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**Firm Brochure (Part 2A of Form ADV)  
Dated March 28, 2012**

This brochure provides information about the qualification and business practices of Alexander Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (203) 966-7707, or email Thomas F. Paolozzi III, Managing Member and President at [tfp@alexandercapitaladvisors.com](mailto:tfp@alexandercapitaladvisors.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.

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

Additional information about Alexander Capital Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Summary of Material Changes

**There are no material changes since the last  
ADV update, dated February 28, 2011.**

### Item 3 – Table of Contents

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Appendix 1 – Wrap Fee Program Brochure

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#### **Item 4 – Advisory Business**

- A. Alexander Capital Advisors, LLC , founded in March, 2006 by Thomas F. Paolozzi III, the firm's sole owner, is an SEC registered investment advisor located in New Canaan, Connecticut.
- B. Alexander Capital Advisors, LLC provides its Clients (i.e. individuals, pension and profit sharing plans, trusts, and business entities) with discretionary investment management services on a wrap-fee basis pursuant to the terms and conditions of its wrap-fee program. We do not provide financial planning or insurance planning services. To the extent specifically requested by a Client, we may provide limited consultation services to our investment management Clients on investment and non-investment related matters. Any such consultation services, to the extent rendered, shall be rendered exclusively on an unsolicited basis, for which we shall not receive any separate or additional fee.
- C. Alexander Capital Advisors, LLC provides continuous advice to a Client regarding investment of Client funds based on the individual needs of the Client. Through personal discussions in which goals and objectives based on a Client's particular circumstances are established, we develop a Client's suitability and risk tolerance levels, and create and manage a portfolio based on such. We will manage advisory accounts on a discretionary basis only. Account supervision is guided by the stated objectives of the Client (i.e., conservative total return, moderate total return, or aggressive total return).

Alexander Capital Advisors, LLC will create a portfolio consisting of one or all of the following: individual equities, bonds, other investment products, and no-load or load-waived mutual funds. Alexander Capital Advisors, LLC will allocate the Client's assets among various investments taking into consideration the financial objectives of the Client. The mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances as well as market conditions. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the client's behalf. Clients will retain individual ownership of all securities.

When appropriate to the needs of the Client, Alexander Capital Advisors, LLC may recommend the use of trading (securities sold within 30 days), short sales, margin transactions or option writing. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the Client's stated tolerance for risk.

- D. Alexander Capital Advisors, LLC is the sponsor and investment manager of the Alexander Capital Advisors, LLC Wrap-Fee Program (hereinafter the "Program"). A "wrap-fee" program is one that provides the Client with advisory and brokerage execution services for one all-inclusive fee (also called the "advisory fee"). Except as described below, a Program Client is not charged separate fees for the respective components of the total service. All of our Clients participate in this Program.

To participate in the Program, all of our Clients must direct the use of Schwab to act as broker and custodian for Program account securities transactions. Participants in the program are directed to Appendix 1 to this document, Alexander Capital Advisors, LLC Wrap-Fee Brochure for additional information regarding the Program.

- E. Alexander Capital Advisors, LLC manages all Client accounts on a discretionary basis. As of 3/28/2012 the Firm had a total of \$83,400,000.00 of assets under management on a discretionary basis.

#### **Item 5 – Fees and Compensation**

- A. Alexander Capital Advisors is a fee based advisor, with fees based upon a percentage of the dollar value of the assets under management. In certain circumstances, all fees and account minimums may be negotiable.

The annual fee for Registrant's Investment Supervisory Services is 1.50% of assets under management.

- B. The client's written agreement with Alexander Capital Advisors, LLC establishes that Client accounts will be debited by the custodian in advance for the advisor's fee on a quarterly basis as follows: December 1 for the period consisting of the first quarter, March 1 for the period consisting of the second quarter, June 1 for the period consisting of the third quarter, and September 1 for the period consisting of the fourth quarter. The amount of the advisory fee will be based upon the value (market value or fair market value in the absence of market value) of the client's account on the month end prior to the payable date. In the event of a significant deposit (10% or more of total client assets) to the client's account mid-quarter, the advisory fee will be applied to this amount.

The fee charged is calculated as described above and is not charged on the basis of a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client.

