

Form ADV Part 2A

Item 1 Cover Page

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Disclaimer: This brochure provides information about the qualifications and business practices of Presidium Partners. If you have any questions about the contents of this brochure, please contact us at 925-855-9899 and/or [info@presidiumpartners.com](mailto:info@presidiumpartners.com). The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

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

## Item 2 Material Changes

(Since our last annual update May of 2011)

No material changes.

Item 3 Table of Contents

Cover page.....	p.1
Item 2 Material Changes.....	p.2
Item 3 Table of Contents.....	p.3
Item 4 Advisory Business.....	p.4
Item 5 Fees and Compensation.....	p.7
Item 6 Performance-Based Fees and Side-By-Side Management.....	p.8
Item 7 Types of Clients.....	p.9
Item 8 Methods of Analysis.....	p.9
Item 9 Disciplinary Information.....	p.11
Item 10 Other Financial Industry Activities and Affiliations.....	p.11
Item 11 Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....	p.13
Item 12 Brokerage Practices.....	p.14
Item 13 Review of Accounts.....	p.15
Item 14 Client Referrals and Other Compensation.....	p.15
Item 15 Custody.....	p.15
Item 16 Investment Discretion.....	p.15
Item 17 Voting Client Securities.....	p.15
Item 18 Financial Information.....	p. 15
Item 19 Requirements for State-Registered Advisers.....	p.16
Form ADV Part 2B.....	p.17

## Item 4 Advisory Business

### A. Summary

Presidium Partners, is a Limited Liability Company registered with the State of California as of June, 2007. Its principle officers and founders are R. Steven Farrell and Franklin C. Newsom.

Presidium Partners investment advisory services are primarily limited to the discretionary management of investment portfolios for individuals, pension and profit sharing plans, trusts, and corporate and business entities. Through its family office, Presidium Partners offers additional services on a selective basis as needed by certain clients, including but not limited to asset allocation and investment management, portfolio rebalancing, manager search, balance sheet and other special reporting needs, consultative and analytical services. Analytical services include such items as portfolio review, single stock and fixed-income analysis and investment due diligence. To the extent specifically requested by a client, Presidium Partners may provide limited consultation services to its 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 services Presidium shall be compensated for by the client on either a mutually agreeable fixed fee or hourly rate basis. As part of Presidium's portfolio management services, the firm offers a dynamic asset allocation service that is designed to assist Clients in reaching their investment goals and directives and to assess and reduce market risk.

### B. Advisory Services

#### Investment Management

In the event the client determines to engage Presidium to provide investment management services, Presidium shall implement an asset allocation program, consistent with the client's investment objective(s) and in accordance with Presidium's objective to protect client assets and ensure long-term, multigenerational growth. Presidium strives to adhere to industry best practices and to maximize risk-adjusted returns. These practices include but are not limited to asset allocation, diversification and rigorous fundamental and technical analysis. All accounts are managed on a *fee* basis.

Presidium shall generally allocate the investment management assets of its clients, on a discretionary basis, among various separate account managers, mutual funds and exchange traded funds. In addition portfolios may be constructed consisting of equity securities, corporate debt securities, municipal securities, US government securities, leveraged funds, sector funds, options, structured products, private equity and other investments, equities and fixed-income assets (or mutual fund subdivisions within a variable annuity or life product owned by the client). In accordance with client's objectives, Presidium offers the following asset allocation programs, consistent with the investment objective(s) of the client, including, but not limited to, the following:

#### 1. SHORT DURATION BOND:

- Risk: Conservative income with minimal volatility.
- Suitability: This strategy is suitable for investors with a low risk tolerance.
- Description: The Short Duration Bond Portfolio seeks a higher return than prevailing money market rates, with low risk and an emphasis on capital preservation. The Short Duration Bond Strategy invests in high-quality short- and ultra short-term bond funds, floating rate high-income funds, intermediate bond funds, intermediate government income bond funds, and mortgage backed securities funds and other short duration bond and money market funds.

#### 2. TOTAL RETURN BOND:

- Risk: Conservative growth with minimal volatility.
- Suitability: This strategy is suitable for investors with a low risk tolerance.
- Description: The Total Return Bond Strategy seeks both income and capital growth by actively investing in government and corporate bond funds, high yield bond funds, multi-sector bond

funds, emerging and international bond funds, fixed-income oriented exchange traded funds, and other fixed-income funds. The fund seeks to enhance return by investing among a broad spectrum of fixed income funds while maintaining an emphasis on capital preservation.

3. CONSERVATIVE GROWTH:

- Risk: Conservative growth with below average volatility.
- Suitability: This strategy is suitable for investors with a low risk tolerance but willing to assume some market risk through equity investing.
- Description: The Conservative Growth strategy seeks consistent low-risk growth, using risk-management to preserve and protect capital. Investments may include balanced funds, growth and income funds, high-yield bond funds, small, mid and large cap value funds, large cap growth funds, equity income funds, index funds and utility funds. The strategy may also invest in inverse funds to hedge market risk. At times the strategy may hold a cash position.

