

## **Griggs Capital Management, LLC**

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**12/31/2011**

### **FORM ADV PART 2 BROCHURE**

**This brochure provides information about the qualifications and business practices of Griggs Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at 704-321-3333. 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 Griggs Capital Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Griggs Capital Management, LLC is 144042.**

**Griggs Capital Management, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

**Material Changes: Revisions to this document and the business of Griggs Capital Management, LLC have been implemented to comply with "Amendments to Form ADV" which was adopted by the Securities and Exchange Commission on July 10, 2010. As a result of new regulations, Griggs Capital Management, LLC is not expected to be registered with the Securities and Exchange Commission after June 28, 2012. As a result of these revised rules, Griggs Capital Management, LLC will be regulated by the state securities division in states where it conducts business.**

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## **Advisory Business**

Form ADV Part 2A, Item 4

Griggs Capital Management, LLC ("GCM") was formed in May of 2007 as a split from another registered investment adviser. GCM is an independent investment management company located in Charlotte, North Carolina. GCM's founder, managing member and principal owner is Randall C. Griggs, CFP®, AAMS® and AWMA®.

Griggs Capital Management, LLC, ("GCM") provides investment advisory services to individuals and businesses based on the personal needs of the client. GCM designs, constructs and manages individual client portfolios. GCM manages new account relationships on an individualized basis, exercising investment discretion within the parameters of an individual investment management agreement. The majority of new clients obtain services through the referral of a GCM client or professional adviser such as a CPA or attorney.

If an investor enters into an agreement with Griggs Capital Management, for investment management services, the client will provide GCM information regarding individual circumstances to assist GCM in its efforts to design, construct and manage an investment portfolio appropriate for the client's personal financial goals. The client will provide GCM information regarding client's financial situation, investment goals, expected investment time horizon, risk tolerance and any legal restrictions.

Based on information provided by the client, a review is conducted by a principal of Griggs Capital Management, LLC to determine if the services offered by GCM appear suitable and appropriate for the client's situation. If the services offered by GCM are suitable for the client, a principal of Griggs Capital Management, LLC will sign the Investment Management Agreement on behalf of the company accepting the new relationship. Once a relationship is accepted by GCM, the client's assets will be invested in a manner consistent with the stated investment objective(s) as recommended by the investment adviser representative, selected by the client and approved by a GCM.

Griggs Capital Management, LLC is a specialist in the design construction and management of asset allocation portfolios. Asset allocation portfolios are highly diversified and constructed primarily utilizing exchange-traded funds (ETFs) for implementation. Other traditional securities holdings (stocks, mutual funds, bonds, etc) may be utilized at the discretion of GCM if they meet certain client objectives. Portfolios are individually constructed and maintained based on the personal circumstances (time horizon, risk tolerance, total investment assets, return objective, etc.). Each client owns an individual portfolio and GCM client assets are not pooled with those of other clients. Clients may impose restrictions on certain securities or types of securities held in their own portfolios.

GCM also manages individual portfolios of equity (stocks) and fixed income (bonds). These portfolios are more concentrated than asset allocation portfolios and are offered on a limited basis.

As of 12/31/2011 GCM managed total assets of \$23,283,829. Discretionary assets totaled \$20,694,279 and non-discretionary assets were \$2,589,550.

## ***Fees and Compensation***

Form ADV Part 2A, Item 5

GCM is normally compensated on a fee only basis. Investment management fees are calculated as a percentage of assets under management. The following fee schedule applies to investment accounts managed by GCM:

Account value less than \$1,000,000:

- 1.75% on the first \$100,000 of assets
- 1.50% on the next \$100,000 of assets
- 1.25% on the next \$300,000 of assets
- 0.75% on the next \$500,000 of assets

Account value greater than \$1,000,000 and less than \$5,000,000 - 0.75% on the next \$4,000,000 of assets. Fees are negotiated for account size greater than \$5,000,000.

Brokerage commission charges or mutual fund transaction charges for managed accounts are not included in GCM's management fee. These separate transaction costs are established and charged by the custodian/broker-dealer and paid by the client. GCM does not receive any compensation for trading and does not receive any portion of the commission or transaction fee.

