

## **Firm Brochure**

(Part 2A of Form ADV)

### **Harvest Oak Capital LLC**

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This brochure provides you with information about the qualifications, business practices and nature of advisory services of HARVEST OAK CAPITAL LLC, all of which should be considered before becoming an advisory client of our firm. Please contact Michael V. Conrad, Managing Member, if you have any questions about this narrative brochure.

Harvest Oak Capital is an investment advisory firm that is registered with U.S. Securities and Exchange Commission ("SEC") as an investment adviser that primarily specialized in portfolio investment management services. Additional information about the firm is available at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number known as a CRD number. The CRD number for the firm is 150073.

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**Item 2****MATERIAL CHANGES**

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**ANNUAL UPDATE**

This section of our brochure will reflect the annual update of any material changes that occur after issuance and delivery of our firm's brochure.

**MATERIAL CHANGES SINCE THE LAST UPDATE**

The U.S. Securities and Exchange Commission issued a final rule in October 2010 requiring advisers to provide a Firm Brochure in narrative "plain English" format. The new final rule specifies mandatory sections and organization.

**FULL BROCHURE AVAILABLE**

If you would like to receive a copy of our Firm Brochure, please contact us by telephone at 404-671-3586 or by email at [conradgroup@harvestoakcap.com](mailto:conradgroup@harvestoakcap.com).

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**Item 4. ADVISORY SERVICES**

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**A. FIRM DESCRIPTION**

HARVEST OAK CAPITAL LLC ("Harvest Oak", or "Firm") is a Georgia limited liability company that was founded in 2009. The managing partner of the firm is Michael V. Conrad. Michael is also one of three Investment Adviser Representatives for the Firm.

**B. TYPES OF ADVISORY SERVICES**

Harvest Oak Capital provides investment management services to high net worth families, foundations, and institutional investors whose primary objective is to preserve and enhance capital. Harvest Oak's approach is to help each client individually establish and then meet specific goals, while staying within the risk tolerance level indicated by each client. Harvest Oak accomplishes this by spending focused time with each client, asking questions, and discussing alternative ideas with the client.

**1. PORTFOLIO MANAGEMENT**

Harvest Oak provides discretionary portfolio management services where the client invests in one of the portfolio strategies offered by Harvest Oak Capital. Subject to any written specific guidelines, which the client may provide, Harvest Oak will be granted discretion and authority to manage the account. Accordingly, Harvest Oak is authorized to perform various functions, at the client's expense, without prior approval from the client.

At the beginning of the relationship, Harvest Oak meets with the new client, gathers information, performs research and analysis as necessary and then decides which portfolio strategy or combination of strategies is best suited for the client. Once the investment is made, Harvest Oak will provide supervision and re-balancing of the portfolio as changes in market conditions and as client's circumstances may require. These objectives and other data are commonly revised or updated over time. In some instances, these changes are made in writing; in others, they are agreed to verbally. Prior to engaging Harvest Oak to provide any of the aforementioned investment advisory services, the client will be required to enter into one or more written agreements with Harvest Oak setting forth the terms and conditions under which Harvest Oak shall render its services (collectively the "Agreement.").

Clients are advised to promptly notify Harvest Oak if there are any material changes in their financial situation, investment objectives, or in the event they wish to alter any restrictions upon investment management services.

Harvest Oak at no time shall have custody of any Client's funds or securities, as the services of an independent qualified custodian will be used for these asset management services. Harvest Oak does not represent, warrant, or imply that the services or methods of analysis used by the firm can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections.

**C. TAILORED SERVICES**

The portfolio management advisory services offered by Harvest Oak Capital are based on individual needs of the clients and the suitability of products and services. Advice is based on thorough assessment of client's goals, objectives, investment horizon, and risk tolerance.

**D. WRAP FEE PROGRAMS**

Harvest Oak Capital is not a sponsor of any Wrap Fee Program(s).