4. BALANCED GROWTH:

- Risk: Conservative growth and income with below average volatility.
- Suitability: This strategy is suitable for investors who are comfortable with short-term swings in market volatility and typically have a longer-term investment horizon (three to five years). Market risk is comparable to a balanced equity and fixed-income index.
- Description: This strategy uses an asset allocation approach and diversifies among a basket of equity and fixed-income funds based on a client's objectives and tolerance for risk. The funds typically are more volatile than those used in a 100% bond portfolio. The strategy may also invest in index funds, sector specific funds, market neutral funds, equity long/short funds, exchange traded funds and inverse funds to mitigate risk. At times the strategy may hold a cash position.

5. MODERATE GROWTH:

- Risk: Growth with average volatility.
- Suitability: This strategy is suitable for investors who are willing to accept market risk that is comparable to the S&P 500 index and growth oriented funds.
- Description: The Moderate Growth Strategy seeks solid growth, combined with risk-management to protect against capital losses. The portfolio typically invests in no-load growth funds from the following asset classes: blue-chip growth, large-cap growth, mid-cap growth and value, small-cap growth and value, S&P 500 or Dow index funds, exchange traded funds, sector funds and international funds. The strategy will also selectively invest in higher beta funds to increase return and use inverse funds to hedge market risk. At times the fund may hold a cash position.

6. AGGRESSIVE GROWTH:

- Risk: Growth with above average volatility.
- Suitability: This strategy is suitable only for investors who are willing to tolerate higher risk levels. Investors should be prepared for market volatility and perhaps more frequent trading in volatile markets.
- Description: The Aggressive Growth Strategy seeks leveraged capital growth and will use actively traded funds to manage and mitigate risk. The portfolio typically invests in no-load aggressive growth funds from the following asset classes: small cap growth, micro-cap, sector funds, emerging and international growth, leveraged index funds, small cap value funds, sector specific funds, exchange traded funds and other higher beta funds. Short- or contra-funds may also be used to enhance returns during established downtrends, or to hedge the portfolio during periods of economic uncertainty. At times the strategy may hold a cash position.

7. SECTOR LEADING/MODERATE GROWTH:

- Risk: Growth with average volatility. (This strategy can also be customized to meet a client's conservative or aggressive risk return objectives)
- Suitability: This strategy is suitable for investors who have at least a one to five year time horizon and are seeking "best of class" funds often with a sector or indices bias on market direction.

- Description: The strategy seeks to invest in a group of core “best of class” no load mutual funds and exchange traded funds and to complement the portfolio with the addition of sector specific funds by style and indices that are projected to outperform the broader market over the course of a year. Research is based on rigorous fundamental analysis and risk is balanced by allocating a portion of the portfolio to core long term holdings, market neutral, conservative or equity long/short funds. Investments include a broad range of asset classes including but not limited to: fixed-income and equity growth and income funds, small, mid and large cap growth and value funds, exchange traded funds, sector funds, leveraged index funds, international and emerging market funds and other investments. While the intent is to buy and hold, a portion of the fund can be actively traded to mitigate risk and the fund may hold a cash position.

8. VARIABLE ANNUITIES / VARIABLE UNIVERSAL LIFE:

- Risk: Growth to aggressive growth with average to above average volatility. Part of the risk depends on the sub-divisions available in a particular annuity/life product. Some annuities have more aggressive sub-division options.
- Suitability: The annuities are managed using both a moderate and an aggressive strategy. Diversification is limited between to sub-divisions available in a particular annuity/life product.
- Description: Management is limited to the mutual fund choices (sub-divisions) available within the particular variable annuity/life product.

9. TRADITIONAL:

Presidium manages traditional single equity and individual bond portfolios. Presidium utilizes various analytical tools, e.g. fundamental and technical analysis to pick individual securities in a variety of asset classes, subject to client suitability, written guidelines, which the client may provide, the client’s risk tolerance, goals and objectives. Presidium typically has complete discretion and authority to manage the client account. Accordingly, Presidium is authorized to perform various functions on behalf of the client without obtaining prior client consent (but does not have custody of any client assets). In limited circumstances, Presidium may enter into non-discretionary arrangements with its clients where Presidium obtains client approval prior to execution of a trade.

Portfolios constructed by Presidium may consist of equity securities, corporate debt securities, municipal securities, US government securities, mutual funds, exchange traded funds, leveraged funds, sector funds, options, structured products, separately managed accounts, private equity and other investments, either in single or multiple accounts as deemed appropriate by Presidium and in the best interest of the client.

C. Portfolio Customization

The investment advice provided is custom tailored to meet the needs and investment objectives of the client. Once the portfolio is constructed, Presidium provides continuous supervision and re-optimization of the portfolio as changes in market conditions and client circumstances may require. Clients may impose restrictions on investing in certain securities or types of securities in consultation with Presidium. Presidium will also work with clients on constructing a formal investment policy.

