechel. All three individuals joined Coastwise Capital Group, LLC as financial advisors.

The supplement of Mrs. Joclyn McManimen (formerly Sanford) was updated to reflect her name change due to marriage.

### **Full Brochure Available**

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (858) 454-6670 or by email at: [scott@coastwisegroup.com](mailto:scott@coastwisegroup.com)

### Item 3: Table of Contents

ADV Part 2A – FIRM BROCHURE .....	i
Item 2: Material Changes .....	2
Item 3: Table of Contents .....	3
Item 4: Advisory Business .....	4
Item 5: Fees and Compensation .....	7
Item 6: Performance Based Fees and Side by Side Management.....	10
Item 7: Types of Clients.....	11
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss .....	11
Item 9: Disciplinary Information .....	16
Item 10: Other Financial Industry Activities and Affiliations .....	16
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	17
Item 12: Brokerage Practices .....	18
Item 13: Review of Accounts .....	21
Item 14: Client Referrals and Other Compensation.....	21
Item 15: Custody.....	22
Item 16: Investment Discretion.....	22
Item 17: Voting Client Securities .....	23
Item 18: Financial Information .....	23
Item 19: Requirements for State Registered Advisers .....	23
Business Continuity Plan .....	25
Privacy Policy .....	25
ADV Part 2B – BROCHURE SUPPLEMENT FOR SUPERVISED PERSONS.....	26
Scott G. Kyle.....	27
Joclyn McManimen .....	31
Brian M. Lavoie .....	34
James Cable .....	37
Brett Rechel .....	40

## **ADV Part 2A – FIRM BROCHURE**

### **Item 4: Advisory Business**

#### **Firm Description**

Coastwise Capital Group, LLC, hereinafter (“the Adviser”) was founded in 2006 and is an SEC registered investment adviser.

The Adviser provides investment advisory services to its clients through separately managed accounts. The advisory services include, among other things, providing portfolio management and financial advice regarding asset allocation and the selection of investments. Account management or supervision is guided by the stated objectives of the client. In addition, the Adviser considers the client’s risk profile and financial status prior to making any recommendations.

The Adviser does not act as a custodian of client assets and the client always maintains asset control. The Adviser has discretion of client accounts and places trades for clients under a limited power of attorney.

The Adviser also provides Financial Consulting services and may also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning, business planning and business analysis.

#### **Principal Owners**

Scott G. Kyle is the sole control person meaning holds more than 25% ownership in the Adviser.

### **Types of Advisory Services:**

#### **Asset and Portfolio Management Services to Separate Accounts**

The advisory services include, among other things, portfolio management and providing advice regarding asset allocation and the selection of investments for client separate accounts. As part of the investment management service, all aspects of the client’s financial affairs are reviewed and realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. The Adviser periodically reviews a client’s financial situation and portfolio through regular contact with the client.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. The agreement sets forth the services to be provided, the fees for the service and the terms of termination.

An advisory client will have a period of five (5) business days from the date of signing the investment advisory agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, either party may terminate the investment advisory agreement with 30 days written notice. Upon termination, fees will be prorated to the date of termination.

As of March 27, 2012 the Adviser manages approximately \$36.9M in assets for approximately 186 clients on a discretionary basis and \$.2M in assets on a non-discretionary basis.

Through its investment management services, the Adviser may utilize various investments including investments in equities (stocks) - which may be exchange listed securities, over-the-counter securities or foreign equities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, investment company securities (variable life insurance, variable annuities, and mutual funds shares), U. S. government securities, options contracts and futures contracts, and private placements in Limited Partnerships.

When assets are invested in no-load or low-load mutual funds and exchange-traded funds, it is usually through brokers or fund companies. Fund companies charge each fund shareholder an investment management fee that is disclosed in the fund prospectus. Brokerages may charge a transaction fee for the purchase of some funds. The Adviser does not receive any compensation, in any form, from fund companies.

Stocks and bonds may be purchased or sold through a brokerage account when appropriate. The brokerage firm charges a fee for stock and bond trades.

The Adviser may also offer investment advice regarding private placements in Limited Partnerships. In particular, the Adviser may advise clients to consider an investment in Grunion Fund LP for which Grunion Capital Management LLC is the General Partner. The Adviser has an arrangement with Grunion Capital Management whereby the Adviser can provide various sub-advisory and advisory support services to Grunion Capital Management. In compensation for these services, the Adviser receives a percentage of the management fees and performance fees collected by Grunion Capital from its various Funds, as outlined in the agreement between the two firms. As such, a conflict of interest exists with respect to incentives to refer clients to Funds of Grunion Capital. Please see the Other Financial Industry Activities and Affiliations Section of this Brochure on for more information regarding the arrangement between Coastwise Capital Group, LLC and Grunion Capital Management LLC.

All material conflicts of interest under CCR Section 260.238(k) are disclosed regarding our firm, our representatives and any employees, which could be reasonably expected to impair the rendering of unbiased and objective advice.

#### Financial Consulting Services

The Adviser provides financial consulting services. The Adviser may also provide general non-securities advice on topics that may include tax and budgetary planning, estate planning, business planning and business analysis.

The financial consulting may be the only service provided to the client and does not require that the client use the investment advisory services offered by the Adviser. There is an inherent conflict of interest for the Adviser whenever a financial consultation recommends use of professional investment management services or the purchase of products or securities in which the Adviser has a direct or indirect financial interest.

A consulting client will have a period of five (5) business days from the date of signing the agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, the client may terminate the agreement by providing the Adviser with written notice prior to completion of the service. Since fees are payable after services are performed, there are no unearned fees and the client is not due a refund upon early termination of a Financial Consulting Agreement. However, the Adviser's fees are prorated to the date of termination.

#### Portfolio Management Services to Limited Partnerships (aka Hedge Funds)

The Adviser may act in an advisory or sub-advisory capacity for one or more Limited Partnerships. The advisory services include, among other things, portfolio management and the selection of various investments for the Partnership. In compensation for these services, The Adviser may receive a percentage of the management fees and performance fees, as outlined in the agreement between the two firms. As such, a conflict of interest would exist with respect to incentives to refer clients to such hedge funds. Any additional information on such relationships could be found in the Other Financial Industry Activities and Affiliations Section of this Brochure. As of March, 2012, there are no outstanding relationships with Hedge Funds.

Either party shall have the right to terminate the Agreement at any time upon thirty (30) days' prior written notice to the other party. The Adviser shall be entitled to a pro rata portion of the management fees and performance allocations or fees (to the extent such portion of the fees and/or allocations has not already been paid to the Adviser pursuant to the terms hereof) based upon the date of termination for such period as described in the Agreement.

#### Portfolio Advisory Services to Retirement Plans

The advisory services include, among other things, portfolio management and providing advice regarding asset allocation and the selection of investments for retirement accounts. As part of the investment management service, all aspects of the client's financial affairs are reviewed and realistic and measurable goals are set and objectives to reach those goals are defined. As goals and objectives change over time, suggestions are made and implemented on an ongoing basis. The Adviser periodically reviews a client's financial situation and portfolio through regular contact with the client.

The scope of work and fee for an Advisory Service Agreement is provided to the client in writing prior to the start of the relationship. The agreement sets forth the services to be provided, the fees for the service and the terms of termination.