## E. ASSETS UNDER MANAGEMENT

Harvest Oak Capital currently manages approximately \$47,200,000 in client assets; 45 accounts representing \$38,500,000 are managed on a discretionary basis and 62 accounts representing \$8,700,000 are managed on a non-discretionary basis. The assets-under-management amount is based on calculations as of December 31, 2010.

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## **Item 5 FEES AND COMPENSATION**

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### A. ADVISORY FEES

Harvest Oak Capital earns its fees and compensation by providing advisory services.

#### PORTFOLIO MANAGEMENT FEES

Our fee schedule for personal Portfolio Management services generally ranges from 0.50% to 1.50%. Our fees are negotiable and the fee is determined in conjunction with the investment strategy selected, the size of the account, and the services covered.

### B. BILLING PROCEDURES

#### 1. PORTFOLIO MANAGEMENT ACCOUNT FEES

Upon the client's engagement of Harvest Oak to provide portfolio management services, Harvest Oak shall perform such services for an annual fee based on a percentage of client assets under management (the "Management Fee").

Portfolio Management fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees may be prorated accordingly. Either party may terminate the Management Agreement upon thirty (30) days' written notice. In the event of termination, any paid but unearned fees will be promptly refunded to the client, and any fees due to Harvest Oak from the client will be invoiced.

The annual fee schedule for these services is, generally, as follows:

Up to \$5,000,000	1.00% per year
Next \$5,000,000	0.75% per year
Next \$10,000,000	0.50% per year
Balance above \$20,000,000	Negotiable

The Management Fee will be exclusive of and in addition to brokerage commissions, transaction fees, and any other costs or expenses incurred by the client and payable to client's broker. Harvest Oak will not receive any portion of these commissions, transaction fees, or other brokerage costs.

All fees paid to Harvest Oak for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other expenses. If the fund also imposes a sales charge, a client could pay an initial or deferred sales charge. Fees paid to Harvest Oak are exclusive of all custodial and transaction costs paid to account custodian, brokers or other third party consultants. The client should review all fees charged by mutual funds, Harvest Oak and others to fully understand the total amount of fees to be paid by the client

Under certain circumstances and at the sole discretion of Harvest Oak, the Management Fee may be negotiated.

## C. OTHER FEES & EXPENSES

### 1. PORTFOLIO MANAGEMENT ACCOUNTS

The Management Fee will be exclusive of and in addition to brokerage commissions, transaction fees, and any other costs or expenses incurred by the client and payable to client's broker. Harvest Oak will not receive any portion of these commissions, transaction fees, or other brokerage costs.

All fees paid to Harvest Oak for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds (described in each fund's prospectus) to their shareholders. These fees will generally include a management fee and other expenses. If the fund also imposes a sales charge, a client could pay an initial or deferred sales charge. Fees paid to Harvest Oak are exclusive of all custodial and transaction costs paid to account custodian, brokers or other third party consultants. The client should review all fees charged by mutual funds, Harvest Oak and others to fully understand the total amount of fees to be paid by the client

### 2. THIRD PARTY MONEY MANAGER

Powell Investment Advisors LLC serves as the sub-advisor for Harvest Oak Capital's Target Closed-End Fund Portfolio strategy. Powell Investment Advisors receives compensation from Harvest Oak Capital in the form of a management fee. The management fee is paid quarterly in arrears in an amount that is determined under a pre-defined compensation agreement between Powell Investment Advisors and Harvest Oak Capital.