D. Wrap Programs (Selection of Other Advisors)

Through Presidium’s custodians, clients may elect to invest in wrap fee programs using single managers. In the event the client elects to invest through a wrap program, Presidium’s investment strategy remains the same as explained above. Portfolios are constructed based on the client’s risk and return objectives and within appropriate suitable investments as discussed with the client per Presidium’s investment advisory agreement and/or formalized investment policy statement. Wrap fees vary by custodian and are in addition to Presidium’s management fee.

E. As of February 28, 2012 Presidium Partner has \$70,000,000 assets under management. All the investments are discretionarily managed though Presidium will manage assets on a non-discretionary basis.

## Item 5 Fees and Compensation

A. In the event the client determines to implement investment recommendations through Presidium on a *fee-only* basis, Presidium shall charge an annual investment management fee based upon a percentage of the market value of the assets being managed by Presidium. All fees are deducted quarterly in advance directly from client accounts. The investment management fee charged shall vary depending upon the market value of the assets under Presidium's management and how those assets fit into the tiered fee schedule; fees are also negotiable. The fee schedule is as follows:

<u>Assets</u>	<u>Portion of Assets in the Tier</u>	<u>Tiered Annual Fee %</u>
\$0-\$99,999		2.50%
\$100,000-\$299,299	(Next \$200,000 of the account)	2.00%
\$300,000-\$499,999	(Next \$200,000 of the account)	1.75%
\$500,000-\$749,999	(Next \$250,000 of the account)	1.50%
\$750,000-\$999,999	(Next \$250,000 of the account)	1.25%
\$1,000,000 +	(Rest of the account)	1.00%

Presidium's hourly fee is \$250 per hour. Fixed fees are negotiable with a minimum retainer of \$10,000.

B. Presidium annual investment management fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. Further, Presidium may not assess an advisory fee where the firm offers advisory services to employees or family members of related persons.

Unless the client directs otherwise, all such investment management accounts will be maintained at various custodial/clearing firms, or at the specific mutual fund or insurance company that issued the mutual fund or variable life/annuity product. Prior to engaging Presidium to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Presidium setting forth the terms and conditions under which Presidium shall manage the client's assets, and (to the extent applicable and/or required) a separate agreement with the custodial/clearing firm, the specific mutual fund/insurance company, or other designated broker-dealer/custodian. Both Presidium investment advisory agreement and custodial/clearing agreement may authorize the designated custodian to debit the account for the amount of the Presidium's management fee and to directly remit that management fee to Presidium in accordance with required SEC procedures. This investment advisory agreement between Presidium and the client will continue in effect until terminated by either party by written notice in accordance with the terms and conditions of the *Investment Advisory Agreement*. Presidium's investment management fee shall be pro-rated through the date of termination, and the remaining balance (if any) shall be promptly refunded to the client.

C. To the extent applicable, custodians and/or broker-dealers generally charge transaction fees and/or commissions for effecting certain securities and mutual fund transactions. In addition to Presidium's investment management fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all mutual fund purchases, charges imposed directly at the mutual fund level (e.g. advisory fees and other fund expenses).

D. As mentioned above all client fees are prorated and paid quarterly, in advance, based upon the market value of the assets on the last day of the previous quarter. Presidium's investment management fee shall be pro-rated through the date of termination, and the remaining balance (if any) shall be promptly refunded to the client.

E. Presidium is a fee only investment advisor. No commissions or asset based sales charges are received from the sale of mutual funds in order to eliminate the potential for conflict of interests. In recommending mutual funds, Presidium primarily recommend's no-load funds. Where outside investment managers, wrap

programs, registered investment advisors or other advisors are used in connection with the client's investment portfolio, revenue sharing arrangements are fully disclosed to the client. Investment products recommended by Presidium are generally available to the client through other brokers or agents that are unaffiliated with Presidium.

Factors, which Presidium considers in recommending a particular broker-dealer/custodian to clients, include financial strength, reputation, execution, pricing, research, and service. Generally, the broker-dealer/custodians recommended by Presidium enable Presidium to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. In addition, such recommended firms generally charge commission rates and/or transaction fees, which are generally considered, discounted from customary retail rate fees. However, the commission fees charged by recommended firms may be higher or lower than those charged by other broker-dealer/custodians. Presidium will not receive any portion of the brokerage commissions and/or transactions fees charged to *fee-only* clients. In return for effecting securities transactions through a designated broker-dealer/custodian, Registrant may receive certain investment research products and/or services which assist Presidium in its investment decision-making process for the client, all of which transactions shall be in compliance with Section 28(e) of the Securities Exchange Act of 1934

The brokerage commissions and/or transaction fees or other designated broker-dealer/custodian are exclusive of, and in addition to, Presidium's investment management fee. Although the commissions paid by Presidium's clients shall comply with the Registrant's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction, where Presidium determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Presidium will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products and/or services that *may* be obtained by Presidium will generally be used to service all of Presidium's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account.

#### General Information on Advisory Services and Fees

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 (CCR 260.234).

All fees paid to Presidium are separate and distinct from the fees and expenses charged by mutual funds to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a Client may pay an initial or deferred sales charge. Registrant fees are also separate and distinct from separate account management and custody fees.