- C. The fee includes all advisory and brokerage execution services. The fee does not include miscellaneous exchange fees, interest charges, electronic fund and wire transfer fees, The American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law.
- D. A Client agreement may be canceled at any time, by either party, for any reason upon receipt of written notice. Since Alexander Capital Advisors, LLC's fees must be paid in advance, upon termination of any account any prepaid, unearned fees will be refunded within 90 days.

The prorated refund is determined by verifying the date of termination and is based upon the number of months remaining in the current billing quarter. The fraction of prepaid quarterly fees to be refunded is calculated with the following formula:

$$\frac{(1, 2, \text{ or } 3) \text{ Number of months left in current quarter}}{(3) \text{ Number of months in quarter}} \times \$ \text{ Fees Paid} = \$ \text{ Refund}$$

- E. Alexander Capital Advisors, LLC and its employees do not receive any compensation for the sale of securities or other investment products, including mutual funds.**

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

Performance based fee arrangements may create an incentive for an advisor to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. As discussed below, Alexander Capital Advisors, LLC has procedures designed and implemented to ensure that all Clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among Clients.

Alexander Capital Advisors, LLC provides investment advice to a private investment limited partnership known as The Plato Fund, L.P. (the “Fund”), in which Alexander Capital Advisors, LLC acts as the General Partner.

Alexander Capital Advisors, LLC also offers advice to its Clients on the advisability of investing in the Plato Fund, L.P. Interests in the Fund are privately offered only to qualified purchasers pursuant to Regulation D under the Securities Act of 1933, as amended. The Fund also relies on an exemption from registration under The Investment Company Act of 1940. Investment in the Fund involves a significant degree of risk. All relevant information, terms and conditions relative to the Fund, including the management fee to be paid to the general partner, suitability, investment strategy, risk factors, and potential conflicts of interest, are set forth in the Private Offering Memorandum, Limited Partnership Agreement, and Subscription Agreement, which each subscriber is required to receive and/or execute prior to being accepted as a limited partner of the Fund.

Since Alexander Capital Advisors, LLC has a financial interest in the Fund an investment in the Fund presents a conflict of interest for the Firm.

Alexander Capital Advisors, LLC charges all Clients a percentage of assets under management, with the above exception, which is considered a performance-based fee. Given that we manage both types of accounts, and there is an incentive to favor the Fund, this conflict of interest is addressed in the Firm’s Policies and Procedures/Code of Ethics. Specifically, limitations are placed upon the timing of trades in the Fund relative to those in other Client accounts, and all trades are reviewed monthly to ensure adherence to these procedures.

Allocation of investment opportunities is not typically an issue. Investment opportunities are available to all Clients depending upon their risk tolerance.

## **Item 7 –Types of Clients**

Alexander Capital Advisors, LLC provides portfolio management services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, or charitable organizations, corporations or business entities, and a private investment fund (The Plato Fund, L.P.).

Alexander Capital Advisors, LLC requires a minimum of \$1,000,000 of assets under management, calculated by household for investment supervisory services, although this may be negotiable under certain circumstances (i.e. anticipated future earning capacity, anticipated future additional assets, related accounts, account composition, etc.). We group related Client accounts (households) for the purposes of achieving the minimum size requirement.

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

Alexander Capital Advisors, LLC was formed to provide superior portfolio management with a focus towards value.

- A. Alexander Capital Advisors, LLC uses various security analysis methods as the basis for its investment strategies. This information is derived from financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, company press releases and Thomson FirstCall, as well as other various independent analyses.

The investment strategies used to implement any investment advice given to Clients include, but are not limited to, long term purchases (securities held at least a year), short term purchases (securities sold within a year), and when appropriate to the needs of the Client, we may recommend the use of trading (securities sold within 30 days), margin transactions or option writing. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the Client's stated tolerance for risk. Through our association with Schwab Advisor Services Clients can and do receive institutional class mutual funds as part of their portfolio construction.

Comprehensive research, disciplined value-based strategy, absolute return focus and low portfolio volatility frame every investment decision at Alexander Capital Advisors, LLC. We search for well-managed companies and securities that are temporarily priced below their true longer-term value. Securities in our portfolio share many of the following attributes:

- Increasing cash flow and operating margins
- Attractive price to book value
- Increasing insider and management ownership
- Unique balance sheet characteristics
- Leadership changes among business lines within the company
- Known company board or management
- Business plans and strategies that consider equity and profitability

Alexander Capital Advisors, LLC concentrates on companies, closed-end funds and ETF's with market capitalizations between \$100 million and \$2 billion. Only about half of the companies or securities within this market sector are followed by investment firms. Therein lies the opportunity to add additional value to Client portfolios.