Management fees are normally deducted from the investment account by the custodian and paid to GCM. GCM provides a full accounting of fees to the client and individual custodians. All invoices for advisory fees will include the market value of the account and the calculations used to determine the fee. Clients may opt to pay fees directly to GCM and avoid having fees deducted from individual accounts.

GCM bills in arrears. No advance fees are charged. Investment management fees are billed quarterly at ¼ of the annual rate, in arrears, based on the market value of assets in the account as of the last day of each quarterly billing cycle. This quarterly cycle is normally the last business day of March, June, September, and December. After the account is opened, the management fee is billed at the end of the first quarterly billing cycle and is prorated as to the effective date of the relationship and or receipt of funds and securities. Cash flows throughout the term of the agreement are pro-rated to the date of receipt and or disbursement from the account. Clients may withdraw from the advisory relationship at any time. New GCM clients terminating any agreement have the right to a full refund of any fees charged for the initial (5) days following the date of receipt of funds and/or securities.

Since the client is in the best position to ascertain whether the advisory fee has been calculated correctly, the client should take primary responsibility to verify the accuracy of any invoice. All invoices for advisory fees will include the market value of the account and the calculations used to determine the fee.

Fair market value for the purposes of computing the fee shall be determined by valuing the assets as follows: Cash/equivalents and money market shall be valued at face amount. Notes, bonds and other debt instruments current market value shall be determined on the basis of market quotations/pricing provided by client's qualified custodian. If such quotations are not readily available, market value shall be determined based on coupon, maturity, rating, liquidity, industry factors and company factors. Common stock and other equity securities including ETF's and closed end mutual funds shall have a value equal to their respective closing prices as quoted by the New York Stock Exchange, American Stock Exchange or the NASDAQ system on the last business day on which fair market value is being determined as reported by the client's custodian. Open ended mutual funds values are calculated at Net Asset Value (NAV). Interest and dividends shall be accrued to the last day on which fair market value is being determined.

Detailed information on the firm's brokerage relationships and procedures may be found on Page 10 of this document – "Brokerage Practices".

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

Form ADV Part 2A, Item

GCM does not charge performance-based fees.

### ***Types of Clients***

Form ADV Part 2A, Item 7

Griggs Capital Management, LLC, ("GCM") provides investment advisory services to individuals, businesses, and small institutions based on the personal needs of the client. We provide portfolio management services to individuals, trusts, estates, pension and profit sharing plans, IRA's, retirement plans, foundations, and charitable organizations. GCM does not hold itself out as providing financial, estate, or tax planning services on a stand-alone basis. To the extent specifically requested by a client, GCM may provide limited consultation services (financial planning) to its investment management clients on financial matters generally ancillary to portfolio management. Any such consultation, if rendered, is on an individual basis, for which GCM shall usually not receive any separate or additional fee.

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

Form ADV Part 2A, Item 8

Individual investors receive guidance and direction from an adviser prior to entering into any managed account relationship with GCM. In general, the following guidelines should be applied to the selection of any GCM managed account: The dollar amount allocated to any one objective should be reasonable in light of the individual investor's investment goals, time horizon and risk tolerance. A client's age, net worth, experience, income, and individual preferences should be consistent with the selected investment objective. The investment objective selected should be in line with the client's tolerance for risk and volatility and appropriate for his/her stated financial goals.

The investment time horizon should be consistent with individual objectives and investment goals. Because investment goals and personal financial/family situations change over time, clients and their advisers should review individual circumstances and investment accounts frequently, and notify Griggs Capital Management of any material changes in financial or personal circumstances.

GCM manages accounts in accordance with individual investment objectives, guidelines and restrictions established by each client. Managed accounts may range from fixed income objectives with more conservative goals to equity objectives with more aggressive goals. Investors considering an investment in a particular objective should bear in mind that increases in short-term risk generally accompany increases in long-term reward. More aggressive objectives generally have a greater potential for both reward and risk while more conservative objectives offer more modest rewards with correspondingly less risk.