Presidium does not represent, warranty or imply that the services or methods of analysis used by them can or will predict future results, successfully identify market tops or bottoms, or insulate Clients from losses due to market corrections or crashes.

Although Presidium believes its advisory fees are competitive, lower fees for comparable services may be obtained from other sources.

Presidium shall never have custody of any client funds or securities, as an outside third-party custodian will provide these asset management activities.

#### **Item 6 Performance-Based Fees and Side-BySide Management**

Presidium does not currently have performance-based pricing.



## Item 7 Types of Clients

A. Presidium provides investment advice and services to individuals, pension and profit sharing plans, trusts, foundations and corporate and business entities. Account minimums are determined at the discretion of Presidium management but typically do not go below \$500,000 per client.

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

A. As discussed above in the response to Item 4, investment decisions for client accounts are based upon Presidium's asset allocation programs and investment philosophy and for certain strategies in conjunction with research obtained by Presidium from other investment professionals and/or investment advisers (see response to Item 10 on this Schedule F.)

Both Presidium and those investment professionals from whom Presidium obtains research use a variety of sources of information to make investment decisions including but not limited to: charts and performance data on funds, securities, markets and indices, economic reports, market reports, direct research, professional opinion and analysis. Both Presidium and those investment professionals from whom Presidium obtains research and, also use proprietary systems along with fundamental information to help in the selection of funds and other investments in each strategy. Many fundamental and technical tools are used to determine underlying strength in the market.

The sources of information Presidium uses are provided in financial newspapers and various research reports, which are prepared by others relative to the funds being considered including information provided by the above referenced other investment professionals and Presidium's own proprietary tools.

Presidium's asset allocation strategies have been designated to comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, such as Presidium's dynamic asset allocation programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3A-4, the following disclosure is applicable to Presidium's management of client assets:

1. **Initial Interview** – at the opening of the account, Presidium, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. **Individual Treatment** – the client's account is managed on the basis of the client's financial situation and investment objectives;
3. **Quarterly Notice** – at least quarterly Presidium shall notify the client to advise the Presidium whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account;
4. **Annual Contact** – at least annually, Presidium, through its designated representatives, shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restriction of the management of his/her/its account;
5. **Consultation Available** – Presidium shall be reasonably available to consult with the client relative to the status of client's account;
6. **Monthly Statement** – the client shall be provided with a monthly statement containing a description of all activity in the client's account during the preceding period;
7. **Ability to Impose Restrictions** – the client shall have the ability to impose reasonable restrictions on the management of his/her/its account, including the ability to instruct Presidium not to purchase certain mutual funds;
8. **No Pooling** – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;

9. ***Separate Account*** – a separate account is maintained for the client with the Custodian; and
10. ***Ownership*** – each client retains indicia of ownership of the account (e.g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

The mutual funds (and other funds) in which Presidium may invest client funds are likely to have a differing degree of risk associated therewith. None of the investments in these funds are “risk-free”, and certain funds, particularly funds which invest in futures contracts, stock index futures contracts, options on stock index futures contracts, and options on securities and stock indices, have a substantial amount of risk associated therewith. The client should be prepared in any investment strategy to bear the risk appropriate for that strategy. This will be discussed with the client prior to opening the account, as part of a suitability questionnaire, as well as on an ongoing basis during the account relationship.

B. Presidium trades in mostly traditional asset classes with commensurate risk. No unusual strategies are employed that contain a high degree of risk. In general, Presidium adheres to an efficient market theory, a well-known and accepted investment practice which implies, in part, designing and implementing an asset allocation that meets the client’s needs from the outset and it meant to be held overtime. Trading using this approach is also less frequent as are transaction costs and short –term tax implications. Presidium will, depending on the client’s risk and return objectives and the investment strategy employed, designate a portion of the portfolio as flexible and use this portion to help mitigate risk by holding cash, fixed-income securities or other asset classes. This portion of the portfolio may trade more frequently and have increased brokerage transaction fees and short-term holding periods.

C. As mentioned above, Presidium primarily recommends traditional asset classes. Where non-traditional asset classes are recommended, Presidium will disclose the risk associated with these asset classes which may include illiquidity, credit risk, foreign exchange risk, sector risk, manager risk or other risks. Presidium’s investment approach is to focus on the risk for each investment and does so by monitoring such indicators as Sharpe ratio (a measure of risk adjusted return), downside volatility, portfolio or sector concentration and other measures. Presidium explains these factors to the client in the course of implanting the investment strategy.

D. Presidium does not recommend margin. To the extent that a client authorizes the use of margin, and margin is thereafter employed by Presidium in the management of the client’s investment portfolio, the market value of the client’s account and corresponding fee payable by the client to Presidium will be increased. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client’s decision to employ margin shall correspondingly increase the management fee payable to Presidium. Accordingly, the decision as to whether to employ margin is left totally to the discretion of the client. To the extent applicable, clients are advised that the use of margin in a retirement account could subject the account to unrelated business income tax, and that they should discuss the issue with their tax advisors.