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

- B. All Clients have well diversified portfolios constructed to their individual risk tolerance. There are no significant or unusual risks associated with the investment strategies used.

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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of them or the integrity of their management.

Alexander Capital Advisors, LLC has no legal or disciplinary events to disclose.

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

- A. Alexander Capital Advisors, LLC and its management persons are not registered as a broker-dealer or representative of a broker-dealer and do not have any applications pending to register as a broker-dealer or as a representative of a broker-dealer.
- B. Alexander Capital Advisors, LLC and its management persons are not registered, nor have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.
- C. As described previously in **Item 6 – Performance Based Fees and Side-By-Side Management**, Alexander Capital Advisors, LLC serves as General Partner to a private investment limited partnership known as The Plato Fund L.P. (the Fund). Alexander Capital Advisors, LLC and The Plato Fund, L.P. are under common control of Thomas F. Paolozzi III, Managing Member, President, and Chief Compliance Officer. Alexander Capital Advisors, LLC provides investment advice to the Fund and also offers advice to clients on the advisability of investing in the Fund.

The nature of the conflict of interest resulting from this arrangement is further elaborated in **Item 6**, as well as the steps taken by the Firm to address those conflicts.

- D. Alexander Capital Advisors, LLC does not recommend or select other investment advisers for its Clients, nor does it have any other business relationships with other investment advisers.



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

- A. Alexander Capital Advisors, LLC has adopted a Code of Ethics that sets forth high ethical standards of business conduct we require of our employees, including compliance with applicable federal securities laws. The Firm's Code of Ethics also includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the Firm's covered persons. The Code also includes oversight, enforcement and recordkeeping provisions. A copy of Alexander Capital Advisors, LLC's Code of Ethics is available to our advisory Clients or any prospective Client upon request to Thomas F. Paolozzi III at our principal office address.
- B. Alexander Capital Advisors, LLC recommends to Clients that they buy or sell securities in which the Firm has some financial interest. Specifically, as described in **Item 6 – Performance Based Fees and Side-By-Side Management** previously, Alexander Capital Advisors, LLC acts as the General Partner to a private investment limited partnership known as The Plato Fund, L.P. and also offers advice to its Clients on the advisability of investing in The Plato Fund, L.P. As this represents a conflict of interest, the Firm's Code of Ethics places limitations upon the timing of trades in the Fund relative to those in client accounts, and requires ongoing review of trades to ensure compliance with these procedures.
- C. Alexander Capital Advisors, LLC buys or sells for its related persons securities that it also recommends to Clients. The Firm places such securities on its Restricted List, and prohibits the purchase or sale of Restricted Securities in personal accounts and/or The Plato Fund, L.P. on the same trading day as any transaction in that security effected for any other Client accounts. A record of all trades placed in Client accounts, including The Plato Fund, is reviewed monthly to ensure adherence to these procedures.
- D. See paragraph C above.

## **Item 12 – Brokerage Practices**

Alexander Capital Advisors, LLC participates in the Schwab Advisor Services program offered to independent investment advisors by Charles Schwab & Company, Inc. ("Schwab"), a FINRA registered broker-dealer. Alexander Capital Advisors, LLC requires that Clients direct the Firm to place all trades through Schwab. We have evaluated Schwab and believe that Schwab will provide our Clients with a blend of execution services, commission costs and professionalism that will assist us in obtaining best execution for transactions. While we have a reasonable belief that Schwab is able to obtain best execution and competitive prices, we will not be independently seeking best execution price capability through other broker dealers. Alexander Capital Advisors, LLC reserves the right to decline acceptance of any client account that directs the use of a broker dealer other than Schwab.

#### A. The Custodian and Broker We Use

Alexander Capital Advisors, LLC does not maintain custody of your assets that we manage, although we may be deemed to have custody of your assets if you give us authority to withdraw assets from your account (see Item 15 – Custody). Your assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. We require that our Clients use Charles Schwab & Co., Inc. (Schwab), a registered broker-dealer, member SIPC, as the qualified custodian. We are independently owned and operated and are not affiliated with Schwab. Schwab will hold your assets in a brokerage account and buy and sell securities when we instruct them to. While we require that you use Schwab as custodian/broker, you will decide whether to do so and will open your account with Schwab by entering into an account agreement directly with them. We do not open the account for you, although we will assist you in doing so. If you do not wish to place your assets with Schwab, then we reserve the right to decline acceptance of your account. Not all advisors require their clients to use a particular broker-dealer or custodian selected by the advisor. Even though your account is maintained at Schwab, we can still use other brokers to execute trades for your account as described below (see “Your Brokerage and Custody Costs”), although we do not actively seek to do so.