GCM's managed account portfolios are constructed and managed based on client objectives and market, economic and asset class valuation expectations over the investment horizon. These forecasts are revised periodically to reflect current market conditions and expectations. In particular, the forecasts reflect assessment of current inflation rates, interest rates, dividend yields, and P/E multiples as well as the historic performance characteristics of the different asset classes. GCM's portfolio manager(s) adjust the allocation of assets in portfolios to meet expectations for macro-economic conditions and asset class returns.

Asset allocation is a dynamic (on-going) process and GCM does not maintain a fixed allocation in its objectives. Strategic asset allocation decisions seek long-term targets, while short-term variations employ tactical shifts among asset classes, as portfolio managers seek to enhance performance by opportunistically shifting the asset mix of the portfolio. Any projected potential returns are considered a forecast of possible future events. However, there can be no assurance that these forecasts will be realized. Investing involves risk and GCM does not guarantee that any strategy will be profitable to investors. Portfolios are initially constructed assuming a long term investment horizon with fixed investment goals over the horizon. GCM portfolio objectives are not intended for market timing or short term investment. Investing in any financial market, investment strategy, or security involves the risk of loss of principal.

Managed Account Objectives Offered by GCM (as of 12/31/2011): Griggs Capital Management, LLC manages several investment objectives for its clients. The following descriptions discuss these objectives. Prior to investing in any GCM account, clients are provided with a detailed explanation of each objective to assist them in selecting an appropriate account for their situation.

Strategic asset allocation decisions seek long-term target returns, while short-term tactical shifts among asset classes seek to enhance returns or lower risk. Any projected potential returns are considered a forecast of possible future events. There can be no assurance that these forecasts will be realized. Investing involves risk and GCM does not guarantee that any strategy will be profitable to investors. Portfolios are initially constructed assuming a long term investment horizon with fixed investment goals over the horizon. GCM portfolio objectives are not intended for market timing or short term investment. Prior to 12/31/2010 GCM offered additional investment objectives. Those objectives are currently offered only on a select and limited basis. The following information applies to investment objectives routinely offered by GCM. (Continued)

## ***Capital Markets Managed Account Objectives***

*Investment objectives are listed from the most conservative (lowest risk/reward potential) to the most aggressive (highest risk/reward potential). Our managed objectives may not be appropriate for everyone. Asset allocation does not ensure a profit or protection against loss. Investors should have a long-term time frame and understand that no one can guarantee investment results. Investing in the securities markets and any GCM objective entails the risk of loss. Actual account allocations will be based on individual client circumstances, preferences and tolerance for risk.*



### **Capital Markets Income**

This is GCM's most conservative asset allocation objective. Income portfolios assume less risk and offer less potential return than Balanced, Growth or Aggressive portfolios. This portfolio is suitable for clients whose primary objectives include cash flow, and capital preservation adjusted for inflation. Asset class weightings to income securities will vary based on our tactical asset allocation methodology, and alternative asset classes may be used. An appropriate benchmark for this objective is approximately 80% income and 20% growth



### **Capital Markets Balanced**

This is a moderate risk asset allocation objective. Balanced portfolios assume more risk and offer more potential return than Income portfolios and less risk and potential return than Growth or Aggressive portfolios. This portfolio is suitable for clients willing to assume a level of market risk and volatility typical of a traditional, balanced investment portfolio. Asset class weightings will vary based on our tactical asset allocation methodology, and alternative asset classes may be used. An appropriate benchmark for this objective is 60% growth and 40% income



### **Capital Markets Growth**

This is a total return asset allocation objective. Growth portfolios assume more risk and offer more return potential than Capital Markets Income or Balanced portfolios and less risk and return potential than Aggressive portfolios. This portfolio is suitable for clients seeking potentially higher return opportunities and willing to assume a level of market risk and volatility somewhat higher than a traditional, balanced investment portfolio. Asset class weightings will vary based on our tactical asset allocation methodology, and alternative asset classes may be used. An appropriate benchmark for this portfolio is 75% growth and 25% income.



