

Servus Capital Management, LLC

**1149 Vista Park Drive, Suite A
Forest, Virginia 24551**

Main Phone Number: (434) 316-0246

Toll Free Phone Number: (866) 396-6861

Fax Number: (866) 797-6711

www.ServusCM.com

3/30/2012

FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of Servus Capital Management, LLC. If you have any questions about the contents of this brochure, please contact us at (434) 316-0246 or Michael.Amendola@servuscm.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 Servus Capital Management is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Servus Capital Management is 150195. This brochure also provides information about the qualifications and business practices of Allan K. Malina, the President of Servus Capital Management. The searchable IARD/CRD number for Allan K. Malina is 4570812. If you have any questions about the contents of this brochure, please contact us at (434) 316-0246 or Michael.Amendola@servuscm.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.

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

Table of Contents

<i>Advisory Business.....</i>	<i>1</i>
<i>Fees and Compensation</i>	<i>3</i>
<i>Performance-Based Fees and Side-By-Side Management</i>	<i>6</i>
<i>Types of Clients.....</i>	<i>7</i>
<i>Methods of Analysis, Investment Strategies and Risk of Loss.....</i>	<i>9</i>
<i>Disciplinary Information.....</i>	<i>11</i>
<i>Other Financial Industry Activities and Affiliations</i>	<i>13</i>
<i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</i>	<i>15</i>
<i>Brokerage Practices</i>	<i>16</i>
<i>Review of Accounts.....</i>	<i>19</i>
<i>Client Referrals and Other Compensation.....</i>	<i>20</i>
<i>Custody.....</i>	<i>21</i>
<i>Investment Discretion</i>	<i>22</i>
<i>Voting Client Securities.....</i>	<i>23</i>
<i>Financial Information.....</i>	<i>24</i>
<i>Requirements for State-Registered Advisers.....</i>	<i>25</i>
<i>Additional Information.....</i>	<i>26</i>

Advisory Business

Form ADV Part 2A, Item 4

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

Notes: (1) For purposes of this item, your principal owners include the persons you list as owning 25% or more of your firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If you are a publicly held company without a 25% shareholder, simply disclose that you are publicly held. (3) If an individual or company owns 25% or more of your firm through subsidiaries, you must identify the individual or parent company and intermediate subsidiaries. If you are an SEC-registered adviser, you must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries. If you are a state-registered adviser, you must identify all intermediate subsidiaries.

Servus Capital Management (SCM) is a Registered Investment Advisor (RIA) firm. As a RIA firm we are required to give our clients the best advice available to us, so they achieve their financial goals. Working with our clients is a privilege and our goal is to serve in as many ways as possible. We realize people, just like you, want to be appreciated, valued and heard as they work with a trusted financial firm to achieve their goals; we strive to do just that. SCM is wholly owned by the President, Allan K. Malina. SCM has been doing business since June 5, 2009.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

Servus Capital Management provides financial planning and portfolio management to our clients. As we work with our clients to provide financial planning, we try to use a holistic approach that will help our clients meet their goals. A few of the areas we help with are: retirement, education, estate, and insurance planning.

Servus Capital Management uses a three pronged approach to manage our client's portfolios:

- Assess the economic environment
- Determine asset class
- Engage price overlay

SCM designs a portfolio according to the client's goals, risk tolerance, comfort level and needs. Once these objectives are met, the investment vehicles are chosen.

An accurate assessment of the economic environment is important as it provides important information for SCM to decide the appropriate investment vehicles for the client. Once SCM determines the best asset classes and investments to use, then sometimes a price overlay strategy is used to determine the appropriate entry point.

Besides having a personalized plan, individuals want to make sure their assets are being monitored on a constant basis. We monitor the accounts, but more importantly we regularly monitor the investments in the accounts. As SCM monitors the economy, we are also working to determine if the investment vehicles SCM is using are still appropriate to help us reach our clients goals.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

Servus Capital Management will design individual portfolios that will meet the needs of our clients from a planning standpoint but also from a conscience based approach. We respect that some clients may want a portfolio which takes into consideration their values. So we are prepared to help our clients with the design of

portfolios that meet planning needs as well as their personal convictions.

D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

Not Applicable

E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.