An advisory client will have a period of five (5) business days from the date of signing the investment advisory agreement to unconditionally rescind the agreement and receive a full refund of all fees. Thereafter, either party may terminate the investment advisory agreement with 30 days written notice. Upon termination, fees will be prorated to the date of termination.

#### Trade Support Services for Sub-Advisor

The Adviser may act in a trader capacity for one or more risk controlled strategies. The services include trading the portfolio in keeping with the rules set forth by the sub-advisor. The Adviser currently serves as sub-advisor for Equity Logic, LLC. In compensation for these services, The Adviser receives a percentage of the management fees collected by Equity Logic from clients of Equity Logic, as outlined in the agreement between the two firms. As such, a conflict of interest exists with respect to incentives to refer clients to Equity Logic. Please see the Other Financial Industry Activities and Affiliations Section of this Brochure for more information regarding the arrangement between Coastwise Capital Group, LLC and Equity Logic, LLC.

Either party shall have the right to terminate this Agreement at any time upon thirty (30) days' prior written notice to the other party. The Adviser shall be entitled to a pro rata portion of the management fees and performance allocations or fees (to the extent such portion of the fees and/or allocations has not already been paid to the Adviser pursuant to the terms hereof) based upon the date of termination for such period as described in the Agreement.

#### Assignment of Investment Management Agreements

Investment Advisory and Financial Consulting Agreements may not be amended, transferred or assigned without the prior written consent of the other party.

### **Item 5: Fees and Compensation**

#### Asset and Portfolio Management Services to Separate Accounts

The Adviser bases its fees on a percentage of assets under management. Although the Advisory Service Agreement is an ongoing agreement and constant adjustments are required, the length of service to the client is at the client's discretion.

<b>Asset Under Management</b>	<b>Annualized Fee</b>
First \$500,000	1.50%
Next \$1,000,000	1.25%
Next \$1,500,000	1.00%
Over \$3,000,000	Negotiable

In some cases, clients may receive the same services offered by the adviser at reduced rates and, for situations that merit it, on a pro bono basis. This accommodation may be available for immediate family members, employees of the adviser, and non-profit organizations. Existing clients prior to September 15, 2009 are grandfathered under the historical management fee structure. The grandfathered schedule will be used for additional accounts or relationships within the same household for those particular clients only. Fees are negotiable from the above schedule at the sole discretion of the Adviser.

Mr. James Cable's existing clients which were transferred to the Adviser in 2012 pay a fee rate of a flat 1% of assets under management. If Mr. Cable serves as the financial advisor for these clients, he receives 75% of their monthly management fee. If Coastwise Capital serves as the advisor, Mr. Cable receives 40% of the management fee.

Fees on portfolios managed by the Adviser are paid monthly in arrears, are due on the first day of the calendar month, and are based on the account's asset value as of the last business day of the prior calendar month. Fees are prorated for accounts opened during the month as well as inter-month capital flows. In addition, management fees may be adjusted and prorated during a billable month based upon the listed breakpoints described above. The Adviser generally deducts fees directly from client accounts; however clients do have the option to be invoiced monthly. Invoiced clients are invoiced on the first business day of the calendar month.

Lower fees for comparable services may be available from other sources as detailed in Subsection (j) of Rule 260.238, California Code of Regulations.

#### Financial Consulting

Clients are charged an hourly fee for consulting services. Fees are based on the complexity of the project and the range of services provided. Clients who select consulting services are billed at the rate of \$275 an hour for Chief Investment Officer services and \$90 per hour for Administrative Personnel's time. Hourly fees are payable as services are performed. Client will be invoiced on a monthly basis. Monies owed are payable upon receipt of invoice.

The Adviser considers fees for a consulting project(s) to be earned as progress is realized toward completion of the service. Under no circumstances will the Adviser earn fees in excess of \$500 more than six months in advance of services rendered.

Since fees are payable after services are performed, there are no unearned fees and the client is not due a refund upon early termination of a Financial Consulting Agreement. However, the Adviser's fees are prorated to the date of termination.

Lower fees for comparable services may be available from other sources.

#### Other Compensation

The Adviser receives compensation, in the form of a percentage of management fees and performance fees, collected by Grunion Capital Management, LLC from its Limited Partnership Grunion Fund LP for sub-advisory and advisory support services as outlined in the agreement between the two firms. These services may include any of the following



functions: (a) CFO/COO functions for Grunion; (b) investor relations (such as the facilitation of oral and written communications with current and potential investors of the Partnership and other clients); (c) portfolio analysis/trading support for Grunion, the Partnership and other clients; (d) administration/operational support for Grunion, the Partnership and other clients (such as performing due diligence on potential investors to ascertain if they are qualified to invest in a Partnership); (e) provide fully functioning office space, and (g) other related activities, as reasonably requested by Grunion. As such, an inherent conflict of interest exists with respect to incentives of the Adviser to refer clients to Grunion Fund LP. Fees earned by the Adviser for the above mentioned services are described below.

*Fees earned from Grunion Fund LP:* Any portion of the management fees and performance allocations or fees due to the Adviser hereunder shall be paid to the Adviser within fifteen (15) business days of Grunion's receipt of such fees or allocations from the Fund and/or Other Accounts.

- Thirty percent (30%) of the first \$400,000 in management fees (calculated in accordance with the terms of the governing documents of the Fund and Other Accounts) paid to Grunion from the Fund and Other Accounts in each year;
- Twenty percent (20%) of any management fees (calculated in accordance with the terms of the governing documents of the Fund and Other Accounts) beyond the first \$400,000 of management fees paid to Grunion from the Fund and Other Accounts in each year; and
- Ten percent (10%) of any performance allocations or fees (calculated in accordance with the terms of the governing documents of the Fund and Other Accounts) allocated or paid to Grunion in each year solely with respect to the assets of investors who invested in the Fund and/or Other Accounts on or after January 1, 2010. For the avoidance of doubt, any additional investments made by investors who invested in the Fund and/or Other Accounts prior to January 1, 2010 (as well as any capital appreciation on investments made prior to January 1, 2010) shall be specifically excluded for purposes of calculating the portion of the performance allocations or fees owed to the Adviser.

*Fees earned from Equity Logic, LLC:* The Adviser is paid 75 basis points on the assets under management for the Equity Logic strategies for which the Adviser serves as sub-advisor.

#### Other Fees

The client will likely incur fees from brokerages, custodians, administrators and other service providers. These fees are incurred as a result of managing a client account and are charged by the service provider. The amount and nature of these fees is based on the service provider's fee schedule(s) at the provider's sole discretion. These fees are separate and distinct from any fees charged by the Adviser.

The Adviser may include mutual funds, variable annuity products, ETFs, and other managed products or partnerships in clients' portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the management fee paid to the Adviser. The fees and expenses are described in each mutual fund's or underlying annuity fund's prospectus or in the offering memorandums of a partnership. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load waived mutual funds may be used in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund or variable annuity or investment partnership directly, without the services of the Adviser. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by the Adviser to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. If it is determined that a client portfolio shall contain corporate debt or other types of over the counter securities, the client may pay a mark-up or mark-down or a "spread" to the broker or dealer on the other side of the transaction that is built into the purchase price of the security.

#### **Item 6: Performance Based Fees and Side by Side Management**

Certain client accounts may be subject to an annual performance fee of 20% so they must be "qualified clients" under federal securities laws. The fee is assessed at the end of each calendar quarter if there has been a net asset increase that is above any net asset decrease in the account's value. All clients that will be charged a performance fees must have at least \$750,000 invested with the Adviser or have a net worth of more than \$1,500,000 at the time of entering into an agreement.