Clients who invest in this portfolio strategy will be billed in the same manner as described in item B.1 however the annual fee schedule for the Target Closed-End Fund Portfolio strategy is as follows:

Up to \$5,000,000	1.25% per year
Next \$5,000,000	1.00% per year
Next \$10,000,000	0.75% per year
Balance above \$20,000,000	Negotiable

### 3. FINANCIAL PLANNING AND CONSULTING SERVICES

As part of the financial advisory services, Harvest Oak periodically will provide to its clients comprehensive financial planning services, typically regarding the management of their financial resources based upon an analysis of their individual needs. The topics frequently covered include retirement planning, investment selections, insurance planning, tax planning, planning for children and grandchildren's education, gift programs, wealth transfer planning, business succession planning and estate planning. Financial planning services may include consultations and/or written plans that analyze a client's financial situation and make appropriate recommendations for strategies.

These services are provided at no additional charge and are part of the portfolio management services and fees.

## D. FEE PAYMENT & REFUND POLICY

Portfolio Management fees are generally payable quarterly, in advance. If management begins after the start of a quarter, fees may be prorated accordingly. Either party may terminate the Management Agreement upon thirty (30) days' written notice. In the event of termination, any paid but unearned fees will be promptly refunded to the client, and any fees due to Harvest Oak from the client will be invoiced.

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### **Item 6                      PERFORMANCE BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

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Harvest Oak Capital does not charge performance fees and does not conduct side-by-side investment product management.

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**Item 7                    TYPES OF CLIENTS**

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Harvest Oak Capital provides investment management services to individuals, high net-worth families, foundations, and institutional investors. Harvest Oak Capital does not impose a minimum account value for advisory services.

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**Item 8                    METHODS OF ANALYSIS, INVESTMENT STRATEGIES, AND RISK OF LOSS**

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**A. METHODS OF ANALYSIS**

Harvest Oak Capital uses regression analysis along with tactical asset allocation. Regression analysis does not rely on forecasting but utilizes evaluation of historical return data to determine the probability of sustaining investment market fundamentals. The main sources of information that we use includes but is not limited to financial newspapers, websites and magazines, inspections of corporate activities, research material prepared by others, and annual reports, prospectuses, and corporate filings with the SEC.

**B. INVESTMENT STRATEGIES**

The development of an investment strategy begins with an evaluation of all the conditions that impact portfolio return. These include taxes, inflation, fees, commissions, and trading spreads. The overall concept of the strategy is that all asset classifications, from intermediate bonds to small cap growth, have a historical pattern of investment return and tend to regress to the mean or average historical trend pattern. Harvest Oak believes that regression analysis, along with tactical asset allocation, can provide a guide to achieving investment returns while minimizing downside risk. The strategy uses a combination of real estate, bonds, and stocks to balance risks. Harvest Oak generally focuses on the liquid investment portion of a client's total portfolio. Generally speaking, in a stable economic period a balanced diversified portfolio made up of roughly 50/50 bonds/cash reserves and stocks is the optimal target. In market extremes the target will range from 80/20 to 20/80 using optimization tools to rebalance in an effort to provide additional returns while limiting risks.

**Portfolio Composition**

Harvest Oak utilizes three different portfolio strategy compositions, as follows:

- (1) Equity Allocation: To gain exposure to Large Cap, Small/Mid Cap, International and Emerging Markets, mutual funds, exchange traded funds, or separately managed accounts are used.
- (2) Fixed Income Allocation: This will generally include Money Markets, CD's, US Treasuries/Agencies, bonds, mutual funds, exchange traded funds, or separately managed accounts, as well as US Corporate bonds, International bonds and senior bank loans.
- (3) Alternative Asset Allocation: This includes hedge funds, commodities, precious metals, oil & gas, real estate, and derivatives focused on inverse market indices. Most of these investments will consist of mutual funds, exchange traded funds and/or limited partnerships.

**Client Restrictions**

Clients have the right to impose certain restrictions on Harvest Oak, such as prohibiting the sale of certain stocks held in the account at the commencement of the relationship. Such restrictions and guidelines imposed by clients affect the composition and performance of portfolios. For these and other reasons, performance of portfolios within the same investment objective may differ and clients should not expect that the performance of their portfolios would be identical with the average client of Harvest Oak.