Note: Your method for computing the amount of "client assets you manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A. However, if you choose to use a different method to compute "client assets you manage," you must keep documentation describing the method you use. The amount you disclose may be rounded to the nearest \$100,000. Your "as of" date must not be more than 90 days before the date you last updated your brochure in response to this Item 4.E.

Servus Capital Management (SCM) manages \$128,000,000. About \$500,000 is in managed on a discretionary basis while the remainder is on a non-discretionary basis. This is calculated on March 30, 2012.

Fees and Compensation

Form ADV Part 2A, Item 5

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

Note: If you are an SEC-registered adviser, you do not need to include this information in a brochure that is delivered only to qualified purchasers as defined in section 2(a)(51)(A) of the Investment Company Act of 1940.

Fee Structure

Adviser's fee structure is outlined below. Please note that the fees outlined represent fee guidelines, and Adviser reserves the right at its sole discretion to negotiate fees with any Client or prospective Client. Clients are subject to the fee schedule outlined below. However, SCM, in its sole discretion, may charge a lesser investment management fee based upon certain criteria, such as future earnings potential, future anticipated assets to be managed, related accounts, type of account, and negotiations with clients. Multiple accounts from the same investor, family, organization, or otherwise related parties, may be combined for the purposes of calculating the total fee.

<u>Assets Under Management</u>	<u>Annual Percentage Fee</u>
Less than \$1million	1.50%
\$1 million but less than \$10 million	1.25%
\$10 million but less than \$25 million	1.00%
\$25 million but less than \$75 million	0.75%
\$75 million and above	Custom Pricing

Being a fee based financial services firm, SCM charges a simple asset based fee. Though the broker dealer who holds custody of the assets may charge a fee for their services, SCM negotiates to lower that fee on behalf of our clients. SCM charges no minimum account fee, no annual fee, no inactivity fee, no low balance fee and receives no commissions from the buying and selling of investment vehicles, like stocks, bonds, mutual funds, etc

FINANCIAL PLANNING SERVICES AND FEES

In addition to its asset management services, SCM may also offer financial planning services. The engagement of SCM to provide financial planning services is separate and distinct from a Client retaining the services of SCM to provide fee-based investment advisory services on an on-going basis
These services include the analyses of:

1. Personal financial statements;
2. Budgets and cash flows;
3. Investment strategies and plans;
4. Retirement goals and objectives;

5. Family educational needs;
6. Risk management and insurance needs;
7. Alternative strategies for estate needs; and
8. Professional/business strategies, including Business Retirement Plans, etc.

When providing the financial planning services listed above, SCM will charge a fee based upon a fixed-fee project basis. Financial planning fees are negotiable, but generally range between \$100 (minimum) to \$10,000, depending on the complexity and scope of the engagement.

B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.

Adviser shall not be compensated on the basis of a share of capital gains upon or capital appreciation of the funds in the Account.

Annual Fees are charged monthly, based upon the fair market value of the Account on the first business day of the month, and shall be collected in one of the following ways as agreed upon below by Client and Adviser. The initial monthly fees charged to new accounts established, shall be based upon the fair market value of the account on the day it is established and prorated based upon the days remaining in the initial monthly period:

Fees are to be deducted from the Client's Account held with Custodian on the second business day of the month. Fees can be debited from each Client Account respectively or a monthly invoice will be mailed to Client, which shall be payable timely by the Client. In the event that there is insufficient cash in the Client's Account, the Client will approve the sales of sufficient securities in the Account to raise sufficient cash to provide for the payment of fees.

C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

Being a fee based financial services firm, SCM charges a simple asset based fee. Though the broker dealer who holds custody of the assets may charge a fee for their services, SCM negotiates to lower that fee on behalf of our clients. SCM charges no minimum account fee, no annual fee, no inactivity fee, no low balance fee and receives no commissions from the buying and selling of investment vehicles, like stocks, bonds, mutual funds, etc.