### **Capital Markets Aggressive**

This is a higher risk asset allocation objective. Aggressive portfolios assume more risk and offer more potential return than Income, Balanced or Growth portfolios. This portfolio is suitable for clients willing to assume a high level of risk and volatility in pursuit of higher returns. Asset class weightings will vary based on our tactical asset allocation methodology, and alternative asset classes may be used. An appropriate benchmark for this portfolio is 85% growth and 15% income.



***Disciplinary Information***

Form ADV Part 2A, Item

GCM has no disciplinary issues to disclosure.

## ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

Other Financial Industry Affiliations: Prior to 03/19/2008, Randall C. Griggs was a control person for another registered investment advisory firm. Mr. Griggs was a 50% owner, the President and Chief Compliance Officer of Anderson Griggs & Company, Inc. d/b/a Anderson Griggs Portfolio Management whose principal place of business is 113 E. Main Street - Rock Hill, SC -29730. This affiliation has been terminated and does not create any conflict of interest between GCM and its clients.

Griggs Capital Management, LLC participates in the TD Ameritrade Institutional Services program. TD Ameritrade Institutional Services is a division of TD Ameritrade Investor Services, Inc. ("TD Ameritrade") member NYSE/SIPC. TD Ameritrade is an unaffiliated SEC-registered broker-dealer and NASD member. TD Ameritrade offers services to independent investment advisers which include custody of securities, trade execution, clearance and settlement of transactions. GCM receives some benefits from TD Ameritrade through its participation in the program.

As disclosed above, adviser participates in TD Ameritrade's Institutional customer program and adviser may recommend TD Ameritrade to clients for custody and brokerage services. There is no direct link between adviser's participation in the program and the investment advice it gives to its clients, although adviser may receive economic benefits through its participation in the program. These benefits include: receipt of duplicate client confirmations; access to a trading desk serving adviser participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, technology, and practice management products or services provided to adviser by third party vendors.

These benefits received by GCM or its related persons, do not depend on the amount of brokerage transactions directed to TD Ameritrade. As part of its fiduciary duties to clients, adviser endeavors at all times to put the interest of its Clients first. Clients should be aware, however, that the receipt of economic benefits by the adviser or its related persons in and of itself creates a potential conflict of interest.

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

Form ADV Part 2A, Item 11

Griggs Capital Management, LLC is a registered investment advisory firm. The regulatory rules we follow are designed to protect investors. We have developed and adopted a "Code of Ethics" to comply with Rule 204A-1 under the Investment Advisers Act of 1940.

This code established rules of conduct for all of our employees and advisers and is designed to among other things, govern personal securities transactions in our accounts. The Code is based upon the principle that GCM owes a fiduciary duty to its clients. In addition to proper trading procedures, we set high ethical standards which are followed by all employees.

These obligations require that when dealing with clients, we have a duty to have a reasonable basis for our investment advice. If the firm is in a position to direct brokerage transactions we have a duty to seek the best execution for client transactions. GCM's investment advice must be suitable for individual client objectives, needs and circumstances and we have a duty to be loyal to our clients.

GCM and its employees will adhere to the firm's Privacy Policy which is delivered to clients annually. Our policy is an overview of the many rules of conduct we follow each day to protect the interests of our clients. Additional information about GCM's Code of Ethics is available and will be provided to clients, and others, upon request.

From time to time, Griggs Capital Management, LLC, including its principal, Randall C. Griggs, other advisers, and staff may own securities that are identical to those recommended and purchased in clients accounts. This includes participating in block transactions (see aggregating order below). When personal transactions are included in the allocation of aggregated orders, clients will be allocated ahead of employee or employee related accounts in the event of a partial fill or partial execution of block trades.

Griggs Capital Management, LLC has established Employee Insider Policy and Procedure guidelines, in addition to a trading procedure policy for clients, to assure that client's accounts are given priority. These procedures are to be followed for all transactions (purchase and sale) in accounts managed by Griggs Capital Management.