Harvest Oak encourages and promotes regular dialogue with clients and with their other advisors, such as

attorneys, accountants and other professionals.

### C. RISK OF LOSS

Notwithstanding the method of analysis or investment strategy employed by the Firm, the assets within a Client account are subject to risk of devaluation or loss. Harvest Oak wants investors to be aware that there are many different events that can affect the value of their assets or portfolio including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

All investment programs have certain risks that are borne by the investor. Harvest Oak's investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar will be worth more today than a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

While this information provides a synopsis of the events that may affect a client's investments, this listing is not exhaustive. Investors should understand that there are inherent risks associated with investing and depending on the risk occurrence; an investor may suffer LOSS OF ALL OR PART OF HIS OR HER PRINCIPAL INVESTMENT.

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### **Item 9                      DISCIPLINARY INFORMATION**

Harvest Oak Capital's managing member, Michael Conrad, was subject to regulatory action initiated by the State of Michigan in 1989. Mr. Conrad, then employed by Flagship Investments, Inc., voluntarily withdrew his Michigan



registration and subsequently failed to pay the \$15 balance of the state's \$30 renewal fee which resulted in a regulatory action disclosed on Mr. Conrad's U-4.

In addition, Mr. Conrad is named as one of approximately 253 defendants in an investment-related civil litigation. From 2007 to 2009, Mr. Conrad worked for the Stanford Group Company. On February 16, 2009, the United States Securities and Exchange Commission commenced a lawsuit against Stanford International Bank, Stanford Group Company, and Stanford Capital Management, LLC (collectively "Stanford") for marketing fraudulent SIC CDs to investors. The assets of Stanford were placed into Receivership. All Financial Advisors working for the Stanford Group during this time period have been named as defendants in a complaint filed by the Receiver for Stanford in August 2009. The Receiver is requesting a return of proceeds from all the financial advisors associated with Stanford. The Receiver's complaint for summary adjudication for proceeds from CD sales is still pending.

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<b>Item 10</b>	<b>OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS</b>
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**A. FINANCIAL INDUSTRY ACTIVITIES**

Harvest Oak Capital is not a registered Broker-Dealer, Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor. However, its managing principal and supervised persons are dually registered representatives of broker-dealer Walnut Creek Capital Advisors LLC.

**B. FINANCIAL INDUSTRY AFFILIATIONS**

None of Harvest Oak Capital's management or supervised persons is registered as, or has an application pending to register, as a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor.

**C. OTHER AFFILIATIONS**

The Managing Principals and supervised persons of Harvest Oak Capital are registered representatives of Walnut Creek Capital Advisors LLC. This dual registration affords the ability to effect securities transactions through broker-dealers on behalf clients. In their capacity as registered representatives, they are, by and through broker-dealer, Walnut Creek Capital Advisors affiliated with FINRA (Financial Industry Regulatory Authority). In their registered capacities, they received separate, yet customary compensation for effecting transactions.

Acting in dual capacities may pose conflicts of interest or may give the perception of conflicts of interest due to the receipt of compensation giving advice and effecting transactions. Any conflicts of interest or perceived conflicts of interest will be disclosed to the client in writing and in advance of effecting such transactions.

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<b>Item 11</b>	<b>CODE OF ETHICS, PARTICIPATION, OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING</b>
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**A. CODE OF ETHICS**

All employees of Harvest Oak Capital must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, Harvest Oak Capital has determined to adopt a Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or at least the potential for or the appearance of such a conflict), and to establish reporting requirements and enforcement procedures relating to personal trading by Harvest Oak Capital personnel. Harvest Oak Capital's Code of Ethics, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties,

establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. Harvest Oak Capital will provide a copy of its Code of Ethics to any client or prospective client upon request.

#### B. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS

Harvest Oak Capital does not make recommendation of, or effect transactions in, securities which any related person may have material financial interest.