Additionally the Adviser receives a percentage of the performance fees collected by Grunion Capital Management LLC from its Limited Partnership Grunion Fund LP for sub-advisory and advisory support services.

Grunion Fund LP:

- The Adviser receives ten percent (10%) of any performance allocations or fees (calculated in accordance with the terms of the governing documents of the Fund and Other Accounts) allocated or paid to Grunion in each year solely with respect to the assets of investors who invested in the Fund and/or Other Accounts on or after January 1, 2010. For the avoidance of doubt, any additional investments made by investors who invested in the Fund and/or Other Accounts prior to January 1, 2010 (as well as any capital appreciation on investments made prior to January 1, 2010) shall be specifically excluded for purposes of calculating the portion of the performance allocations or fees owed to the Servicer.

Please see the Other Financial Industry Activities and Affiliations Section of this Brochure for more information regarding the arrangement between Coastwise Capital Group, LLC and Grunion Capital Management LLC.

### Conflict of Interest Between Different Fee Structures

The Adviser offers several different services detailed in this brochure that compensate the Adviser differently depending on the service selected. There is a conflict of interest for the Adviser and its associated personnel to recommend the services and/or favor accounts that offer a higher level of compensation to the Firm through either higher management fees, performance fees, or reduced administrative expenses. The Adviser mitigates this conflict through its procedures to review client accounts relative to the client or investors personal financial situation to ensure the investment management service provided is appropriate. Further, the Adviser is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors.

## **Item 7: Types of Clients**

### Description

The Adviser generally provides investment advice to individuals, Limited Partnerships, pension and profit sharing plans, corporations or business entities, and trusts. Additionally, the Adviser may provide investment advice to banks or thrift institutions, estates, investment companies or charitable organizations. Client relationships vary in scope and length of service.

### Account Minimums

The Adviser does not impose a minimum dollar value of assets for starting or maintaining an account with the Adviser.

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

### Methods of Analysis

Security analysis methods may include fundamental analysis and technical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

### Investment Strategies

Strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

The Adviser provides investment advisory services to its clients on a discretionary basis. The advisory services include, among other things, providing advice regarding asset allocation and the selection of investments. Account management or supervision is guided by the stated objectives of the client. In addition, the Adviser considers the client's risk profile and financial status prior to making any recommendations.

The Adviser also offers investment advice regarding private placements in Limited Partnerships.

### Market, Security and Regulatory Risks

Any investment with the Adviser involves significant risk, including a complete loss of capital and conflicts of interest. All investment programs have certain risks that are borne by the investor which are described below:

#### Market Risks:

Competition. The securities industry and the varied strategies and techniques to be engaged in by the Adviser are extremely competitive and each involves a degree of risk. The Adviser will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

Market Volatility. The profitability of the Adviser substantially depends upon it correctly assessing the future price movements of stocks, bonds, options on stocks, and other securities and the movements of interest rates. The Adviser cannot guarantee that it will be successful in accurately predicting price and interest rate movements.

Coastwise Capital Group LLC's Investment Activities. The Adviser's investment activities involve a significant degree of risk. The performance of any investment is subject to numerous factors which are neither within the control of nor predictable by the Adviser. Such factors include a wide range of economic, political, competitive, technological and other conditions (including acts of terrorism and war) that may affect investments in general or specific industries or companies. The securities markets may be volatile, which may adversely affect the ability of the Adviser to realize profits.

Material Non-Public Information. By reason of their responsibilities in connection with other activities of the Adviser and/or its affiliates, certain principals or employees of the Adviser and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. The Adviser will not be free to act upon any such information. Due to these restrictions, the Adviser may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

Accuracy of Public Information. The Adviser selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to the Adviser by the issuers or through sources other than the issuers. Although the Adviser evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, the Adviser is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

Investments in Undervalued Securities. The Adviser intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from the

Adviser's investments may not adequately compensate for the business and financial risks assumed.

Small Companies. The Adviser may invest a portion of its assets in small and/or unseasoned companies with small market capitalization. While smaller companies generally have potential for rapid growth, they often involve higher risks because they may lack the management experience, financial resources, product diversification and competitive strength of larger companies. In addition, in many instances, the frequency and volume of their trading may be substantially less than is typical of larger companies. As a result, the securities of smaller companies may be subject to wider price fluctuations.

Leverage. When deemed appropriate by the Adviser and subject to applicable regulations, the Adviser may incur leverage in its investment program, whether directly through the use of borrowed funds, or indirectly through investment in certain types of financial instruments with inherent leverage, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss.

Options and Other Derivative Instruments. The Adviser may invest, from time to time, in options and other derivative instruments, including, but not limited to, the buying and selling of puts and calls. The prices of many derivative instruments, including many options and swaps, are highly volatile. The values of options and swap agreements depend primarily upon the price of the securities, indexes, commodities, currencies or other instruments underlying them. Price movements of options contracts and payments pursuant to swap agreements are also influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Options on highly volatile securities, currencies or other assets may be more expensive than options on other investments.

Hedging Transactions. Investments in financial instruments such as forward contracts, options, commodities and interest rate swaps, caps and floors, other derivatives, and other investment techniques can be utilized by the adviser to hedge against fluctuations in the relative values of its portfolio positions as a result of changes in currency exchange rates, interest rates and/or the equity markets or sectors thereof. Any hedging against a decline in the value of portfolio positions does not eliminate fluctuations in the values of portfolio positions or prevent losses if the values of such positions decline, but establishes other positions designed to gain from those same developments, thus moderating the decline in the portfolio positions' value. Such hedging transactions also limit the opportunity for gain if the value of the portfolio positions should increase. The Adviser is not obligated to establish hedges for portfolio positions and may not do so.

Market or Interest Rate Risk. The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If the Adviser holds a fixed income security to maturity, the change in its price before maturity may have little impact on the Adviser's

performance; however, if the Adviser has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to the Adviser.

Fixed Income Call Option Risk. Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to “call” all or part of the issue before the bond’s maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, the Adviser is exposed to reinvestment rate risk – the Adviser will have to reinvest the proceeds received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

Inflation Risk. Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if the Adviser purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, the Adviser is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security.

Investments in Non-U.S. Investments. From time to time, the Adviser may invest and trade a portion of its assets in non-U.S. securities and other assets (through ADRs and otherwise), which will give rise to risks relating to political, social and economic developments abroad, as well as risks resulting from the differences between the regulations to which U.S. and foreign issuers and markets are subject. Such risks may include:

- Political or social instability, the seizure by foreign governments of company assets, acts of war or terrorism, withholding taxes on dividends and interest, high or confiscatory tax levels, and limitations on the use or transfer of portfolio assets.
- Enforcing legal rights in some foreign countries is difficult, costly and slow, and there are sometimes special problems enforcing claims against foreign governments.
- Foreign securities and other assets often trade in currencies other than the U.S. dollar, and the Adviser may directly hold foreign currencies and purchase and sell foreign currencies through forward exchange contracts. Changes in currency exchange rates will affect the Adviser’s net asset value, the value of dividends and interest earned, and gains and losses realized on the sale of investments. An increase in the strength of the U.S. dollar relative to these other currencies may cause the value of the Adviser’s investments to decline. Some foreign currencies are particularly volatile. Foreign governments may intervene in the currency markets, causing a decline in value or liquidity of the Adviser’s foreign currency holdings. If the Adviser enters into forward foreign currency exchange contracts for hedging purposes, it may lose the

benefits of advantageous changes in exchange rates. On the other hand, if the Adviser enters forward contracts for the purpose of increasing return, it may sustain losses.