This procedure covers not only the activity in client accounts but also the accounts of Griggs Capital Management, its employees, employee family members (including the spouse, minor children and adults living in the same household as the employee), and Trusts of which they are the trustee or in which they have a beneficial interest. The Employee Insider Policy and Procedure guidelines also establish the policies and procedures to detect and prevent insider trading.

## **Brokerage Practices**

Form ADV Part 2A, Item 12

Because clients choose the brokerage firm used to execute transactions, Griggs Capital Management, LLC does not negotiate commission rates with the brokerage firm. Clients may seek to negotiate commission rates with the brokerage firm they designate. Clients are entitled to know the exact amount of the brokerage fee, the services provided for that fee, and may request, from the investment manager, the anticipated turnover in the account.

Unless a lower rate has been negotiated by the client, the client should expect that the designated brokerage firm will charge commissions based upon the firms established, commission schedule. When determining the reasonableness of the commissions paid, Griggs Capital Management, and its clients consider a number of factors, primarily the entire range of services provided by the custodian/broker-dealer and not just the lowest possible commission rate.

Because GCM's services do not include selection of brokerage firms or negotiation of commission rates, clients may not necessarily obtain commission rates as favorable as those which might be obtained through an investment adviser, who does undertake to select brokerage firms and to negotiate rates with those selected firms. Therefore, a potential conflict exists between the interests of GCM's clients in obtaining the lowest commission. In the absence of any brokerage relationship and at the request of clients, Griggs Capital Management, LLC will suggest a non-affiliated broker. The brokerage firm suggested will be considered by GCM to be appropriate for the services required for each client on an individual basis.

Griggs Capital Management, LLC believes that any suggested broker should be able to provide the following benefits to the client: The ability to combine small orders and execute those orders as one single transaction. (See Aggregating Orders below) The cost savings from this combined trading helps reduce the overall cost of each client's portfolio. The client receives custodial services at no additional cost, or a minimal cost. The client receives transfer services at no additional cost, or a minimal cost. The client receives cash control service at no additional cost, or a minimal cost. Additional services associated with the management and accounting of the portfolio (technology capability to easily transfer activity in client's accounts electronically via daily data transfers). Any custodian recommended for use by a GCM client must have a "best execution" policy in place.

Griggs Capital Management, LLC participates in the TD Ameritrade Institutional Services program. TD Ameritrade Institutional Services is a division of TD Ameritrade Investor Services, Inc. ("TD Ameritrade") member NYSE/SIPC. TD Ameritrade is an unaffiliated SEC-registered broker-dealer and NASD member. TD Ameritrade offers to independent investment advisers, services which include custody of securities, trade execution, clearance and settlement of transactions. GCM receives some benefits from TD Ameritrade through its participation in the program.

Among these benefits previously described is the benefit of proprietary and non-proprietary research. GCM may elect to use research provided by TD Ameritrade for the benefit of its clients. These benefits received by GCM or its related persons, do not depend on the amount of brokerage transactions directed to TD Ameritrade. The research received by GCM is standard in nature and similar to research provided by any broker-dealer/custodian. GCM clients do not pay for research nor does GCM receive any other compensation or benefit for using these services. Therefore, GCM has no material reason to recommend TD Ameritrade solely to obtain its research capabilities. Any benefits relating to research provided by TD Ameritrade are used for the benefit and management of all GCM client portfolios and do not depend on trading activity or compensation to TD Ameritrade or GCM.

Research includes economic forecasts, security analysis, opinions and investment data. The research is available to the masses and is not offered solely to GCM. As part of its fiduciary duties to clients, GCM endeavors at all times to put the interest of its clients first. Clients should be aware, however, that the receipt of economic benefits by the adviser or its related persons even though intended to benefit its clients, in and of itself, creates a potential conflict of interest. (Continued)

(Continued)

Griggs Capital Management, LLC does not direct client transactions to any broker-dealer for soft dollar benefits. Nor do we recommend a broker-dealer in order to obtain client referrals.