#### C. PROPRIETARY TRADING

At times, representatives of Harvest Oak Capital may buy or sell securities in their own accounts that have also been recommended to clients. Harvest Oak Capital will always document any transactions that could be construed as conflicts of interest. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, Harvest Oak will monitor any and all proprietary and personal trading reports for adherence to the Code of Ethics.

#### D. SIMULTANEOUS TRADING

From time to time, representatives of Harvest Oak Capital may buy or sell securities for themselves at or around the same time as clients. In any instance where similar securities are being bought or sold, representatives of Harvest Oak will uphold their fiduciary duty by always transacting on behalf of a client before transacting for their own benefit.

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### **Item 12                      BROKERAGE PRACTICES**

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#### A. SELECTION AND RECOMMENDATION

All clients will have the opportunity to select the custodian and/or broker/dealer of their choice. Depending on the choice made by the client, Harvest Oak may or may not have the opportunity to negotiate commissions paid by the client, and Harvest Oak's ability to obtain best execution may be impaired. Under normal circumstances, Harvest Oak will select the broker/dealer for all trades made on behalf of discretionary clients. The broker/dealer selected to execute trades may be different from the custodian chosen by the client.

##### **1. SUGGESTED BROKERS**

Where Harvest Oak has discretion with respect to broker-dealer selection, the firm will seek "best execution" for each trade, which is a combination of price, quality of execution and other factors. In making brokerage determinations, Harvest Oak will consider a number of judgmental factors, including, without limitation: a.) clearance and settlement capabilities; b.) quality of confirmations and account statements; c.) the ability of the broker to settle the trade promptly and accurately; d.) the financial standing, reputation and integrity of the broker-dealer; e.) the broker-dealer's access to markets, research capabilities, market knowledge, and any "value added" characteristics; f.) Harvest Oak's past experience with the broker-dealer; g.) Harvest Oak's past experience with similar trades; and h.) other factors. Recognizing the value of these factors, clients may pay a brokerage commission in excess of that which another broker might have charged for effecting the same transaction.

Whenever given the discretion to do so, Harvest Oak endeavors to select those brokers or dealers which will provide the best services at the lowest commission rates possible.

The evaluation of the reasonableness of commission rates is based on the broker's ability to provide professional services, competitive commission rates, research and other services which will help Harvest Oak in providing investment advisory services to clients. Harvest Oak may therefore recommend (or use) the use of a broker/dealer who provides useful research and securities transaction services even though a lower commission may be charged by a different broker/dealer, who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all of Harvest Oak's clients, and not all of such research may be useful

for the account for which' the particular transaction was effected.

While Harvest Oak will allow clients to maintain accounts at any brokerage firm, Harvest Oak generally will recommend that clients establish brokerage accounts with Fidelity Institutional Investments Brokerage Group, a registered broker dealer Member SIPC.

## 2. BROKERAGE FOR CLIENT REFERRALS

Harvest Oak Capital does not receive client referrals from broker-dealers or third parties in exchange for using that broker-dealer or third party.

## 3. DIRECTED BROKERAGE

Clients may direct Harvest Oak to use a particular broker for custodial or transaction services on behalf of the client's portfolio. In directed brokerage arrangements the client is responsible for negotiating the commission rates and other fees to be paid to the broker. Accordingly, a client who directs brokerage should consider whether such designation may result in certain costs or disadvantages to the client, either because the client may pay higher commissions or other account fees, obtain less favorable execution, or the designation limits the investment options available to the client. By directing brokerage arrangements, the client acknowledges that these economies of scale and levels of efficiency are generally compromised when alternative broker/dealers are used. While every effort is made to treat every client equally, the fact that a client chooses to use the brokerage and/or custodial services of these alternative service providers may in fact result in a certain degree of delay in executing trades and otherwise effectively managing the account(s).