- Non-U.S. securities, commodities and other markets may be less liquid, more volatile and less closely supervised by the government than in the United States. Foreign countries often lack uniform accounting, auditing and financial reporting standards, and there may be less public information about the operations of issuers in such markets.

Risk of Default or Bankruptcy of Third Parties. The Adviser may engage in transactions in securities, commodities, other financial instruments and other assets that involve counterparties. Under certain conditions, the Adviser could suffer losses if a counterparty to a transaction were to default or if the market for certain securities, commodities, other financial instruments and/or other assets were to become illiquid.

#### Regulatory Risks:

Strategy Restrictions. Certain institutions may be restricted from directly utilizing investment strategies of the type in which the Adviser may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in the Adviser is appropriate.

Trading Limitations. For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject the Adviser to loss. Also, such a suspension could render it impossible for the Adviser to liquidate positions and thereby expose the Adviser to potential losses.

Conflicts of Interest: In the administration of client accounts, portfolios and financial reporting, the Adviser faces inherent conflicts of interest which are described in this brochure. Generally, the Adviser mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.

Supervision of Trading Operations. The Adviser, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite the Adviser's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts.

Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

#### Security Specific Risks:

Liquidity: Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid. Securities traded over the counter or that do not have a ready market or are thinly

traded are less liquid and may face material discounts in price level in a liquidation situation.

Currency: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Limited Liquidity of Interests. An investment in a partnership usually involves substantial restrictions on liquidity and its interests are not freely transferable. There is no market for these interests and no market should be expected to develop. Additionally, transfers are usually subject to the consent of the general partner at the general partner's sole discretion.

Lack of Registration: Funds or LP interests have neither been registered under the Securities Act nor under the securities or "blue sky" laws of any state and, therefore, are subject to transfer restrictions.

Withdrawal of Capital: The ability to withdraw funds from the funds or LP interests is usually restricted in accordance with the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period of time could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's assets and/or disrupting the fund's investment strategy.

## **Item 9: Disciplinary Information**

The firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

The Adviser has no material affiliations with other financial or non-financial entities.

### Other Business Activities

The Adviser has arrangements that are material to its advisory or its clients with another investment advisor. The adviser receives compensation from Grunion Capital Management, LLC for advisory support and sub-advisory services as outlined in the agreement between the two firms. These services may include any of the following functions:

- (A) CFO/COO functions for Grunion;
- (B) investor relations (such as the facilitation of oral and written communications with current and potential investors of the



- Partnership and Other Accounts);
- (C) portfolio analysis/trading support for Grunion, the Partnership and Other Accounts;
  - (D) administration/operational support for the Grunion, the Partnership and Other Accounts (such as performing due diligence on potential investors to ascertain if they are qualified to invest in the Partnership and Other Accounts);
  - (E) Provide fully functioning office space; and
  - (F) Other related activities, as reasonably requested by Grunion.

As such, a conflict of interest exists with respect to incentives to refer clients to Grunion Fund LP. The Adviser is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors.

The Adviser has arrangements that are material to its advisory or its clients with another investment advisor. The adviser receives compensation from Equity Logic, LLC for sub-advisory services as outlined in the agreement between the two firms. These services include trade execution per the strategy parameters set forth by Equity Logic on a best efforts basis.

As such, a conflict of interest exists with respect to incentives to refer clients to Equity Logic, LLC. The Adviser is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors.

## **Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

### Code of Ethics

The Adviser has adopted a Code of Ethics, pursuant to SEC rule 204A-1 for the purpose of instructing its personnel in their ethical obligations and to provide rules for their personal securities transactions. The Adviser and its personnel owe a duty of loyalty, fairness and good faith towards their clients, and the obligation to adhere not only to the specific provisions of the Code but to the general principles that guide the Code.

The Code covers a range of topics that may include: general ethical principles, reporting personal securities trading, exceptions to reporting securities trading, reportable securities, initial public offerings and private placements, reporting ethical violations, distribution of the Code, review and enforcement processes, amendments to Form ADV

and supervisory procedures. The Adviser will provide a copy of the Code to any client or prospective client upon request.

#### Participation or Interest in Client Transactions

Under the Adviser's Code of Ethics, the Adviser and its managers, members, officers and employees may personally invest in the same or related securities that the Adviser recommends or purchases for clients. Additionally the Adviser and its managers, members, officers and employees may buy or sell securities for their own accounts at or about the same time that the Adviser also recommends or purchases these same securities for clients. The Adviser may also recommend to clients securities or private placements in Limited Partnerships for which the Adviser has a financial interest. The Adviser and its managers, members, officers and employee may also buy or sell or invest in specific securities for their own accounts based on personal investment considerations, which the Adviser does not deem appropriate to buy or sell for clients. The Adviser mitigates these conflicts through its procedures to review client accounts relative to the client or investors personal financial situation to ensure the investment management service provided is appropriate. The Adviser is committed to its obligation to ensure associated persons adhere to the Firm's Code of Ethics and to ensure that the Firm and its associated persons fulfill their fiduciary duty to clients or investors. All personal securities transactions will be conducted in such manner as to avoid any actual or potential conflict of interest or any abuse of an individual's position of trust and responsibility. Additionally, all access persons of the Adviser shall seek prior written approval from Scott Kyle before acquiring any beneficial ownership in any securities in an Initial Public Offering for his or her account and/or before acquiring beneficial ownership of any securities in a limited offering or private placement.

#### Personal Trading

The Chief Compliance Officer of the Adviser is Scott G. Kyle. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets, and that clients of the firm receive preferential treatment.

### **Item 12: Brokerage Practices**

#### Brokerage Selection and Soft Dollars

The Adviser may select the broker-dealers for trade execution at its discretion, however, from time to time; the Adviser may allow clients to direct brokerage to broker-dealer of their choosing. In selecting brokers or dealers to execute transactions, the Adviser will seek to achieve the best execution possible but this does not require it to solicit competitive bids and does not have an obligation to seek the lowest available commission cost.

In the event the Adviser enters into any soft dollar arrangements, the Adviser is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (i.e., "soft dollars") provided by the broker which are included in the commission rate. Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; statistical and pricing services, as well as discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. It is the policy and practice of the Adviser to strive for the best price and execution for costs and discounts which are competitive in relation to the value of the transaction and which comply with Section 28(e) of the Securities Exchange Act of 1934, as amended. Nevertheless, it is understood that the Adviser may pay compensation on a transaction in excess of the amount of compensation that another broker or dealer may charge so long as it is in compliance with Section 28(e), and the Adviser makes no warranty or representation regarding compensation paid on transactions. In negotiating mark-ups or mark-downs, the Adviser will take into account the financial stability and reputation of brokerage firms and the brokerage and research services provided by such brokers, although the client may not, in any particular instance, be the sole direct or indirect beneficiary of the research services provided. The Adviser has no obligation to deal with any broker or group of brokers in executing transactions in portfolio securities.