#### How We Select Brokers/Custodians

We seek to use a custodian/broker who will hold your assets and execute transactions on terms that are, overall, most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others:

- Combination of transaction execution services and asset custody services
- Capability to execute, clear, and settle trades (buy and sell securities for your account)
- Capability to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)
- Breadth of available investment products (stocks, bonds, mutual funds, exchange-traded funds, etc.)
- Availability of investment research and tools that assist us in making investment decisions
- Quality of services
- Competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.)
- Reputation, financial strength, and stability
- Prior service to us and our other clients
- Availability of other products and services that benefit us, as discussed below (see “Products and Services Available to Us from Schwab”).

#### Your Brokerage and Custody Costs

You are not charged separately for custody costs or brokerage costs on trades executed by Schwab. As described in Item 4 – Advisory Business, Alexander Capital Advisors, LLC sponsors a wrap fee program which provides the client with investment advisory and brokerage execution and custody services for one all-inclusive fee.

We have determined that having Schwab execute trades is consistent with our duty to seek “best execution” of your trades. Best execution means the most favorable terms for a transaction based on all relevant factors, including those listed above (see “How We Select Brokers/Custodians”).

#### Products and Services Available to Us from Schwab

Schwab Advisor Services (formerly called Schwab Institutional) is Schwab’s business serving independent investment advisory firms like us. They provide us and our clients with access to its institutional brokerage – trading, custody, reporting, and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our client accounts. Following is a more detailed description of Schwab’s support services:

Services that Benefit You. Schwab’s institutional brokerage services include access to a broad range of investment products, execution of securities transactions and custody of Client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our Clients. Schwab’s services described in this paragraph generally benefit you and your account.

Services that May Not Directly Benefit You. Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist us in managing and administering our Clients’ accounts. They include investment research, both Schwab’s own and that of third parties. We may use this research to service all or a substantial number of our clients’ accounts. In addition to investment research, Schwab also makes available software and other technology that:

- Provide access to client account data (such as duplicate trade confirmations and account statements)
- Facilitate trade execution and allocate aggregated trade orders for multiple Client accounts
- Provide pricing and other market data
- Facilitate payment of our fees from our Clients’ accounts
- Assist with back-office functions, recordkeeping, and Client reporting

Services That Generally Benefit Only Us. Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- Educational conferences and events
- Consulting on technology, compliance, legal, and business needs
- Publications and conferences on practice management and business succession
- Access to employee benefits providers, human capital consultants, and insurance providers

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us.

#### Our Interest in Schwab’s Services

The availability of these services from Schwab benefits us because we do not have to produce or purchase them. We don’t have to pay for Schwab’s services. We believe, however, that our selection of

Schwab as custodian and broker is in the best interests of our Clients. Our selection is primarily supported by the scope, quality, and price of Schwab's services (see "How We Select Brokers/Custodians") and not Schwab's services that benefit only us. The financial stability of Schwab as well as its transparency, as it is a publicly traded company, are also important determinants in our decision.

Since all of our Client accounts use Schwab for custodial and brokerage services, there are no allocation issues related to benefits received as a result of our relationship with Schwab.

Alexander Capital Advisors, LLC does not have any need to consider, in selecting or recommending Schwab as broker-dealer, whether it receives client referrals from any broker-dealer or third party, as client referrals are not relevant to our use of Schwab.

**B. Aggregated Trades**

Alexander Capital Advisors, LLC may block trades where possible and when advantageous to Clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts. Block trading allows the Firm to execute equity trades in a more timely, equitable manner. No advisory Client will be favored over any other Client. Each Client that participates in an aggregated order will participate at the average share price for all Firm transactions in a given security on a given business day. No personal trades or trades in The Plato Fund will ever be included in any Client block.