D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

Fees are paid monthly in advance based upon the market value of the Client's portfolio on the last business day of previous month. Investment management services initiated during any monthly period will be paid when the account is established on a prorated basis to the end of the month based upon the market value of the account when the account is established. Management Fees do not include custodial fees which are charged separately to the Client by its Custodian, based fees negotiated and agreed between the Client and Custodian, nor do the investment management fees include brokerage commissions, which, if any, are included and paid by the Client on an individual basis. Either SCM or the Client may terminate their advisory agreement at any time by providing the other party with a written notice, which shall become effective ten (10) days after the receipt of the notice. Upon termination, any fees paid for a period beyond the termination date shall be returned. Fees due and payable to SCM shall be calculated and charged on a pro-rata basis from the date of the last fee payment period to the effective date of the termination. Clients that terminate their advisory relationship with SCM are responsible for the securities held in their custodial account from the effective date of the termination. Therefore, the disposition of securities held in a former Client's custodial account must be coordinated directly with the Custodian by the former Client.

E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an

incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

Not Applicable

2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

Clients or perspective clients are not required to use Servus Capital Management (SCM) to execute or purchase any investment, plan or insurance. They can use whatever agent or broker dealer they want. Also, SCM is willing to working with the custodian that the client chooses.

3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

Not applicable

4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

Note: If you receive compensation in connection with the purchase or sale of securities, you should carefully consider the applicability of the broker-dealer registration requirements of the Securities Exchange Act of 1934 and any applicable state securities statutes.

Not Applicable

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If you or any of your supervised persons accepts performance-based fees – that is, fees based on a share of capital gains on or capital appreciation of the assets of a client (such as a client that is a hedge fund or other pooled investment vehicle) – disclose this fact. If you or any of your supervised persons manage both accounts that are charged a performance-based fee and accounts that are charged another type of fee, such as an hourly or flat fee or an asset-based fee, disclose this fact. Explain the conflicts of interest that you or your supervised persons face by managing these accounts at the same time, including that you or your supervised persons have an incentive to favor accounts for which you or your supervised persons receive a performance-based fee, and describe generally how you address these conflicts.

Not Applicable

Types of Clients

Form ADV Part 2A, Item 7

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

Describe the types of clients to whom you generally provide investment advice, such as individuals, trusts, investment companies, or pension plans. If you have any requirements for opening or maintaining an account, such as a minimum account size, disclose the requirements.

Account minimums

Servus Capital Management does not have an account minimum. We believe the money, regardless how much it is, is very important to the person who owns those resources and therefore it is important to us.

Minimum amount of production per account /household or per advisor

Servus Capital Management does not have a minimum amount of revenue per account or household. We do not have a minimum amount of revenue per advisor. Currently I am the only production advisor and I do not have minimum amount of production from the clients we serve. When it comes to revenue it is simple, if there is not enough revenue, then we need more clients, not higher or more fees. We realize this is not what many broker dealers have a policy of doing, but we believe it is in the best interest of our clients to have goals of assets under management not revenue.

Family Clients

Servus Capital Management (SCM) believes strong families will ultimately lead to a strong America. Our focus when working with families is to lessen the burden families have when managing their financial resources. Our family clients include physicians, widows, attorneys, retired factory workers, young families and even college students, to name a few. We partner with our clients and serve them in a holistic approach.

That holistic approach begins by SCM meeting with them to develop a financial roadmap to help guide us where they want to go. Every family is different, not only in family dynamics but also goals, risk tolerance, and preferred investment vehicles.

As we work with our clients, we allow them to determine the depth and breadth of our service. Some of our family clients only want us to help manage their investments, while others want us to help in the budget, building of their house or finding insurance to minimize their exposure to risk.

We also determine a tailored investment portfolio. When we first meet with a prospective client, we do not bring a desired investment vehicle or goals for what they will do. We literally bring a blank sheet of paper to discover what that perspective client wants and their comfort level - it is at that point as tailored plan is made.

Non-Profit Clients

Here at Servus Capital Management (SCM) we believe life is more than accumulating stuff. To have the greatest impact in life, one must also give of his time, talent and treasure – this is a foundational principle at SCM. With this in mind, we encourage each employee to give through the non-profit of their choice but SCM also chooses to lead by giving as well.

Since giving back is so important at SCM, we have dedicated ourselves to helping non-profits achieve their goals. We realize most non-profit employees are over worked and their work is underfunded. The founder, Allan Malina worked in the non-profit arena his entire adult life until he began in this industry in 2002. So he truly understands the needs and stresses non-profits face each and every day.