The Adviser believes the foregoing services benefit its clients, but they do not benefit clients exclusively. These benefits also are available to the Adviser in connection with transactions in which some or all of its clients may not participate.

It is likely that the Adviser from time to time will affect securities transactions and pay a commission that exceeds the commission another broker-dealer would have charged. Generally, the Adviser will determine in good faith that such commission is reasonable in relation to the value of the brokerage services provided by such broker-dealer, viewed in terms of either that particular transaction or the overall relationship.

The Adviser may recommend or require that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although the Adviser may recommend or require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. The Adviser is independently owned and operated and not affiliated with Schwab.

Schwab provides the Adviser with access to its institutional trading at custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisers on an unsolicited basis, at no charge to them as long as a total of at least \$10 million of the adviser's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon the Adviser committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are

otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For the Adviser client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to the Adviser other products and services that benefit the Adviser but may not directly benefit its client's accounts. Many of these products and services may be used to service all or some substantial number of the Adviser's accounts, including accounts not maintained at Schwab.

Schwab Institutional also offers other services intended to help the Adviser manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for these types of services rendered to the Adviser. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services to pay all or a part of the fees of a third-party providing these services to the Adviser. Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of the Adviser personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, the Adviser may take into account the availability of some of the foregoing productions and services and other arrangements as part of the total mix of factors it considers and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

The Adviser has entered into a soft-dollar arrangement with Schwab Advisor Services, as the Adviser receives a \$500 discount on their annual service fee for Portfolio Center, an accounting software program.

#### Order Aggregation

The firm does not engage in order aggregation. The nature of the clients and/or trading activity on behalf of client accounts and Funds are such that trade aggregation does not garner any client benefit.

#### Directed Brokerage

The Adviser may allow clients to direct brokerage but the Adviser does not require clients to direct brokerage. In the event that a client directs the Adviser to use a particular broker or dealer, the Adviser may not be authorized under those circumstances to negotiate commissions and may not be able to obtain best execution. In addition, under these circumstances a disparity in commission charges may exist between the commissions

charged to clients who direct the Adviser to use a particular broker or dealer and other clients who do not direct Adviser to use a particular broker or dealer which may result in higher trading expenses to the client who directs brokerage. The Adviser may place orders for transactions in certain securities initially only for those accounts which are held in custody at banks or at brokerage firms that permit the Adviser to place trades for accounts held in custody at that firm with other brokerage firms. Therefore, accounts held in custody at firms which do not permit the Adviser to place transactions with other brokerage firms may not be able to participate in the initial transaction and may not be able to participate in the same gains or losses as other Clients whose accounts are not so restricted. In cases where trading or investment restrictions are placed on a Client's account, the Adviser may be precluded from aggregating that Client's transaction with other accounts which may result in less favorable security prices and/or higher transaction costs.

### **Item 13: Review of Accounts**

#### Periodic Reviews

One or more of the Financial Advisors perform reviews of all investment advisory accounts no less than quarterly. Accounts are reviewed for consistency with the investment strategy and performance.

#### Review Triggers

Accounts are reviewed quarterly or more frequently when market conditions dictate. Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's financial or personal situation.

#### Regular Reports

Clients receive statements of account positions no less than quarterly from the account custodian. Additional reports may be prepared at the request of the client.

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

#### Incoming Client Referrals

From time to time, the Adviser may enter into agreements which comply with Rule 206(4)-3 and other requirements of the Investment Advisors Act providing for cash compensation to solicitors and/or Investment Adviser Representatives who secure clients for the Adviser. When applicable the solicitor will be licensed as investment advisers or notice filed in the applicable jurisdiction.

Each solicitor will provide all prospective clients with a copy of The Adviser's Form ADV Part II, and a separate written disclosure document (if applicable) which fully informs the client regarding the nature of the relationship between the Solicitor and the Adviser and any Referral Fees to be paid thereunder. The Adviser will obtain

confirmation that solicited clients received the Form ADV Part II and the separate written disclosure document from the solicitor prior to entering into an advisory relationship with any such client.

In exchange for each referral, the Adviser passes through to the Solicitor a percentage of all investment advisor fees received by the Adviser payable for a certain term or until the relationship of the client is canceled with the Adviser before the term has ended, unless a different arrangement is agreed to in writing by the Solicitor and Adviser. The exact fee to be paid to a particular solicitor will be determined by the Agreement between the Adviser and the Solicitor.

#### Referrals to Third Parties

The Adviser does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

### **Item 15: Custody**

#### Custody Policy

The Adviser does not accept or permit the Firm or its associated persons from obtaining custody of client assets including cash, securities, acting as trustee, provide bill paying service, have password access to control account activity or any other form of controlling client assets. All checks or wire transfer to fund client accounts are required to be made out to/sent to the account custodian.

#### Account Statements

Account statements are generated no less than quarterly. These statements are sent directly from the account custodian. These reports list the account positions, activity in the account over the covered period, and other related information. Clients are also sent confirmations following each brokerage account transaction unless confirmations have been waived. Pursuant to recent amendments to Rule 206(4) under the Investment Advisers Act of 1940, the Securities and Exchange Commission now requires advisers to urge clients to review the statements received directly from the custodian to ensure accuracy of all account transactions.

### **Item 16: Investment Discretion**

The Adviser contracts for limited discretionary authority to transact portfolio securities accounts on behalf of clients. Discretionary authority is granted either by the Adviser's investment management agreement and/or by a separate limited power of attorney where such document is required. The Adviser has the authority to determine, without obtaining

specific client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The firm's discretionary authority regarding investments may however be subject to certain limitations. These limitations are recognized as the restrictions and prohibitions placed by the Client on transactions in certain types of business or industries. All such restrictions are to be agreed upon in writing at the account's inception.

The Adviser will consult with the client where discretion is not obtained prior to each trade in order to obtain client approval for the transaction(s).

The client authorizes the discretion to select the custodian to be used and the commission rates paid by the Adviser. The Adviser does not receive any portion of the transaction fees or commissions paid by the client to the custodian on certain trades.

#### **Item 17: Voting Client Securities**

The Adviser will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. The Adviser does not give any advice or take any action with respect to the voting of these proxies. For accounts subject to the provisions of the Employee Retirement Income Security Act of 1974 ("ERISA"), the plan fiduciary specifically keeps the authority and responsibility for the voting of any proxies for securities held in plan accounts. The Adviser promptly passes along any proxy voting information to the clients or their representatives. From time to time, the client may request guidance from the Adviser or clarification regarding proxy voting material. The Adviser may choose to give advice to the client; however the Adviser is not required to do so.

#### **Item 18: Financial Information**

The Adviser does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. The Adviser meets all net capital requirements that it is subject to and the Adviser has not been the subject of a bankruptcy petition in the last 10 years.