Certain mutual funds and/or variable annuity products, which comprise the client’s account may have been purchased by the client, prior to and independent of client’s engagement of Presidium, through an NASD broker-dealer, for which product sales the client may have paid a commission. Presidium’s investment management fee is exclusive of, and in addition to, any such commission charges.

In computing the market value of mutual fund shares (or other assets) held in the client’s account, the shares will be valued by the custodian, mutual fund company, or broker-dealer holding such shares. The management fee shall be pro-rated and paid quarterly, in advance, based upon the market value of the assets, which comprise the client’s account at the beginning of each billing quarter or portion thereof. In the event a withdrawal of funds takes place during a billing quarter, a pro-rated refund will be issued to the account. If additional funds are added, Presidium will be entitled to an additional pro-rated fee with respect to such funds.

Certain investment opportunities that become available to Presidium’s clients may be limited. In order to meet its fiduciary duties to all of its clients, Presidium will endeavor to allocate investment opportunities

among all clients on a fair and equitable basis. However, except as otherwise provided by federal or state securities laws, Presidium shall not be liable for the adverse decision by a mutual fund or insurance company to unilaterally restrict and/or prohibit trading activities.

Presidium's clients are advised to promptly notify Presidium if there are ever any changes in their financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Presidium's management services.

**Trade Errors:** Presidium places all account trades electronically or telephonically. Presidium assumes responsibility for any account losses for trading errors directly resulting from Presidium's failure to follow Presidium's trading procedures or from a lapse in Presidium's internal communications. In such instances, the account(s) will be compensated for any such corresponding losses. However, the client acknowledges that Presidium cannot and will not be responsible for account errors and/or losses that occur where Presidium has used its best efforts (without direct failure on the part of Presidium to execute trades in a timely and efficient manner. If a trade or some portion of a trade is not effected or an electronic "glitch" occurs which results in the account not being traded at the same time or at the same price as others, and such occurrence is not a result of Presidium's failure to execute or follow its trade procedures, the resulting loss will not be considered a trading error for which Presidium is responsible. In addition, virtually all mutual funds, as disclosed in their prospectuses, reserve the right to refuse to execute trades if, in a fund's sole judgment, the trade(s) would jeopardize the value of the fund. Presidium has no authority to change, alter, amend, or negotiate any provision set forth in a mutual fund prospectus. The client further acknowledges that Presidium cannot and will not be responsible for trades that are not properly executed by any clearing firm, custodian, mutual fund, or insurance company, when an order has been properly submitted by the Presidium. Finally, Registrant cannot be responsible for a unilateral adverse decision by a mutual fund or insurance company to restrict and/or prohibit mutual fund asset allocation programs.

Neither Presidium nor the client may assign the *Investment Advisory Agreement* without the prior written consent of the other party. Transactions that do not result in a change of actual control or management of the Presidium shall not be considered an assignment.

A copy of the written disclosure statement for the Presidium, as set forth on Part II of Form ADV, shall be provided to each client prior to, or contemporaneously with, the execution of the *Financial Planning Agreement* or *Investment Advisory Agreement*. Any client who has not received a copy of Presidium's written disclosure statement at least forty-eight (48) hours prior to executing the *Financial Planning Agreement* or *Investment Advisory Agreement* shall have five (5) business days subsequent to executing the agreement to terminate Presidium's services without penalty.

In performing its services, Presidium shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. The client is free to accept or reject any recommendation made by the Presidium. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify the Presidium if there is ever any change in his/her/its financial situation or investment objectives, or if they wish to impose any reasonable restrictions upon Presidium's management services.

## Item 9 Disciplinary Information

Presidium Partners and its principles have never had any disciplinary actions including but not limited to criminal or civil actions, administrative proceedings before the SEC or any other federal or state regulatory agency or self-regulatory organization.

## Item 10 Other Financial Industry Activities and Affiliations

A. Presidium Partners is a registered investment advisor. The firm is not a broker-dealer, or a registered representative of a broker-dealer.

B. Presidium Partners is not a registered futures commission merchant, commodity pool operator, commodity trading adviser, or an associated person of the foregoing entities.

#### C. Other Affiliations

##### Independent Account Representative

Presidium Partners has an IAR relationship with David Harden, President and Portfolio Manager of Summit Global Investments (SGI), 620 S. Main Street, Bountiful, UT.

Summit Global Investments was originally launched as a DBA of Presidium Partners with the County of Contra Costa, CA. Mr. Harden provides investment management services to Summit Global Investments, specifically managing a low-volatility single equity strategy, for separately managed accounts. Presidium provides back office processing to SGI including compliance, reporting, account servicing and monitoring of individually managed accounts.

Subsequent to launching the DBA, Summit Global Investments has now become an independent registered investment advisor. It is anticipated that during the year, Summit Global Investments, the DBA, will be closed and Summit Global Investments, the RIA, will take over the back office management functions currently being performed by Presidium. SGI has also launched a Low-Volatility Mutual Fund through the BNY Mellon, Providence, RI. It is anticipated that SGI will continue to manage both separately managed accounts and the low-volatility mutual fund going forward.