**Item 13 – Review of Accounts**

- A. Account reviews are conducted on an ongoing basis by Thomas F. Paolozzi III, Managing Member and President. All Clients are advised that it remains their responsibility to advise Alexander Capital Advisors, LLC of any changes in their investment objectives and/or financial situation. All Clients (in person or via telephone) are encouraged to review investment objectives and account performance with us on an annual basis.
- B. Accounts are reviewed following material deposits or withdrawals. Accounts may also be reviewed in conjunction with the purchase or sale of a position across all Client accounts.
- C. Clients are provided with transaction confirmation notices and monthly account statements directly from the custodian. Clients also receive a quarterly report from Alexander Capital Advisors, LLC summarizing account activity and performance. You are urged to compare the statements from Schwab with the quarterly reports received from us.

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

- A. Alexander Capital Advisors, LLC receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose Clients maintain their accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described in **Item 12 – Brokerage**

**Practices.** The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our Clients.

- B. Alexander Capital Advisors, LLC does not compensate any outside party for Client referrals.

### **Item 15 – Custody**

Under government regulations, Alexander Capital Advisors, LLC is deemed to have custody of your assets if, for example, you authorize us to instruct Schwab to deduct our advisory fees directly from your account or if you grant us authority to move your money to another person's account. Our Clients grant us authority to debit fees directly from their accounts. We do not have the authority to move money between non-like accounts without our Clients' written authorization. All Clients receive account statements from their custodian, Charles Schwab and Co., Inc. monthly, which they should carefully review. Alexander Capital Advisors, LLC also sends quarterly performance reports to clients, as described in **Item 13 – Review of Accounts** previously. These reports contain a legend that urges clients to compare the information contained in our report to the statements they receive directly from Schwab.

Alexander Capital Advisors, LLC also acts as both General Partner and investment advisor to a limited partnership, The Plato Fund, LP, which also constitutes custody. As required, The Plato Fund is audited annually by a PCAOB registered and inspected accounting firm, the audit is performed within 120 days of the Fund's fiscal year end, and the results of the audit are delivered to all investors of the Fund. Although not required, the Fund is also reviewed quarterly by the same PCAOB registered and inspected accounting firm.

### **Item 16 – Investment Discretion**

Alexander Capital Advisors, LLC requests that it be provided with written authority to determine which securities and the amounts of securities that are bought or sold. Any limitations that the Client desires to place on this discretionary authority shall be set forth in writing. Clients may change/amend these limitations as required.

This written authority is granted in the Advisory Agreement signed by Clients and executed by Thomas F. Paolozzi III upon commencement of the advisory relationship.

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

Alexander Capital Advisors, LLC does not vote Client proxies. Therefore, although we may provide investment advice relative to Client investment assets, our Clients maintain exclusive responsibility for (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Client's investment assets. The Client shall correspondingly instruct the custodian of the assets to forward to them copies of all proxies and shareholder communications relating to the Client's investment assets.

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

- A. Alexander Capital Advisors, LLC does not require or solicit prepayment of fees more than six months in advance.
- B. Alexander Capital Advisors, LLC has discretionary authority over Client accounts. There are no financial conditions that are likely to impair our ability to meet contractual commitments to Clients.
- C. Alexander Capital Advisors, LLC has never been the subject of a bankruptcy petition at any time.

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**Appendix 1 – Wrap Fee Program Brochure  
Dated March 28, 2012**

This wrap fee program brochure provides information about the qualifications and business practices of Alexander Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at (203) 966-7707, or email Thomas F. Paolozzi III, Managing Member and President at [tfp@alexandercapitaladvisors.com](mailto:tfp@alexandercapitaladvisors.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.

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

Additional information about Alexander Capital Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 – Summary of Material Changes

**There are no material changes since the last annual update of this brochure, dated February 28, 2011.**



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#### **Item 4 – Services, Fees and Compensation**

- A. Alexander Capital Advisors, LLC is the sponsor and investment manager of the Alexander Capital Advisors, LLC Wrap-Fee Program (hereinafter the "Program"). A "wrap-fee" program is one that provides the Client with advisory and brokerage execution services for one all-inclusive fee. Except as described below, a Program Client is not charged separate fees for the respective components of the total service. To participate in the Program, our Clients must direct the use of Schwab to act as broker and custodian for Program account securities transactions. All of our Clients participate in this Program

Alexander Capital Advisors, LLC provides its Clients (i.e. individuals, pension and profit sharing plans, trusts, and business entities) with discretionary investment management services. We do not provide financial planning or insurance planning services. To the extent specifically requested by a Client, we may provide limited consultation services on investment and non-investment related matters. Any such consultation services, to the extent rendered, shall be rendered exclusively on an unsolicited basis, for which we shall not receive any separate or additional fee.