With our commitment of working alongside the non-profit, we focus our services to lighten the load of the staff at the non-profit by helping them maximize their resources. We want to be an ally not just a service provider.

Business Clients

Servus Capital Management (SCM) is dedicated to helping businesses achieve their financial goals. We believe successful businesses are the life blood to helping American families realize their goals. So we are ready to help you and help your business flourish.

Regardless of the business size there are numerous challenges which face the CEO or business owner. Many of these areas are better outsourced and this is where SCM can help by designing plans to maximize the company's profits, lesson the administrate cost and make employee retention easier.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

SCM's initial focus in implementing a Client's specific investment policy is developing a macro view of the economy. The Firm analyzes the direction of the economy and makes investment choices accordingly. Once SCM develops its top-down analysis of the macro-economy, the Firm shifts its focus to the fundamental analysis of various asset classes and market sectors, and how they have responded and will respond to the current and future economic environment.

This fundamental (or bottom-up) analysis begins with various asset classes and sectors, and then moves to the analysis of specific investment vehicles. The Firm use various metrics to evaluate investment vehicles as well as their correlation to each other and the broader economy. This analysis enables the Firm to determine the best asset mix to mitigate risk and enhance returns.

Once the economic and fundamental analysis are complete and the investment vehicles are chosen, SCM conducts technical analysis to determine the appropriate entry and exit strategies for the selected investment vehicles.

During the investment management process, SCM continues its analysis and tracks the progress Clients are making toward achieving their investment goals. The Firm adjusts its investment strategy and investment vehicles as needed, thereby helping Clients maintain a level of comfort in regard to all aspects of their investment portfolio.

An overriding principal in the conduct of SCM's investment strategy is the implementation of Modern Portfolio Theory, which is based upon the belief that investors are inherently risk averse and given two investments that offer the same expected return, SCM will prefer and select for its Clients the less risky investment. Therefore, SCM will assume increased risk in a Client's portfolio only if it believes the Client is going to be adequately compensated by higher expected returns.

Although we at SCM work hard to provide the best advice and investments, sometimes losses do occur. Depending on the client profile those losses may be very large or very small. SCM does not guarantee any investment or plan. Life is full of risk and we work hard to lessen the effects of those

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

SCM uses the strategy described in the previous question. We use a diversified approach to portfolio management. The portfolios that are constructed do not involve significant or unusual risk. If a client chooses a portfolio that has a high concentration of stock we communicate to that client the risk due to exposure of a high percentage of equities. The strategies we employ are not driven by high frequency trades but rather choosing an appropriate asset allocation, thorough diversification and use of money managers or mutual funds. We sometimes will construct a portfolio of individual securities but that is the exception and not the rule.

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

SCM generally uses mutual funds or money managers for our clients to be invested in. There may be individual securities but this is rare. If a client uses individual securities we may recommend using covered calls to enhance the return. Which may limit the upside potential of the portfolio.

--

Disciplinary Information

Form ADV Part 2A, Item 9

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

Items 9.A, 9.B, and 9.C list specific legal and disciplinary events presumed to be material for this Item. If your advisory firm or a management person has been involved in one of these events, you must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in your or the management person's favor, or was reversed, suspended or vacated, or (2) you have rebutted the presumption of materiality to determine that the event is not material (see Note below). For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

Items 9.A, 9.B, and 9.C do not contain an exclusive list of material disciplinary events. If your advisory firm or a management person has been involved in a legal or disciplinary event that is not listed in Items 9.A, 9.B, or 9.C, but nonetheless is material to a client's or prospective client's evaluation of your advisory business or the integrity of its management, you must disclose the event. Similarly, even if more than ten years have passed since the date of the event, you must disclose the event if it is so serious that it remains material to a client's or prospective client's evaluation.