Griggs Capital Management, LLC may determine that the purchase or sale of a particular security is appropriate for more than one client's account. In such cases, GCM may, but, is not required, to aggregate the client orders into one order for execution purposes. This may have the advantage of avoiding an adverse effect on the price of a security which can result from simultaneously placing a number of separate competing orders. It is important to note that clients participating in an aggregated order will receive average execution prices, but not an average commission rate. Commissions are charged as if each transaction was an individual trade subject to the charges of the client's broker dealer.

When aggregating orders, and in the process of allocation, block purchases and block sales to individual client accounts, it is GCM's policy, and intention, to the extent possible, to treat all clients fairly and to achieve an equitable distribution of aggregated orders attempts to determine the number of shares needed prior to purchase orders being placed. Holders of a given security are initially included in block sale allocations prior to the orders being placed, unless there are restrictions or other sufficient reasons (in most circumstances, the reason is based on a unique tax situation or client preference) not to be included.

Other criteria for allocating aggregated orders include the current concentration of holdings in an industry or sector in accounts and other factors. With respect to fixed income accounts, the mix of corporate, municipal and/or government securities in an account and the duration of such securities may affect allocation decisions.

Additionally, personal transactions for GCM employees, and related accounts, may be included in the allocation of aggregated orders. In the event of a partial fill or partial execution of block trades clients will be allocated ahead of employee or employee related accounts. Partial executions/fills are abnormal.

GCM may elect to make individual (non-block trades in accounts to complete transactions necessary for a particular account when the trade position (buy or sell) is not to be allocated to numerous accounts at the same time. Some reasons for individual (non-block) trades include re-balancing, new account/new money investing, tax considerations, and other reasonable issues.

## ***Review of Accounts***

Form ADV Part 2A, Item 13

GCM provides clients with numerous reports throughout the year. These reports are designed to allow each client to review the activity within their account and to review the progress made towards reaching individual goals. Shortly after the end of each calendar quarter or other predetermined period not exceeding three months, numerous reports are prepared and mailed to clients. These reports, at a minimum, include a statement showing each client's cash balance, type, name and amount of each security as a percentage of the total market value of their individual portfolio. Additionally, a schedule of new purchases made on their behalf from time of the last appraisal, a realized gain and loss report, an income report and an expense report is provided. These reports are prepared on a calendar year-to-date basis, to facilitate tax planning.

At least annually, a portfolio performance report will be provided for each account. GCM frequently provides additional client communication in the form of communiqués, quarterly commentary, white papers, etc. on subjects of interest to investors in general and may include some material of particular interest to clients of GCM. The purpose of this correspondence is to communicate with and educate clients to help them better understand their investments and financial situation. GCM clients also receive trade confirmations and other reports directly from their custodian/broker-dealer.

GCM conducts periodic reviews of individual portfolios. Each portfolio receives a complete review and is subject to rebalancing on a calendar quarterly basis. In addition, portfolios are reviewed based on individual activity. Events that may trigger a review include cash additions or withdrawals, unusual activity, dramatic price decline or appreciation and other factors. Clients are encouraged to conduct a full review at least annually. Portfolio reviews are completed by Randall Griggs, Managing Member of Griggs Capital Management, LLC.

## ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

Griggs Capital Management, LLC, (GCM) may enter into an agreement with an individual whereby that individual will solicit investment advisory accounts for GCM. The individual may be compensated in cash based on a percentage of the investment advisory fee received by GCM from each person the individual solicits who ultimately becomes a client of GCM. The compensation will terminate if the client introduced by the individual ceases to remain a fee paying client of GCM. Solicitor services include making introductions and providing information and material about GCM. Additional services may include periodic contacts about investment performance or other information to help clients understand services offered by GCM.

Such services do not include providing investment advisory services on behalf of Griggs Capital Management, LLC. No client introduced to GCM pursuant to this arrangement will be charged an amount in excess of GCM standard advisory fees. However, some clients may be receiving the same and identical services for a lower overall cost and on a portfolio that is smaller in size than our current standards.

The agreement is terminable by operation of law if the individual becomes ineligible to receive payments under the agreement, or is terminable at will by either the individual or GCM. Such termination will also terminate any future payments to the individual solicitor.