The Adviser is not required to provide a balance sheet as it does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

#### **Item 19: Requirements for State-Registered Advisers:**

- (A) Identify each of your principal executive officers and *management persons*, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item. ***Described in Part 2B.***
- (B) Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your form ADV, you do not need to repeat it in response to this item. ***Described in Item 4.***

- (C) In addition to the description of your fees in response to Item 5 of Part 2A, if you or a *supervised person* is compensated for advisory services with *performance-based fees*, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the *client*.
1. ***Fees earned from Grunion Fund LP: Any portion of the management fees and performance allocations or fees due to the Adviser hereunder shall be paid to the Adviser within fifteen (15) business days of Grunion's receipt of such fees or allocations from the Fund and/or Other Accounts.***
    - **Thirty percent (30%) of the first \$400,000 in management fees (calculated in accordance with the terms of the governing documents of the Fund and Other Accounts) paid to Grunion from the Fund and Other Accounts in each year;**
    - **Twenty percent (20%) of any management fees (calculated in accordance with the terms of the governing documents of the Fund and Other Accounts) beyond the first \$400,000 of management fees paid to Grunion from the Fund and Other Accounts in each year; and**
    - **Ten percent (10%) of any performance allocations or fees (calculated in accordance with the terms of the governing documents of the Fund and Other Accounts) allocated or paid to Grunion in each year solely with respect to the assets of investors who invested in the Fund and/or Other Accounts on or after January 1, 2010. For the avoidance of doubt, any additional investments made by investors who invested in the Fund and/or Other Accounts prior to January 1, 2010 (as well as any capital appreciation on investments made prior to January 1, 2010) shall be specifically excluded for purposes of calculating the portion of the performance allocations or fees owed to the Adviser.**
- (D) If you or a *management person* has been *involved* in one of the events listed below, disclose all material facts regarding the event. ***None.***
1. An award or otherwise being *found* liable in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following: ***None.***
    - (a) An investment or an *investment-related* business or activity;
    - (b) Fraud, false statement(s), or omissions;
    - (c) Theft, embezzlement, or other wrongful taking of property;
    - (d) Bribery, forgery, counterfeiting, or extortion; or
    - (e) Dishonest, unfair, or unethical practices



2. An award or otherwise being *found* liable in a civil, *self-regulatory organization*, or administrative *proceeding* involving any of the following: ***None***.
- (a) An investment or an investment-related business or activity;
  - (b) Fraud, false statement(s), or omissions;
  - (c) Theft, embezzlement, or other wrongful taking of property;
  - (d) Bribery, forgery, counterfeiting, or extortion; or
  - (e) Dishonest, unfair, or unethical practices.
- (E) In addition to any relationship or arrangement described in response to Item 10.C. of Part 2A, describe any relationship or arrangement that you or any of your *management persons* have with any issuer of securities that is not listed in Item 10.C. of Part 2A. ***None***.

### **Business Continuity Plan**

The Adviser has a Business Continuity Plan in place that provides steps to mitigate and recover from the loss of office space, communications, documents, services or key people.

### **Privacy Policy**

A copy of the Adviser's privacy policy with details the types of non-public personal information collected by the Adviser and how the Adviser obtains this information. The privacy policy also discusses how the Adviser protects client information and who the Adviser can share this information with.

**ADV Part 2B – BROCHURE SUPPLEMENT FOR SUPERVISED PERSONS**

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**This brochure supplement provides information about Scott G. Kyle that supplements the Coastwise Capital Group, LLC brochure. You should have received a copy of that brochure. Please contact Scott Kyle (CEO/Chief Investment Officer) if you did not receive the Coastwise Capital Group, LLC brochure or if you have any questions about the contents of this supplement.**

**Additional information about Scott G. Kyle 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:** Scott G. Kyle holds Bachelor's degrees in Economics and International Relations from Tufts University (Sept. 1984-June 1989), a General Course Degree in International Relations from the London School of Economics (Sept. 1986-June 1987) and a MBA from Harvard University (Sept. 1991-June 1993).

**Date of birth:** 1966

**Business Experience:** Mr. Kyle He has over 20 years of money management experience. He is the Managing Member, Chief Executive Offer, and Chief Investment Officer of the Adviser since its formation in January 2006. Previously he was the Managing Director of G2 Capital Management, LLC (Sept. 2002-Dec. 2005).

Mr. Kyle has negotiated, performed due diligence, and consummated the purchase of equity stakes in over twelve (12) privately held businesses. As a co-founder and principal source of early stage investment funding for The Active Network, Inc., a technology and marketing solutions company for the participatory sports and recreation industry, Mr. Kyle served as CFO since its inception in January of 1998 through 2002.

During his tenure, Mr. Kyle was directly involved in raising over fifty-four million dollars (\$54,000,000) of financial and strategic capital from venture capital firms and publicly traded companies including Canaan Partners, Austin Ventures, Enterprise Partners, Deutsche Bank/Alex Brown and TicketMaster (formerly TMCS, now IACI).

In addition, he managed the successful acquisition and integration of seven companies: ActiveUSA, Inc., LeagueLink, Inc., EnterOnline, GetSetGo, Inc., eTeamz.com, Inc., Sierra Digital, Inc., and MyTeam.com, Inc. Prior to co-founding Active, Mr. Kyle was the CEO and Publishing Director for Triathlon Group North America, LLC (TGNA), the parent company of Triathlete Magazine. During his tenure, Mr. Kyle was responsible for managing the turnaround of the twenty (20) year old publication to then record growth and profitability.

From 1993 - 1997, Mr. Kyle was the Publisher at Dearborn Trade and the Director of Dearborn's International Division. As Publisher of the Trade Division, Mr. Kyle was responsible for managing a group of over sixty (60) people and a budget in excess of five million dollars (\$5,000,000) in sales. Mr. Kyle served on the parent company's Board of Directors from 1996 until the company was sold to the publicly traded Washington Post Company for over thirty-six million dollars (\$36,000,000) in 1998.

## **Item 3: Disciplinary Information**

Scott Kyle (the “supervised person”) has not been involved with any legal or disciplinary events material to a client’s or prospective client’s evaluation of the supervised person.

**Item 4: Other Business Activities:**

- (A) Mr. Kyle (the “supervised person”) is not actively engaged in any investment-related business or occupation, including being registered, or having an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”), or commodity trading advisor (“CTA”), nor is the supervised person an associated person of an FCM, CPO, or CTA.
- (B) Mr. Kyle (the “supervised person”) is not actively engaged in any business or occupation for compensation not discussed in response to Item 4. (A), above, that provides a substantial source of the supervised person’s income or involves a substantial amount of the supervised person’s time.

**Item 5: Additional Compensation**

Scott Kyle is compensated by his activity with Pro Player Connect Inc. with a 2% equity position in the company vested over four years. Pro Player Connect Inc. is not a publicly traded company.

**Item 6: Supervision**

Scott Kyle is self-supervised.

**Item 7: Requirements for State-Registered Advisers:**

- (A) In addition to the events listed in Item 3 above, if the supervised person has been involved in one of the events listed below, disclose all material facts regarding the event:
  - (i) An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:
    - a. an investment or an investment-related business or activity;
    - b. fraud, false statement(s), or omissions;
    - c. theft, embezzlement, or other wrongful taking of property;

- d.** bribery, forgery, counterfeiting, or extortion; or
- e.** dishonest, unfair, or unethical practices.

**Answer: None**

**(ii)** An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- a.** an investment or an investment-related business or activity;
- b.** fraud, false statement(s), or omissions;
- c.** theft, embezzlement, or other wrongful taking of property;
- d.** bribery, forgery, counterfeiting, or extortion; or
- e.** dishonest, unfair, or unethical practices.