Alexander Capital Advisors, LLC provides continuous advice to a Client regarding investment of Client funds based on the individual needs of the Client. Through personal discussions in which goals and objectives based on a Client's particular circumstances are established, we develop a Client's suitability and risk tolerance levels, and create and manage a portfolio based on such. We will manage advisory accounts on a discretionary basis only. Account supervision is guided by the stated objectives of the Client (i.e., conservative total return, moderate total return, or aggressive total return).

Alexander Capital Advisors, LLC will create a portfolio consisting of one or all of the following: individual equities, bonds, other investment products, and no-load or load-waived mutual funds. We will allocate the Client's assets among various investments taking into consideration the financial objectives of the Client. The mutual funds will be selected on the basis of any or all of the following criteria: the fund's performance history; the industry sector in which the fund invests; the track record of the fund's manager; the fund's investment objectives; the fund's management style and philosophy; and the fund's management fee structure. Portfolio weighting between funds and market sectors will be determined by each client's individual needs and circumstances as well as market conditions. Clients will have the opportunity to place reasonable restrictions on the types of investments which will be made on the Client's behalf. Clients will retain individual ownership of all securities.

When appropriate to the needs of the Client, Alexander Capital Advisors, LLC may recommend the use of trading (securities sold within 30 days), margin transactions or option writing. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the Client's stated tolerance for risk.

The annual fee for the Program is 1.50% of assets under management. In certain circumstances, fees may be negotiable. The wrap fee includes all advisory and brokerage costs (including transaction costs), quarterly performance reports, third party custodial fees, exchange fees and transfer taxes. The wrap fee does not include certain administrative fees for wire transfers or certificate issues.

Since Thomas F. Paolozzi III is the sole portfolio manager, and the sole owner of Alexander Capital Advisors, LLC, the fee is paid to him. The Client's written agreement with Alexander Capital Advisors, LLC establishes that Client accounts will be debited by the custodian in advance for the wrap fee (also known as "advisor's fee") on a quarterly basis as follows: December 1 for the period consisting of the first quarter, March 1 for the period consisting of the second quarter, June 1 for the period consisting of the third quarter, and September 1 for the period consisting of the fourth quarter. The amount of the fee will be based upon the value of the Client's account on the month end prior to the payable date.

- B. In considering this Program, a prospective Client should be aware that the Program may cost a Client more or less than purchasing the actual services separately from other advisors or broker-dealers. The factors that should be considered by a prospective Client include the size of a Client's portfolio, the nature of the investments to be managed, commission costs, custodial expenses, if any, the anticipated level of trading activity and the amount of advisory fees only for managing the Client portfolio.
- C. The Program's wrap fee does not include miscellaneous exchange fees, interest charges, electronic fund and wire transfer fees, The American Depository Receipt agency processing fees, and any charges, taxes or other fees mandated by any federal, state or other applicable law.
- D. Alexander Capital Advisors, LLC and its Managing Member receive compensation as a result of the Client's participation in the Program as described in **Item 4 – Services, Fees and Other Compensation**. We offer no alternative investment advisory or wrap program; therefore we receive no additional compensation as a result of our Clients' participation in this Program. There is no conflict of interest associated with recommending the Program to our Clients as it is the only Program available. Clients should understand that similar advisory services may be available from other registered investment advisors for higher or lower fees.

## **Item 5 – Account Requirements and Types of Clients**

Alexander Capital Advisors, LLC provides portfolio management services to individuals, high net worth individuals, pension and profit-sharing plans, trusts, estates, or charitable organizations, corporations or business entities, and a private investment fund (The Plato Fund, L.P.).

We require a minimum of \$1,000,000 of assets under management, calculated by household for investment supervisory services, although this may be negotiable under certain circumstances (i.e. anticipated future earning capacity, anticipated future additional assets, related accounts, account composition, etc.). Alexander Capital Advisors, LLC groups related Client accounts (households) for the purposes of achieving the minimum size requirement.