## ***Custody***

Form ADV Part 2A, Item 15

GCM does not have and will not accept physical custody of client funds or securities. Because some clients allow our firm to deduct management fees directly from their accounts, the U.S. Securities & Exchange Commission may deem our firm to have "constructive custody" over client accounts. Physical custody is maintained by a qualified custodian that issues monthly statements directly to the client. Clients individually select a brokerage firm to serve as qualified custodian of funds and securities. GCM also provides account statements to its clients. Clients should compare account statements from the custodian and Griggs Capital Management, LLC.



## ***Investment Discretion***

Form ADV Part 2A, Item 16

Griggs Capital Management, LLC may be given discretion over specific client's accounts as directed by the client through a limited power of attorney. When discretion is granted, the client selects a specific investment objective(s), and Griggs Capital Management, LLC buys or sells securities for the client's account in accordance with the investment objectives of the client and in accordance with the terms of the Investment Management Agreement.

When discretion is granted, Griggs Capital Management, LLC as Investment Manager, assumes all investment duties with respect to assets held in the Investment Management Account, and has all investment powers including sole investment authority with respect to such assets. GCM invests and reinvests the assets of the Investment Management Account as it deems in the best interest of the client to achieve the investment objective designated by the client.

When discretion is granted, GCM may take any action or non-action as it deems appropriate, with or without further consent or authority from the client, and may exercise its discretion and deal in and with such assets, exactly as fully and freely as the client might do as owner, except that GCM is not authorized to withdraw any money, securities, or other property either in the name of the client or otherwise. GCM will be free to sell securities in the portfolio of the client without regard for the length of time they have been held or the gain or loss that may be realized.

GCM is free to make investment changes without regard for the resulting rate of portfolio turnover, when it, in its sole discretion, determines that such changes will promote the investment objectives of the account. When discretion is granted, clients may place reasonable restrictions on the inclusion of specific securities, or categories of securities, in their accounts. Clients may also direct Griggs to sell, or to avoid selling, particular securities for the purpose of realizing a capital gain/loss or avoiding a capital gain/loss.

### ***Voting Client Securities***

Form ADV Part 2A, Item 17

GCM does not vote proxies on behalf of its clients. Individual clients retain the right and responsibility to vote all proxies related to their investment accounts. All proxy materials or solicitations will be delivered to the client by custodians or transfer agents. Clients may contact GCM at any time with questions or concerns related to proxies.

***Financial Information***

Form ADV Part 2A, Item 18

GCM does not require prepayment of fees.

### ***Requirements for State-Registered Advisers***

GCM is registered with multiple state regulatory authorities as required by regulations. Currently, registration and notice filings in effect include the states of North Carolina, South Carolina and Texas.

## ***Additional Information***

Griggs Capital Management, LLC - GCM Portfolio Managers are required to have earned a bachelor's degree, a professionally recognized designation or have extensive related investment management experience.

Portfolio Manager - Randall C. Griggs: Griggs Capital Management, LLC - Chief investment Officer and Portfolio Manager: Randall C. Griggs, Certified Financial Planner (CFP®) , Accredited Asset Management Specialist® (AAMS), Accredited Wealth Management Advisor® (AWMA). *See Explanation Page 20 & 21*

Randall C. Griggs (DOB - 08/26/1948) Founder/Managing Member

Education: Griggs received a Bachelor of Arts in Management from Golden Gate University in 1975. Mr. Griggs earned the right to use the Certified Financial Planner (CFP) designation in 1987. Griggs has earned the right to use the Accredited Asset Management Specialist (AAMS) and Accredited Wealth Management Adviser (AWMA) professional designations.

Business Background: Randall C. Griggs - May 2007 to Present - Mr. Griggs is the founder/managing member of Griggs Capital Management, LLC and has primary portfolio management responsibilities for all GCM investment portfolios objectives. He conducts the firm's investment company and fixed income research and serves as GCM's Chief Compliance Officer.