With the establishment of SGI and in consideration of services rendered, Presidium has received a minority ownership interest in SGI. This presents a potential conflict of interest, especially given that SGI's low-volatility strategy may be suitable for a number of Presidium's clients. The conflict arises in that Presidium could be earning management fees from Presidium client's as well as revenue from SGI. As with the current SMA environment, Presidium will continue to disclose to clients the fees charged for SGIs separately account management services and SGI's mutual fund expense ratio, which like other separately managed account or mutual fund managers are in addition to Presidium's advisory fee.

##### Referrals from Independent Advisers

Presidium Partners may utilize the services of third party investment advisers by recommending their services to clients. Such third party managers may pay a portion of the advisory fee collected from the clients to Presidium.

Third-party investment advisers may refer clients to Registrant for asset management services. All third-party investment advisers that Registrant accepts client referrals from must be a state licensed investment adviser or a registered investment adviser with the Securities and Exchange Commission.

Clients, who are referred to Registrant, or other TPAs, will receive full disclosure, including services rendered and fee schedules, at the time of the referral by delivery of a copy of the relevant Form ADV Part II, or equivalent disclosure document.

As stated above, third-party investment advisers and their IARs receive compensation from Presidium for referring clients. Such compensation may differ depending upon the individual agreement with each third-party investment adviser. Therefore, Presidium may have an incentive to recommend one of these third-party advisers over other third-party advisers with whom it has less favorable compensation arrangements or other advisory programs offered by third-party advisers with which it has no compensation arrangements.

Clients will sign an advisory agreement with Presidium and, or the relevant third party selected. Either party in accordance with the provisions of those agreements may terminate the advisory relationship. In the

event compensation is payable in advance, the client will typically receive a pro rata refund of any prepaid advisory fees upon termination of an advisory agreement.

#### Solicitation Agreements

Solicitors may refer clients to Registrant for asset management services. All solicitors that Registrant accepts client referrals from must be a state licensed investment adviser or a registered investment adviser with the Securities and Exchange Commission, except in the State of California, which exempts this requirement for the qualifications of the investment advisor representative. Currently, Michael C. Webb is a solicitor in California, vice president of CFOS2GO, 500 Ygnacio Valley Rd., Walnut Creek, CA 94596.

#### Other Affiliations

None.

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

#### Code of Ethics

A. Presidium Partners has developed a Code of Ethics Policy based on the principle that all employees of the company and certain other persons have a fiduciary duty to place the interest of clients ahead of their own and Presidium's. The Code of Ethics applies to all employees, directors, officers, partners or members of the Company who agree to avoid activities, interests and relationships that might interfere with making decisions in the best interests of Presidium's Advisory Clients. The Code of Ethics covers such areas as fiduciary duty, confidentiality, gifts, reporting, record keeping and personal securities trading. Presidium requires annual certification of compliance with the company's Code of Ethics. The Code of Ethics is available to all clients upon request.

B. Presidium does not recommend securities in which they have a material financial interest. If investments are recommended as part of a revenue sharing agreement, this agreement is fully disclosed to the client.

#### C. Participation or Interest in Client Transactions

Presidium, or advisory representatives of the firm, may buy or sell – for their personal account(s) – investment products identical to those recommended to clients. These investment products are widely held and publicly traded. It is Presidium's expressed policy that no person employed by it shall effect for himself or herself or for his or her immediate family (i.e. spouse, minor child) (collectively "associated persons") any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of Presidium's clients, unless in accordance with the following Firm Procedures.

D. Presidium will disclose to a client in writing before entering into or renewing an advisory agreement with that client any material conflict of interest relating to the adviser, its representatives or any of its employees, which could be reasonably expected to impair the rendering of unbiased and objective advice including:

(1) Compensation arrangements connected with advisory services to clients which are in addition to compensation from such clients for such services; and

(2) Charging a client an advisory fee for rendering advice without disclosing that a commission for executing securities transactions pursuant to such advice will be received by the adviser, its representatives or its employees, or that such advisory fee is being reduced by the amount of the commission earned by the adviser, its representatives or employees for the sale of securities to the client.

### Firm Policy

In order to implement Presidium's investment policy, the following procedures have been put into place with respect to Registrant and its associated persons:

1. If Presidium is purchasing or considering for purchase any security on behalf of Presidium's client, no associated persons may transact in that security prior to the client purchase having been completed by Presidium, or until a decision has been made not to purchase the security on behalf of the client; and
2. If Presidium is selling or considering the sale of any security on behalf of Presidium's client, no associated person may transact in that security prior to the sale on behalf of the client having been completed by Presidium, or until a decision has been made not to sell the security on behalf of the client.

### Exceptions

1. This investment policy has been established recognizing that some securities being considered for purchase and sale on behalf of Presidium's clients trade in sufficiently broad markets to permit transactions by clients to be completed without any appreciable impact on the markets of the securities. Under certain circumstances exceptions may be made to the policies stated above. Records in these trades, including reasons for the exceptions, will be maintained with Presidium's records in the manner set forth above.
2. It is further noted that Presidium's investment advisory business is in and shall continue to be in total compliance with The Insider Trading and Securities Fraud Enforcement Act of 1988. Specifically, Presidium has adopted a firm wide policy statement outlining insider-trading compliance by the firm, and the associated persons and other employees.