## **Item 6 – Portfolio Manager Selection and Evaluation**

Thomas F. Paolozzi III, Managing Member and President of Alexander Capital Advisors, LLC is the sole portfolio manager of Client accounts and makes all investment decisions. All Clients participate in the same Wrap Fee Program.

### Advisory Business

Please refer to **Item 4 – Services, Fees and Compensation** of this document for a description of Alexander Capital Advisors, LLC's advisory business.

### Performance-Based Fees and Side-By-Side Management

Performance based fee arrangements may create an incentive for an advisor to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. As discussed below, Alexander Capital Advisors, LLC has procedures designed and implemented to ensure that all Clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among Clients.

Alexander Capital Advisors, LLC provides investment advice to a private investment limited partnership known as The Plato Fund, L.P. (the "Fund"), in which Alexander Capital Advisors, LLC acts as the General Partner.

Alexander Capital Advisors, LLC also offers advice to its Clients on the advisability of investing in the Plato Fund, L.P. Interests in the Fund are privately offered only to qualified purchasers pursuant to Regulation D under the Securities Act of 1933, as amended. The Fund also relies on an exemption from registration under The Investment Company Act of 1940. Investment in the Fund involves a significant degree of risk. All relevant information, terms and conditions relative to the Fund, including the management fee to be paid to the general partner, suitability, investment strategy, risk factors, and potential conflicts of interest, are set forth in the Private Offering Memorandum, Limited Partnership Agreement, and Subscription Agreement, which each subscriber is required to receive and/or execute prior to being accepted as a limited partner of the Fund.

Since Alexander Capital Advisors, LLC's Principal has a financial interest in the Fund, an investment in the Fund presents a conflict of interest for Alexander Capital Advisors, LLC.

Alexander Capital Advisors, LLC charges all Clients a percentage of assets under management, with the above exception, which is considered a performance-based fee. Given that Alexander Capital Advisors, LLC manages both types of accounts, and there is an incentive to favor the Fund, this conflict of interest

is addressed in the firm's Policies and Procedures/Code of Ethics. Specifically, limitations are placed upon the timing of trades in the Fund relative to those in other Client accounts, and all trades are reviewed monthly to ensure adherence to these procedures.

#### Methods of Analysis, Investment Strategies and Risk of Loss

Alexander Capital Advisors, LLC uses various security analysis methods as the basis for its investment strategies. This information is derived from financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the SEC, company press releases and Thomson FirstCall, as well as other various independent analyses.

The investment strategies used to implement any investment advice given to clients include, but are not limited to, long term purchases (securities held at least a year), short term purchases (securities sold within a year), and when appropriate to the needs of the client, Alexander Capital Advisors, LLC may recommend the use of trading (securities sold within 30 days), short sales, margin transactions or option writing. Because these investment strategies involve certain additional degrees of risk, they will only be recommended when consistent with the Client's stated tolerance for risk. Through our association with Schwab Advisor Services, Clients can and do receive institutional class funds as part of their portfolio construction.

Comprehensive research, disciplined value-based strategy, absolute return focus and low portfolio volatility frame every investment decision at Alexander Capital Advisors, LLC. We search for well-managed companies and securities that are temporarily priced below their true longer-term value. Securities in our portfolio share many of the following attributes:

- Increasing cash flow and operating margins
- Attractive price to book value
- Increasing insider and management ownership
- Unique balance sheet characteristics
- Leadership changes among business lines within the company
- Known company board or management
- Business plans and strategies that consider equity and profitability

Alexander Capital Advisors, LLC concentrates on companies, closed-end funds and ETF's with market capitalizations between \$100 million and \$2 billion. Only about half of the companies or securities within this market sector are followed by investment firms. Therein lies the opportunity to add additional value to Client portfolios.

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

#### Voting Client Securities

Alexander Capital Advisors, LLC does not vote Client proxies. Therefore, although we may provide investment advice relative to Client investment assets, our clients maintain exclusive responsibility for (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the

Client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the Client's investment assets. The Client shall correspondingly instruct the custodian of the assets to forward to the Client copies of all proxies and shareholder communications relating to the Client's investment assets.

### **Item 7 – Client Information Provided to Portfolio Manager**

As previously indicated, Thomas F. Paolozzi III serves as both Managing Member and President of Alexander Capital Advisors, LLC and manager of all Client portfolios. He is therefore privy to all significant Client information which is typically provided at the inception of the Client relationship. Client investment goals and risk tolerance are confirmed annually and Clients are urged in writing to update us promptly if there are changes to their financial condition.