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

NO

2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

NO

3. was found to have been involved in a violation of an investment-related statute or regulation; or

NO

4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

NO

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; or

NO

2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;

NO

(b) barring or suspending your firm's or a management person's association with an investment-related business;

NO

(c) otherwise significantly limiting your firm's or a management person's investment-related activities; or

NO

(d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

NO

C. A self-regulatory organization (SRO) proceeding in which your firm or a management person

NO

1. was found to have caused an investment-related business to lose its authorization to do business; or

NO

2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership;

(ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

Note: You may, under certain circumstances, rebut the presumption that a disciplinary event is material. If an event is immaterial, you are not required to disclose it. When you review a legal or disciplinary event involving your firm or a management person to determine whether it is appropriate to rebut the presumption of materiality, you should consider all of the following factors: (1) the proximity of the person involved in the disciplinary event to the advisory function; (2) the nature of the infraction that led to the disciplinary event; (3) the severity of the disciplinary sanction; and (4) the time elapsed since the date of the disciplinary event. If you conclude that the materiality presumption has been overcome, you must prepare and maintain a file memorandum of your determination in your records. See SEC rule 204-2(a)(14)(iii).

NO

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

NOT APPLICABLE

B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

NOT APPLICABLE

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

1. Charles Schwab and Co., Inc.

Although SCM does not have an affiliate relationship with Charles E. Schwab and Co., Inc. ("Schwab"), it has established a close business relationship with Schwab. Schwab, the nation's largest discount broker-dealer, has developed and implemented the Schwab Institutional Program, which provides registered investments advisers, such as SCM, with a variety of important services. These services include access to an unlimited number of mutual funds from well known fund families, institutional separate account managers, exchange traded funds, individual securities, and corporate and municipal bonds. Mutual funds offered through Schwab are offered at net asset value. Schwab also provides investment advisers with electronic back office systems for reporting and recordkeeping. Schwab acts as the primary custodian for SCM's Clients. Although it is not a material consideration in determining to use and recommend that Clients utilize the services of Schwab as broker-dealer/custodian, SCM receives certain support services and/or products without cost, or at a reduced cost, which assists SCM to better monitor and service Client accounts maintained at Schwab. Included among the support services that may be provided by Schwab as the broker-dealer/custodian, and received by SCM, are investment related research; pricing information and market data; software and other technology that provides access to Client account data; compliance publications and information; attendance at broker-dealer/custodian sponsored conferences, meetings and other educational events; computer hardware and/or software; and other products used by SCM in furtherance of its investment advisory business activities.

Some of the support services provided to SCM by Schwab may also be provided by other custodians used by SCM's Clients.

8. SCM does offer insurance products. They will include non-security insurance products such as life and long term care insurance. SCM will do the due diligence and provide to our clients various choices that would meet their needs. SCM provides options to the client as to the company and type of insurance.

D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

NOT APPLICABLE

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

Form ADV Part 2A, Item 11

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to SEC rule 204A-1 or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.

SCM has implemented a Code of Ethics (the "Code"), which is available to Clients and potential Clients upon request. The Firm places great emphasis on complying with all applicable laws and regulations governing its practices as an registered investment adviser. Therefore, SCM has established firm guidelines in regard to the professional standards of conduct for its employees, which emphasizes the protection of Client interests at all times and demonstrates its commitment to its fiduciary duties of honesty, good faith, and fair dealing with Clients. All employees are expected to adhere strictly to these guidelines outlined in the Code, which requires employees submit personal securities transactions and holdings reports to SCM that will be reviewed by a qualified representative of SCM on a periodic basis. Employees are encouraged to report any violations of the Firm's Code to the Firm's Chief Compliance Officer. Additionally, SCM maintains and enforces written policies reasonably designed to prevent the misuse or dissemination of any material non-public information about Clients or their account holdings by the Firm or any employee.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.

NOT APPLICABLE

C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading. SCM may purchase the same securities that our clients purchase. SCM or its employees will not purchase shares before of our clients nor will we sell before our clients. If a client cannot be contacted SCM or its employees have the right to enter into the trades that they desire. This rarely occurs since most of our clients use money managers or mutual funds.

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Note: The description required by Item 11.A may include information responsive to Item 11.B, C or D. If so, it is not necessary to make repeated disclosures of the same information. You do not have to provide disclosure in response to Item 11.B, 11.C, or 11.D with respect to securities that are not "reportable securities" under SEC rule 204A-1(e)(10) and similar state rules.

From time to time, persons associated with SCM may buy or sell securities that are recommended to SCM Clients or securities in which its Clients are invested. It is the Firm's policy that SCM employees shall not have priority over any Client account in the purchase or sale of securities. Under certain circumstances, the management of SCM may authorize exceptions to this trading policy.