**Answer: None**

**(B)** If the supervised person has been the subject of a bankruptcy petition, disclose that fact, the date the petition was first brought, and the current status. **N/A**

Cover Page for  
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**This brochure supplement provides information about Joclyn McManimen that supplements the Coastwise Capital Group, LLC brochure. You should have received a copy of that brochure. Please contact Scott Kyle (CEO/Chief Investment Officer) if you did not receive the Coastwise Capital Group, LLC brochure or if you have any questions about the contents of this supplement.**

**Additional information about Joclyn McManimen 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:** Joclyn McManimen earned her Bachelor's degree in Communications from the University of California San Diego (Sept. 2004-June 2006). Previously Mrs. McManimen attended LA Valley College (Aug. 2000-May 2004).

**Date of birth:** 1982

**Business Experience:** Mrs. McManimen has been the Director of Business Development at the Adviser since March 2008 where she is responsible for business initiatives and marketing. Previously Mrs. McManimen was the Director of Operations (Aug. 2007-March 2008) and Executive Assistant (Aug. 2006-Aug. 2007) of the Adviser. Throughout school, she also worked as an employee of Sammy's Woodfired Pizza (June 2005-Dec. 2007), Trophy's (Aug. 2005-July 2006), and supported advertising managers and executives at National Cinema Network (Dec. 2000-July 2004).

## **Item 3: Disciplinary Information**

Joclyn McManimen (the "supervised person") has not been involved with any legal or disciplinary events material to a client's or prospective client's evaluation of the supervised person.

## **Item 4: Other Business Activities:**

- (C) Mrs. McManimen (the "supervised person") is not actively engaged in any investment-related business or occupation, including being registered, or having an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), or commodity trading advisor ("CTA"), nor is the supervised person an associated person of an FCM, CPO, or CTA.
- (D) Mrs. McManimen (the "supervised person") is not actively engaged in any business or occupation for compensation not discussed in response to Item 4. (A), above, that provides a substantial source of the supervised person's income or involves a substantial amount of the supervised person's time.

**Item 5: Additional Compensation:** Mrs. McManimen (the "supervised person") does not receive, from any non-Client, any economic benefit associated with advising Clients (such as sales awards and prizes, any bonus that is based on number or amount of sales, client referrals or new accounts, not including salary).

## **Item 6: Supervision**

Mrs. McManimen is supervised by Scott G. Kyle, Chief Executive Officer. He reviews Mrs. McManimen's work through frequent office interactions as well as remote interactions. He also reviews Mrs. McManimen's activities through the Adviser's client relationship management system.



Scott G. Kyle's contact information:

PHONE: 858.454.6670

EMAIL: scott@coastwisegroup.com

**Item 7: Requirements for State-Registered Advisers:**

(A) In addition to the events listed in Item 3 above, if the supervised person has been involved in one of the events listed below, disclose all material facts regarding the event:

(i) An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- a. an investment or an investment-related business or activity;
- b. fraud, false statement(s), or omissions;
- c. theft, embezzlement, or other wrongful taking of property;
- d. bribery, forgery, counterfeiting, or extortion; or
- e. dishonest, unfair, or unethical practices.

**Answer: None**

(ii) An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- a. an investment or an investment-related business or activity;
- b. fraud, false statement(s), or omissions;
- c. theft, embezzlement, or other wrongful taking of property;
- d. bribery, forgery, counterfeiting, or extortion; or
- e. dishonest, unfair, or unethical practices.

**Answer: None**

(B) If the supervised person has been the subject of a bankruptcy petition, disclose that fact, the date the petition was first brought, and the current status. **N/A**

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**WWW.COASTWISEGROUP.COM**

**This brochure supplement provides information about Brian Lavoie that supplements the Coastwise Capital Group, LLC brochure. You should have received a copy of that brochure. Please contact Scott Kyle (CEO/Chief Investment Officer) if you did not receive the Coastwise Capital Group, LLC brochure or if you have any questions about the contents of this supplement.**

**Additional information about Brian Lavoie 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:** Brian M. Lavoie holds a Bachelor's Degree in Business Management from Providence College in Providence, Rhode Island (Sept. 1993-May1997).

**Date of birth:** 1975

**Business Experience:** Mr. Lavoie has over 13 years of experience in the finance. He is currently a financial analyst and trader at Coastwise Capital Group, LLC, where he has worked since June of 2011. His responsibilities include portfolio trading, industry and company analysis, compliance policy and procedure implementation. Mr. Lavoie has worked in mutual fund custody accounting in Boston, MA and Dublin, Ireland at Investors Bank & Trust, in mutual fund pricing and asset support at JP Morgan in Boston, MA, and in product development and product integration at Deutsche Bank Alternative Fund Services/HedgeWorks LLC in Carlsbad, CA. His prior roles include fund administration, fund custody, reconciliations, training, valuation, project management, and systems development, as well as extensive work in team management and client services.

**Item 3: Disciplinary Information:** Mr. Lavoie (the "supervised person") has not been involved with any legal or disciplinary events material to a client's or prospective client's evaluation of the supervised person.

### **Item 4: Other Business Activities:**

- (E) Mr. Lavoie (the "supervised person") is not actively engaged in any investment-related business or occupation, including being registered, or having an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant ("FCM"), commodity pool operator ("CPO"), or commodity trading advisor ("CTA"), nor is the supervised person an associated person of an FCM, CPO, or CTA.
- (F) Mr. Lavoie (the "supervised person") is not actively engaged in any business or occupation for compensation not discussed in response to Item 4. (A), above, that provides a substantial source of the supervised person's income or involves a substantial amount of the supervised person's time.

**Item 5: Additional Compensation:** Mr. Lavoie (the "supervised person") does not receive, from any non-Client, any economic benefit associated with advising Clients (such as sales awards and prizes, any bonus that is based on number or amount of sales, client referrals or new accounts, not including salary).

**Item 6: Supervision:** Mr. Lavoie is supervised by Scott G. Kyle, Chief Executive Officer. He reviews Mr. Lavoie's work through frequent office interactions as well as remote interactions. He also reviews Mr. Lavoie's activities through the Adviser's client relationship management system.

Scott G. Kyle's contact information:

PHONE: 858.454.6670

EMAIL: [scott@coastwisegroup.com](mailto:scott@coastwisegroup.com)

**Item 7: Requirements for State-Registered Advisors:**

(A) In addition to the events listed in Item 3 above, if the supervised person has been involved in one of the events listed below, disclose all material facts regarding the event:

(i) An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- a. an investment or an investment-related business or activity;
- b. fraud, false statement(s), or omissions;
- c. theft, embezzlement, or other wrongful taking of property;
- d. bribery, forgery, counterfeiting, or extortion; or
- e. dishonest, unfair, or unethical practices.

**Answer: None**

(ii) An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- a. an investment or an investment-related business or activity;
- b. fraud, false statement(s), or omissions;
- c. theft, embezzlement, or other wrongful taking of property;
- d. bribery, forgery, counterfeiting, or extortion; or
- e. dishonest, unfair, or unethical practices.