### **Item 8 – Client Contact with Portfolio Manager**

Client contact with Thomas F. Paolozzi III is not restricted in any way. Phone calls are always accepted and face-to-face meetings are encouraged on an annual basis if possible.

### **Item 9 – Additional Information**

#### Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of them or the integrity of their management. Alexander Capital Advisors, LLC has no legal or disciplinary events to disclose.

#### Other Financial Industry Activities and Affiliations

Alexander Capital Advisors, LLC and its management persons are not registered as a broker-dealer or representative of a broker-dealer and do not have any applications pending to register as a broker-dealer or as a representative of a broker-dealer.

Alexander Capital Advisors, LLC and its management persons are not registered, nor have an application pending to register, as a futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of the foregoing entities.

As described previously in **Item 6 - Portfolio Manager Selection and Evaluation**, Alexander Capital Advisors, LLC serves as General Partner to a private investment limited partnership known as The Plato Fund L.P. (the Fund). Alexander Capital Advisors, LLC and The Plato Fund, L.P. are under common

control of Thomas F. Paolozzi III, Managing Member, President, and Chief Compliance Officer. Alexander Capital Advisors, LLC provides investment advice to the Fund and also offers advice to Clients on the advisability of investing in the Fund.

The nature of the conflict of interest resulting from this arrangement is further elaborated in **Item 6 – Portfolio Manager Selection and Evaluation**, as well as the steps taken by the Firm to address those conflicts.

Alexander Capital Advisors, LLC does not recommend or select other investment advisers for its Clients, nor does it have any other business relationships with other investment advisers.

#### Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

- A. Alexander Capital Advisors, LLC has adopted a Code of Ethics that sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws. Our Code of Ethics also includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by our covered persons. The code also includes oversight, enforcement and recordkeeping provisions. A copy of Alexander Capital Advisors, LLC's Code of Ethics is available to our advisory Clients or any prospective Client upon request to Thomas F. Paolozzi III at our principal address.
- B. Alexander Capital Advisors, LLC recommends to Clients that they buy or sell securities in which we have some financial interest. Specifically, as described in Item 6 – Portfolio Manager Selection and Evaluation previously, Alexander Capital Advisors, LLC acts as the General Partner to a private investment limited partnership known as The Plato Fund, L.P. and also offers advice to its Clients on the advisability of investing in The Plato Fund, L.P. As this represents a conflict of interest, the Firm's Code of Ethics places limitations upon the timing of trades in the Fund relative to those in Client accounts, and requires ongoing review of trades to ensure compliance with these procedures.
- C. Alexander Capital Advisors, LLC buys or sells for its related persons securities that it also recommends to Clients. The Firm places such securities on its Restricted List, and prohibits the purchase or sale of Restricted Securities in personal accounts and/or The Plato Fund, L.P. on the same trading day as any transaction in that security effected for any other Client accounts. A record of all trades placed in Client accounts, including The Plato Fund, is reviewed monthly to ensure adherence to these procedures.

#### Review of Accounts

- A. Account reviews are conducted on an ongoing basis by Thomas F. Paolozzi III, Managing Member and President. All Clients are advised that it remains their responsibility to advise us of any changes in their investment objectives and/or financial situation. All Clients are encouraged to review investment objectives and account performance with the Firm on an annual basis.

- B. Accounts are reviewed following material deposits or withdrawals. Accounts may also be reviewed in conjunction with the purchase or sale of a position across all Client accounts.
- C. Clients are provided with transaction confirmation notices and monthly account statements directly from the custodian. Clients also receive a quarterly report from Alexander Capital Advisors, LLC summarizing account activity and performance. Clients are urged to compare these two reports.

#### Client Referrals and Other Compensation

- A. Alexander Capital Advisors, LLC receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisors whose Clients maintain their accounts at Schwab. The availability to us of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our Clients.
- B. Alexander Capital Advisors, LLC does not compensate any outside party for Client referrals.

#### Financial Information

- A. Alexander Capital Advisors, LLC does not require or solicit prepayment of fees more than six months in advance.
- B. Alexander Capital Advisors, LLC has discretionary authority over Client accounts. There are no financial conditions that are likely to impair our ability to meet contractual commitments to Clients.
- C. Alexander Capital Advisors, LLC has never been the subject of a bankruptcy petition at any time.