## Item 12 Brokerage Practices

### Investment or Brokerage Discretion – Managed Accounts

Presidium manages client's accounts on a fully discretionary basis. Presidium may utilize its discretionary authority to determine: the securities to be bought or sold, the amount of the securities to be bought or sold, the broker or dealer to be used. However, these purchases may be subject to specified investment objectives and guidelines. For example, a Client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio. Unless the client directs otherwise, all investment management accounts will be maintained at various custodial/clearing firms, or at the specific mutual fund or insurance company that issued the mutual fund or variable life/annuity product.

To the extent applicable, custodians and/or broker-dealers generally charge transaction fees and/or commissions for effecting certain mutual fund securities transactions. In addition to Presidium's investment management fee, brokerage commissions and/or transaction fees, the client will also incur, relative to all mutual fund purchases, charges imposed directly at the mutual fund level (e.g. advisory fees and other fund expenses) or advisory fees at the separate account manager level.

Factors, which Presidium considers in recommending a particular broker-dealer/custodian to clients, include financial strength, reputation, execution, pricing, research, and service. Generally, the broker-dealer/custodians recommended by Presidium enable the Presidium to obtain many no-load mutual funds without transaction charges and other no-load funds at nominal transaction charges. In addition, such recommended firms generally charge commission rates and/or transaction fees, which are generally considered, discounted from customary retail rate fees. However, the commission fees charged by recommended firms may be higher or lower than those charged by other broker-dealer/custodians. Presidium will not receive any portion of the brokerage commissions and/or transactions fees charged to *fee-only* clients. In return for effecting securities transactions through a designated broker-dealer/custodian, Presidium may receive certain investment research products and/or services which assist Presidium in its investment decision-making process for the client, all of which transactions shall be in compliance with

Section 28(e) of the Securities Exchange Act of 1934. The brokerage commissions and/or transaction fees or other designated broker-dealer/custodian are exclusive of, and in addition to, Presidium's investment management fee. Although the commissions paid by Presidium's clients shall comply with Presidium's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction, where the Presidium determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Presidium will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. Although the investment research products and/or services that *may* be obtained by Presidium will generally be used to service all of Presidium's clients, a brokerage commission paid by a specific client may be used to pay for research that is not used in managing that specific client's account. Presidium typically does not receive referrals from their custodians.

### Item 13 Review of Accounts

Presidium periodically reviews all client accounts. All account are overseen by the owners, founders of the firm and reviewed usually on a daily basis but at least monthly and quarterly. Clients receive their monthly statement directly from the custodian and on an as needed basis by Presidium. Performance reports are sent out on a periodic basis usually quarterly. Other reports are sent out per client requests.

### Item 14 Client Referrals and Other Compensation

If a client is introduced to Presidium by either an unaffiliated or an affiliated solicitor, Presidium may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Except as disclosed below, any such referral fee shall be paid solely from Presidium's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Presidium by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of the Presidium's written disclosure statement as same is set forth on Part II of Form ADV, including this Schedule F, together with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between the Presidium and the solicitor, including the compensation to be received by the solicitor from Presidium. Any affiliated solicitor of Presidium shall disclose the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of Presidium's written disclosure statement as same is set forth on Part II of Form ADV, including Schedule F.

### Item 15 Custody

Clients will receive on a monthly basis directly from the custodian account statements. These statements should be carefully reviewed from the custodian.

### Item 16 Investment Discretion

Presidium primarily invests on behalf of the client with discretionary authority given to the firm by the client. This is fully disclosed on the account opening documents.

### Item 17 Voting Client Securities

Presidium will not be required to take any action or render any advice with respect to voting of proxies solicited by or with respect to the issuers of securities in which assets of the account may be invested from time to time. In addition, Presidium will not take any action or render any advice with respect to any

securities held in the account, which are named in or subject to class action lawsuits. Presidium will, however, forward to clients any information received by Presidium regarding class action legal matters involving any security held in the account. Further, Presidium may, only at the client's request, offer clients advice regarding corporate actions and the exercise of proxy voting rights. Presidium will vote proxies for clients if clients choose Presidium to do so.

## Item 18 Financial Information

Presidium Partners has no financial condition that is reasonably likely to impair its ability to meet contractual obligations to clients.