Brokerage Practices

Form ADV Part 2A, Item 12

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.

Note: Your disclosure and discussion must include all soft dollar benefits you receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Although it is not a material consideration in determining to use and recommend that Clients utilize the services of Schwab as broker-dealer/custodian, SCM receives certain support services and/or products without cost, or at a reduced cost, which assists SCM to better monitor and service Client accounts maintained at Schwab. Included among the support services that may be provided by Schwab as the broker-dealer/custodian, and received by SCM, are investment related research; pricing information and market data; software and other technology that provides access to Client account data; compliance publications and information; attendance at broker-dealer/custodian sponsored conferences, meetings and other educational events; computer hardware and/or software; and other products used by SCM in furtherance of its investment advisory business activities.

Some of the support services provided to SCM by Schwab may also be provided by other custodians used by SCM's Clients.

Also, occasionally SCM conducts educational events that have sponsors. Those sponsors may be companies that our clients do business with. If a company sponsors an event they are instructed that there is no guarantee of business nor is this for previous business that SCM has done with their organization.

a. Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services.

NOT APPLICABLE

b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favorable execution.

NOT APPLICABLE

c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

NOT APPLICABLE

d. Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

[Click here to enter text.](#)

e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.

Note: This description must be specific enough for your clients to understand the types of products or services that you are acquiring and to permit them to evaluate possible conflicts of interest. Your

description must be more detailed for products or services that do not qualify for the safe harbor in section 28(e) of the Securities Exchange Act of 1934, such as those services that do not aid in investment decision-making or trade execution. Merely disclosing that you obtain various research reports and products is not specific enough.

NOT APPLICABLE

f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

NOT APPLICABLE

2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.

SCM does not receive referrals from any broker-dealer or third party.

b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.

3. Directed Brokerage.

a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

SCM does not require clients to use a certain custodian. SCM prefers Charles Schwab, but there is no requirement. SCM will work with any reputable custodian the client chooses.

b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

Note: If your clients only have directed brokerage arrangements subject to most favorable execution of client transactions, you do not need to respond to the last sentence of Item 12.A.3.a, or to the second or third sentences of Item 12.A.3.b.

SCM instructs clients that if they choose a different custodian than the one we recommend, then there can be additional expense and execution may not be as timely.

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

Although each Client's portfolio accounts are individually managed, SCM may purchase or sell the same securities at the same time for multiple Clients. When this occurs it is often advantageous to aggregate the securities of multiple clients into one trading block for execution. Clients whose portfolio securities are purchased or sold in an aggregated transaction will receive the same execution price, and if the aggregated purchase or sale involves several executions to complete the transaction, each Client shall receive the average price paid or received on the aggregated transaction.

If, however, an aggregated transaction results in only a partial execution and the equal allocation of the partial execution amongst multiple Clients would result in an inefficient trading unit in Client portfolios, SCM reserves the right to allocate the transaction to specific individual Clients on an equitable rotational basis so that over time no Client is disadvantaged in the management of its portfolio.

--

Review of Accounts

Form ADV Part 2A, Item 13

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.

Portfolio and Plan Review: Besides having a personalized plan, individuals want to make sure their assets are being monitored on a constant basis. We monitor the accounts, but more importantly we regularly monitor the investments in the accounts. As SCM monitors the economy, we are also working to determine if the investment vehicles SCM is using are still appropriate to help us reach our clients goals.

We realize a great deal of work goes into developing a plan to achieve the goals of our clients but we believe the most important aspect is the execution of the plan. We believe that performance is an outgrowth of good planning and exceptional service.

Meeting with Clients: Our policy is very simple, determine a review process and then follow it. We allow the client to dictate meeting times, places and frequency as we believe availability is a large part of serving our clients.

B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review. Sometimes significant events occur within our world. Such as natural or manmade disasters, significant swings in the securities markets or various other events that may affect our client portfolios, we then review the allocation, diversification and investments.

C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.