## B. ORDER AGGREGATION

From time to time, Harvest Oak may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple discretionary accounts. Trades are placed with brokers in a systematically rotated order. Average execution price and average commission rates are applied to all accounts making up the block trade with a specific broker. In the event of a partial fill, prices and commissions are applied to accounts in a systematically rotated order. When trading in one "block" where pieces are executed at different prices, an average price is given to all participants in the trade, ensuring that all clients are treated fairly. [If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts

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## **Item 13                      REVIEW OF ACCOUNTS**

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### A. PERIODIC REVIEWS

Harvest Oak Capital's criterion for reviewing client accounts is as follows:

#### 1. INVESTMENT MANAGEMENT REVIEWS

Harvest Oak Capital reviews its client's account activity on a monthly basis. Harvest Oak Capital's Investment Adviser Representatives are responsible for conducting the review of client accounts. The reviews are monitored by the Chief Compliance Officer. The reviews consist of determining whether client portfolios are aligned with the investment goals and objectives of each client.

#### 2. MONITORING OTHER ADVISERS

Harvest Oak monitors the performance of the third party money managers and if necessary, recommends new investment strategies or managers. Harvest Oak will assist clients in determining the appropriate allocation of the

client's invested assets among different asset classes, and in turn may select one or more third-party money managers who specialize in each of those asset classes. In such cases, the client will receive the Form ADV Part 2A of each selected third-party money manager and will enter into a separate investment management agreement with each third-party money manager selected by Harvest Oak Capital. The third-party manager will be granted discretionary trading authority to provide investment supervisory services for that portion of the client's portfolio allocated to that particular third-party money manager. Harvest Oak's role will be to monitor the overall financial situation of the client, to monitor the investment approach and performance of the third party manager, and to assist the client in understanding the investments of the portfolio. Alternatively, Harvest Oak may hire one or more sub advisers to assist in providing investment supervisory services for that portion of the client's portfolio allocated to that particular sub adviser. In such cases, the sub adviser will act as an advisor or consultant to Harvest Oak and may recommend specific trades to Harvest Oak, but Harvest Oak will alone maintain discretionary trading authority over the client's account.

#### B. INTERMITTENT REVIEW FACTORS

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or by changes in financial status of a client (such as retirement, termination of employment, relocation, or inheritance).

#### C. CLIENT REPORTS

Clients will receive a report at least quarterly from their custodian, detailing their account performance. Upon request, Harvest Oak Capital may also provide a written summary of a client's portfolio or other reports if applicable.

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### **Item 14                      CLIENT REFERRALS AND OTHER COMPENSATION**

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#### A. ECONOMIC BENEFITS FOR ADVISORY SERVICES RENDERED

Harvest Oak Capital does not receive and does not have any arrangement to receive economic benefits (such as sales awards or other prizes) from any third-party for providing investment advice or other advisory services to clients.

#### B. COMPENSATION FOR CLIENT REFERRALS

Harvest Oak Capital does not compensate any third-party for client referrals.

### **Item 15 CUSTODY**

#### A. CUSTODIAN OF ASSETS

Harvest Oak Capital does not have direct custody of any client funds or securities. Harvest Oak has indirect custody of client funds and securities by virtue of discretionary authority. Client's assets are held by the custodian of the client's choice.

#### B. ACCOUNT STATEMENTS

Client statements will be mailed by each client's individual custodian. Upon receipt, clients should review statements carefully and compare asset values, holdings, and fees to that in the report issued the previous quarter.

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### **Item 16                      INVESTMENT DISCRETION**

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#### A. DISCRETIONARY AUTHORITY

It is Harvest Oak Capital's customary procedure to have full discretionary authority in order to supervise and direct the investments of client accounts. Authority is granted upon execution of the Investment Advisory Agreement. This authority is for the purpose of making and implementing investment decisions, without prior consultation. All investment decisions are made in accordance with the stated investment objectives of the client. Clients should inform the firm of restrictions that they would like to impose regarding investment strategies or types of securities transactions within their account(s).