## Item 19 Requirements for State-Registered Advisers

### **A. EDUCATION AND BUSINESS STANDARDS**

All individuals that offer advice on behalf of the Registrant must have earned a college degree and/or have substantive investment related experience. In addition, all such individuals shall have attained all required investment-related licenses and/or designations

### **EDUCATION AND BUSINESS BACKGROUND**

#### **Robert Steven Farrell,**

*Year of Birth:* 1960

*Formal Education After High School:*

- Brigham Young University 1987, BA Cum Laude and with University Honors in Economics
- The Harvard Business School 1994, MBA

*Business Background:*

- *Presidium Partners LLC, Managing Partner – August 2007-Current*
- Alpine Capital Management, LLC, President & CEO- July 2004 - 2007
- Credit Suisse First Boston, Private Client Services Group, – Vice President September 1997 – July 2004
- Montgomery Securities, Private Client Services Group - August 1994-September 1997

#### **Franklin C. Newsom**

*Year of Birth:* 1963

*Formal Education After High School:*

- The Wharton School of Business, Master's of Business Administration
- The University of Pennsylvania, Master's of International Studies
- Brigham Young University, Bachelor of Arts in Economics

*Business Background:*

- *Presidium Partners LLC, Managing Partner – August 2007-Current*
- Alpine Capital Management, LLC – Chief Financial Officer 2004-2007
- Whole Grain Bread Company, President and CEO, 1992-April, 2004

B. The principles are not engaged in any other outside businesses

C. Neither Presidium, nor its principals, is compensated for advisory-services with performance based fees.

D. Neither Presidium, nor its principals, has ever been the subject of arbitration claim.



Form ADV Part 2B

Item 1 Cover Page

Firm Name: Presidium Partners

Firm Address: 2400 Camino Ramon, Ste 178, San Ramon, CA 94583

Phone: 925-855-9899 Fax: 925-790-0333

Website: [www.presidiumpartners.com](http://www.presidiumpartners.com)

Date: February 28, 2012

Disclaimer: This brochure supplement provides information about R. Steven Farrell Managing Partner, Franklin C. Newsom, Managing Partner and David Harden, Investment Advisor Representative that supplements Presidium Partners brochure. You should have received a copy of that brochure. Please contact R. Steven Farrell if you did not receive Presidium's brochure or if you have any questions about the contents of this supplement.

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

## Item 2 Educational Background and Business Experience

### **EDUCATION AND BUSINESS BACKGROUND**

#### **Robert Steven Farrell**

*Year of Birth:* 1960

*Formal Education After High School:*

- Brigham Young University 1987, BA Cum Laude and with University Honors in Economics
- The Harvard Business School 1994, MBA

*Business Background:*

- *Presidium Partners LLC, Managing Partner – August 2007-Current*
- Alpine Capital Management, LLC, President & CEO- August 2004 – 2007
- Donaldson, Lufkin & Jenrette/Credit Suisse First Boston , Private Client Services Group, – Vice President September 1997 – July 2004
- Montgomery Securities, Private Client Services Group - August 1994-September 1997

#### **Franklin C. Newsom**

*Year of Birth:* 1963

*Formal Education After High School:*

- The Wharton School of Business, Master's of Business Administration
- The University of Pennsylvania, Master's of International Studies
- Brigham Young University, Bachelor of Arts in Economics

*Business Background:*

- *Presidium Partners LLC, Managing Partner – August 2007-Current*
- Alpine Capital Management, LLC – Chief Financial Officer 2004-2007
- Whole Grain Bread Company, President and CEO, 1992-April, 2004

#### **David Harden**

*Year of Birth:* 1972

*Formal Education After High School:*

- Southern Utah State College 1990
- Salt Lake Community College – 1993-1995
- Boston College – 1996-1998
- Boston University – 1999-2001

*Business Background:*

- Summit Global Investments, President and Portfolio Manager – 2012 – Present
- Presidium Partners, LLC, IAR, October 2010-Current
- Ensign Peak Advisors, Vice President, Senior Portfolio Manager, 2007-2012
- ICS, Consultant, 2006-2007
- Evergreen Investment, Senior Technology Manager, 2004-2006
- Harden Software, LLC, 2000-2004
- Fidelity Investments, various, 1993-2000

### Item 3 Disciplinary Information

R. Steven Farrell, Franklin C. Newsom and David Harden have never had any disciplinary actions including but not limited to criminal or civil actions, administrative proceedings before the SEC or any other federal or state regulatory agency or self-regulatory organization.

### Item 4 Other Business Activities

R. Steven Farrell and Franklin C. Newsom have no other outside business activities outside of Presidium Partners. David Harden remains employed as a Vice President, Senior Portfolio Manager of Ensign Peak Advisors and as President of Summit Global Investments. Dave Harden will be focused on his work at Ensign Peak Advisors and Summit Global Investments. Summit Global Investments is a low-volatility investment strategy employed by Dave Harden. Dave Harden has joined Presidium Partners as an Independent Account Representative to launch Summit Global Investments. R. Steven Farrell and Franklin C. Newsom in partnership with Dave Harden will provide primarily back-office services for Summit Global Investments.

### Item 5 Additional Compensation

None

### Item 6 Supervision

R. Steven Farrell serves as the Chief Compliance Officer for Presidium Partners. Franklin C. Newsom serves as the SAA, Super Account Administrator for Presidium. R. Steven Farrell can be reached at 925-855-9899. All individuals under supervision have been provided with a copy of the firm's compliance manual and sign off on periodic reviews, trading reviews and the firm's policies, procedures and Code of Ethics.