September 1996 to 03/18/08 - Mr. Griggs was the President of Anderson Griggs & Co. Inc. an SEC registered Investment adviser d/b/a Anderson Griggs Portfolio Management. Mr. Griggs had primary portfolio management responsibilities for all Anderson Griggs asset allocation objectives. He was responsible for the firm's Investment Company Securities (Mutual Funds) and fixed income research. He was a member of the company's investment committee and served as the firm's Chief Compliance Officer.

From May 1975 through August 1996, Mr. Griggs held various positions within the financial services industry.

Education and Business Standards: Investment adviser representatives of GCM must meet all examination, experience and registration requirements of jurisdictions/states in which they provide advisory services.

### **Other Business Activities:**

Insurance Agents: Randall C. Griggs is insurance licensed in the states of North Carolina and South Carolina. If individuals choose to purchase life insurance products through Mr. Griggs, to include appointing Mr. Griggs or any affiliated agent as their soliciting agent, then Mr. Griggs may receive commissions and or some other form of compensation for these activities. Individuals who are registered as investment advisory representatives may also be separately licensed and be appointed as agents with various life insurance companies. This activity is not offered by GCM and is not part of our advisory business.

In their capacity as agents, and not as Investment Advisor Representatives with GCM, these individuals may recommend insurance products with these firms. As insurance agents, the associated person may receive regular and customary commissions from the sale of insurance products. Agents will only recommend insurance products in accordance with the client's overall financial situation. Insurance product recommendations, while outside of GCM and its investment advisory work, may pose a conflict of interest between the interests of the client, the Registrant (GCM) and the agent. Any activity involving insurance and Mr. Griggs is outside the scope (activity) of Griggs Capital Management, LLC. Mr. Griggs' involvement in insurance activities represents less than 5% of his time.

Griggs annually completes all continuing education requirements to maintain licenses and professional designations.

## **Professional Certification Explanation**

The CERTIFIED FINANCIAL PLANNER™, CFP® and federally registered CFP marks are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. ("CFP Board"). The CFP® certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP® certification. It is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients. To attain the right to use the CFP® marks, an individual must satisfactorily fulfill the following requirements:

- Education – Complete an advanced college-level course of study addressing the financial planning subject areas that CFP Board's studies have determined as necessary for the competent and professional delivery of financial planning services, and attain a Bachelor's Degree from a regionally accredited United States college or university (or its equivalent from a foreign university).
- Examination – Pass the comprehensive CFP® Certification Examination
- Experience – Complete at least three years of full-time financial planning-related experience (or the equivalent, measured as 2,000 hours per year); and
- Ethics – Agree to be bound by CFP Board's *Standards of Professional Conduct*, a set of documents outlining the ethical and practice standards for CFP® professionals.

Individuals who become certified must complete the following ongoing education and ethics requirements in order to maintain the right to continue to use the CFP® marks:

- Continuing Education – Complete 30 hours of continuing education hours every two years, including two hours on the *Code of Ethics* and other parts of the *Standards of Professional Conduct*, to maintain competence and keep up with developments in the financial planning field; and
- Ethics – Renew an agreement to be bound by the *Standards of Professional Conduct*. The *Standards* prominently require that CFP® professionals provide financial planning services at a fiduciary standard of care. This means CFP® professionals must provide financial planning services in the best interests of their clients.

CFP® professionals who fail to comply with the above standards and requirements may be subject to CFP Board's enforcement process, which could result in suspension or permanent revocation of their CFP® certification.

**Professional Certification Explanation**  
**(Continued)**



**Accredited Asset Management Specialist<sup>SM</sup> or AAMS<sup>®</sup>**

Individuals who hold the AAMS<sup>®</sup> designation have completed a course of study encompassing investments, insurance, tax, retirement, and estate planning issues. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process.

Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.



**Accredited Wealth Management Advisor<sup>SM</sup> or AWMA<sup>®</sup>**

Individuals who hold the AWMA<sup>®</sup> designation have completed a course of study encompassing wealth strategies, equity-based compensation plans, tax reduction alternatives, and asset protection alternatives. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process.

Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.

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