SCM provides to clients on a predetermined basis that was established by their desire for frequency of review. We provide reviews to our clients at their desired frequency.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

SCM receives research (economic, fundamental, technical, portfolio design as well as other types) from research firms and/or broker dealers. SCM clearly communicates (normally verbally or through email) to these organizations that SCM has no requirement to do any business with their organization. Finally, SCM as a policy does not engage in "soft dollar" arrangements.

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

Note: If you compensate any person for client referrals, you should consider whether SEC rule 206(4)-3 or similar state rules regarding solicitation arrangements and/or state rules requiring registration of investment adviser representatives apply.

SCM will enter into written relationships with other independent firm's or individuals who are properly registered as RIAs or IARs to enable SCM to pay firms or individuals solicitation and referral fees for clients referred to SCM. Generally, the fee paid to such firms or persons shall be 20% of the annual fee paid to SCM by the referred client, although the specific fees paid by SCM are subject to negotiation. Here are the procedures: Procedures. The Chief Compliance Officer (CCO) shall implement procedures, which insure that:

a. Everyone receiving cash payments for client referrals are properly registered under the Act (or within the jurisdiction in which the client is located).

Please Note: If the referral source is an individual who is not associated with an organization that SCM has a referral agreement, the CCO will insure that the referral source becomes registered with SCM as an IAR. If such person is not properly registered, it is SCM's policy that the Firm is prohibited from making solicitation/referral payments to such individual.

b. A written agreement, which complies with the requirements of Rule 206(4)-3 of the Act, is in place between SCM and the referral source prior to the commencement of any referral activities.

c. SCM provides the referral source with sufficient copies of its most recent "brochure."

d. SCM receives notice in the form of a signed acknowledgement from the client that it has received notice of the solicitation arrangement and SCM's "brochure."

Custody

Form ADV Part 2A, Item 15

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

NOT APPLICABLE

Investment Discretion

Form ADV Part 2A, Item 16

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

SCM does practice limited discretionary account management. This means that most of our client relationships are managed on a non-discretionary basis. When we do manage an account in a discretionary basis the following applies:

- Adviser has the investment authority to make any and all investment decisions related to the purchase and sale of securities and/or assets held in the Client's Account; provided, that securities are approved and authorized by the investment policy statement (IPS) established for the Account;
- Adviser is not required to obtain approval from the Client for each individual investment decision and transaction; however, Adviser will not change Client's IPS without the prior approval of the Client;
- Adviser shall be authorized to purchase and sell all securities approved and authorized in the IPS, which may include, but shall not limited to common or preferred stock, convertible stock or bonds, options, warrants, rights, mutual funds, limited partnerships, annuities, corporate, municipal or government bonds, notes or bills, and mortgage backed securities; and
- Adviser shall not have full Power-of-Attorney and shall not have authority to withdraw funds or to take custody of Client's funds or securities.

Voting Client Securities

Form ADV Part 2A, Item 17

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to SEC rule 206(4)-6. Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

SCM as a matter of policy, in part because it does not maintain custody of client assets or have discretionary authority over client assets, has elected not to vote the proxies of securities held in client portfolios.

B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

Clients will receive the proxies from their custodians and the client will be responsible to respond.

Financial Information

Form ADV Part 2A, Item 18

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

NOT APPLICABLE

2. Show parenthetically the market or fair value of securities included at cost.

NOT APPLICABLE

3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to Article 2 of SEC Regulation S-X.

Note: If you are a sole proprietor, show investment advisory business assets and liabilities separate from other business and personal assets and liabilities. You may aggregate other business and personal assets unless advisory business liabilities exceed advisory business assets.

Note: If you have not completed your first fiscal year, include a balance sheet dated not more than 90 days prior to the date of your brochure.

Exception: You are not required to respond to Item 18.A of Part 2A if you also are: (i) a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules; or (ii) an insurance company.

NOT APPLICABLE

B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

Note: With respect to Items 18.A and 18.B, if you are registered or are registering with one or more of the state securities authorities, the dollar amount reporting threshold for including the required balance sheet and for making the required financial condition disclosures is more than \$500 in fees per client, six months or more in advance.

NOT APPLICABLE

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

If you are registering or are registered with one or more state securities authorities, you must respond to the following additional Item.

NOT APPLICABLE

Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

Additional Information

Use this section for any additional disclosures needed. Otherwise, delete this section.
[Click here to enter text.](#)