**Answer: None**

(B) If the supervised person has been the subject of a bankruptcy petition, disclose that fact, the date the petition was first brought, and the current status. **N/A**

Cover Page for  
**James Cable**  
**Coastwise Capital Group, LLC**  
**888 Prospect Street, Suite 201**  
**La Jolla, CA 92037**  
**Phone**  
**(858) 454-6670**  
**Fax**  
**(858) 454-6695**  
**Website**  
**WWW.COASTWISEGROUP.COM**

**This brochure supplement provides information about James Cable that supplements the Coastwise Capital Group, LLC brochure. You should have received a copy of that brochure. Please contact Scott Kyle (CEO/Chief Investment Officer) if you did not receive the Coastwise Capital Group, LLC brochure or if you have any questions about the contents of this supplement.**

**Additional information about James Cable 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:** Jim Cable earned his Bachelors of Science Degree in Business Administration with a major in Marketing from California State University of Long Beach (Sept. 1978-June 1980). Previously Mr. Cable received an Associates Degree from Orange Coast College (Sept. 1976-June 1978)

**Date of Birth:** 1957

**Business Experience:** Mr. Cable has served as a Financial Advisor at Coastwise Capital, LLC since February of 2012. Previously, Jim worked as a Financial Advisor at Western International Securities from November 2008 to February 2012.

**Item 3: Disciplinary Information** Jim Cable (the “supervised person”) has not been involved with any legal or disciplinary events material to a client’s or prospective client’s evaluation of the supervised person.

**Item 4: Other Business Activities:** Mr. Cable has been an Airline Captain at American Airlines from 1984 to present.

**Item 5: Additional Compensation:** Mr. Cable (the “supervised person”) does not receive, from any non-Client, any economic benefit associated with advising Clients (such as sales awards and prizes, any bonus that is based on number or amount of sales, client referrals or new accounts, not including salary).

**Item 6: Supervision** Mr. Cable is supervised by Scott G. Kyle, Chief Executive Officer. He reviews Mr. Cable’s work through frequent office interactions as well as remote interactions. He also reviews Mr. Cable’s activities through the Adviser’s client relationship management system.

Scott G. Kyle’s contact information:

PHONE: 858.454.6670

EMAIL: [scott@coastwisegroup.com](mailto:scott@coastwisegroup.com)

## **Item 7: Requirements for State-Registered Advisors:**

- (A) In addition to the events listed in Item 3 above, if the supervised person has been involved in one of the events listed below, disclose all material facts regarding the event:
  - (i) An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- a. an investment or an investment-related business or activity;
- b. fraud, false statement(s), or omissions;
- c. theft, embezzlement, or other wrongful taking of property;
- d. bribery, forgery, counterfeiting, or extortion; or
- e. dishonest, unfair, or unethical practices.

**Answer: None**

- (ii) An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- a. an investment or an investment-related business or activity;
- b. fraud, false statement(s), or omissions;
- c. theft, embezzlement, or other wrongful taking of property;
- d. bribery, forgery, counterfeiting, or extortion; or
- e. dishonest, unfair, or unethical practices.

**Answer: None**

- (B) If the supervised person has been the subject of a bankruptcy petition, disclose that fact, the date the petition was first brought, and the current status. **N/A**

Cover Page for  
**Brett A. Rechel**  
**Coastwise Capital Group, LLC**  
**888 Prospect Street, Suite 201**  
**La Jolla, CA 92037**  
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**(858) 454-6670**  
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**This brochure supplement provides information about Brett A. Rechel that supplements the Coastwise Capital Group, LLC brochure. You should have received a copy of that brochure. Please contact Scott Kyle (CEO/Chief Investment Officer) if you did not receive the Coastwise Capital Group, LLC brochure or if you have any questions about the contents of this supplement.**

**Additional information about Brett A. Rechel 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:** Brett A. Rechel holds a Bachelor's of Business Administration degree in Finance and Business Economics from the University of Notre Dame (Sept. 1995-May 1999), a Master's of Science in Accountancy degree from the University of Notre Dame (June 1999-May 2001) and an MBA from Northwestern University (June 2006-June 2007).

**Date of birth:** 1976

**Business Experience:** Mr. Rechel has over 13 years of money management experience. He has served as a Financial Advisor at Coastwise Capital, LLC since June of 2012.

Mr. Rechel has experience in accounting, investment banking, private equity/venture capital, corporate finance and asset management. He has been involved in over \$3.0 billion in mergers & acquisitions and capital raising transactions. He holds the designation of Chartered Financial Analyst (CFA).

Mr. Rechel began his career as a staff account at Ernst & Young where he audited financial statements and pension funds for distribution, manufacturing, technology and transportation clients. In addition, he performed analyses for various asset valuations during interim and year-end audits.

Following his accounting experience, Mr. Rechel entered the investment banking industry where he was employed by Friedman, Billings, Ramsey Group (FBR) and KeyBanc Capital Markets (Key). While at FBR and Key he completed mergers and acquisitions, initial public offerings, 144A transactions, private placements and debt offerings. He led drafting sessions for public transactions, and reviewed and modified SEC and closing documents for public and private transactions. In addition, he managed private capital raising transactions by identifying potential investors, preparing management teams for road shows, leading investor meetings and assessing investment interest.

After his investment banking experience, Mr. Rechel became Executive Vice President of Rainmaker Holdings. He completed the acquisition of Vanguard Promotions and entered into a number of strategic partnerships. He was also in charge of financial reporting and the company's financial institution relationships.

Most recently, Mr. Rechel has been employed by various asset managers. These firms have included: private equity, venture capital and hedge funds. His private equity/venture capital experience includes capital raising, mergers and acquisitions and portfolio management. His hedge fund experience includes being an equity analyst (Generalist).

**Item 3: Disciplinary Information**

Brett A. Rechel (the “supervised person”) has not been involved with any legal or disciplinary events material to a client’s or prospective client’s evaluation of the supervised person.

**Item 4: Other Business Activities:**

- (G) Mr. Rechel (the “supervised person”) is not actively engaged in any investment-related business or occupation, including being registered, or having an application pending to register, as a broker-dealer, registered representative of a broker-dealer, futures commission merchant (“FCM”), commodity pool operator (“CPO”), or commodity trading advisor (“CTA”), nor is the supervised person an associated person of an FCM, CPO, or CTA.
  
- (H) Mr. Rechel (the “supervised person”) is not actively engaged in any business or occupation for compensation not discussed in response to Item 4. (A), above, that provides a substantial source of the supervised person’s income or involves a substantial amount of the supervised person’s time. The supervised person provides part-time accounting services to the offices of Laura Vleugels, MD. Also, the supervised person does have the ability to be engaged in business consulting services or employment for compensation. If the supervised person does engage in any consulting or other business agreements, no conflicts of interest will arise because those activities would not involve a substantial amount of the supervised person’s time.

**Item 5: Additional Compensation**

Brett Rechel could be compensated for business consulting services as explained in Item 4(B).

**Item 6: Supervision**

Brett Rechel is supervised by Scott Kyle.

**Item 7: Requirements for State-Registered Advisers:**

(C) In addition to the events listed in Item 3 above, if the supervised person has been involved in one of the events listed below, disclose all material facts regarding the event:

(i) An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- a. an investment or an investment-related business or activity;
- b. fraud, false statement(s), or omissions;
- c. theft, embezzlement, or other wrongful taking of property;
- d. bribery, forgery, counterfeiting, or extortion; or
- e. dishonest, unfair, or unethical practices.

**Answer: None**

(ii) An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- a. an investment or an investment-related business or activity;
- b. fraud, false statement(s), or omissions;
- c. theft, embezzlement, or other wrongful taking of property;
- d. bribery, forgery, counterfeiting, or extortion; or
- e. dishonest, unfair, or unethical practices.

**Answer: None**

(D) If the supervised person has been the subject of a bankruptcy petition, disclose that fact, the date the petition was first brought, and the current status. **N/A**