#### 1. STANDARD LIMITATIONS

Discretionary authority does not give authority to take or have possession of any assets or to direct delivery of any securities or payment of any funds held in the account. Furthermore, authority by agreement does not allow Harvest Oak to direct the disposition of such securities or funds to anyone except the account owner.

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#### **Item 17 VOTING CLIENT SECURITIES**

Harvest Oak Capital and its representatives do not participate in proxy voting on behalf of clients. Clients are responsible for directing their own proxies solicit by issuers of securities. Clients are responsible for making elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings and other type events pertaining to the securities in their accounts. Investors will receive proxy and other solicitation information by mail from the broker-dealer and must follow the solicitation instructions for voting included with the information.

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#### **Item 18 FINANCIAL INFORMATION**

Harvest Oak does not have any financial impairment that will preclude the firm from meeting contractual commitments to clients. A balance sheet is not required to be provided, because Harvest Oak does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$600 per client, six months or more in advance. The Firm has not been the subject of a bankruptcy petition at any time during the last 10 years.

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#### **Item 19 REQUIREMENTS FOR STATE REGISTERED ADVISORS**

##### A. Firm Management

Michael Conrad is majority owner of Harvest Oak Capital LLC, holding 80% ownership. In addition to serving as Managing Member, Michael Conrad is the President and also an Investment Adviser Representative of the Firm. Cara Stevens is also a member of the firm holding 20% ownership. Cara also serves as Vice President and Chief Compliance Officer of the firm as well as Investment Adviser Representative. Lily Hsieh serves as Vice President and Investment Adviser Representative of the firm. The education and business background for management and investment adviser representatives can be found in the attached Brochure Supplement (Form ADV 2B) for the Firm.

##### B. Other Business Activities

The Managing Principals and supervised persons of Harvest Oak Capital are registered representatives of Walnut Creek Capital Advisors LLC. This dual registration affords the ability to effect securities transactions through broker-dealers on behalf clients. In their capacity as registered representatives, they are, by and through broker-dealer, Walnut Creek Capital Advisors affiliated with FINRA (Financial Industry Regulatory Authority). In their registered capacities, they received separate, yet customary compensation for effecting transactions.

Acting in dual capacities may pose conflicts of interest or may give the perception of conflicts of interest due to the receipt of compensation giving advice and effecting transactions. Any conflicts of interest or perceived conflicts of interest will be disclosed to the client in writing and in advance of effecting such transactions.

#### C. Performance-Based Fees

As stated in Item 6, Harvest Oak Capital **does not** assess Performance-Based Fees (“Performance Allocations”).

Performance Fees are based on a share of the capital gains or capital appreciation of the assets of a client. Fees based on performance means Harvest Oak participates directly in the account’s results. Performance-based compensation may create an may, indirectly, create an incentive for the Firm to make investments on behalf of the Clients that are riskier or more speculative than would be the case in the absence of such allocation.

#### D. Disciplinary Disclosure Reporting

##### D.1. Arbitration Claims

Neither the firm nor its management person(s) has been found liable in any arbitration claim alleging damages in excess of \$2,500 involving an investment or investment-related business or activity, fraud, false statements or omissions, theft, embezzlement or other wrongful taking of property, bribery, forgery counterfeiting or extortion or dishonest, unfair or unethical practices.

##### D.2. Civil, Self -Regulatory Organization (SRO), or Administrative Proceeding

Neither the firm nor its management person(s) has been found liable in any civil, self-regulatory organization, or administrative proceeding involving an investment or investment related business or activity, fraud, false statements or omissions, theft embezzlement or other wrongful taking of property bribery, forgery, counterfeiting, or extortion; or dishonest, unfair or unethical practices.

#### E. Relationships or Arrangements with Securities Issuers

Neither the firm nor its management person(s) has any relationship or arrangement with any issuer of securities.