

This part of FORM ADV gives information about the Investment Adviser and its business for the use of clients.

**Item 1-Cover Page**

Registered As

**BAS Capital Corp.**  
SEC Registered Investment Adviser  
5296 Bears Paw Circle  
Memphis, TN 38120  
(901) 761-7895 - phone  
(901) 761-7481 - fax

**NOTICE TO PROSPECTIVE CLIENTS: READ THIS DISCLOSURE BROCHURE IN ITS ENTIRETY**

All the material within this Brochure must be reviewed by those who are considering becoming a client of our firm. This Brochure provides information about the qualifications and business practices of BAS Capital Corp. If you have any questions about the contents of this Brochure, please contact us at (901) 761-7895. Our e-mail address is [bas32060@bellsouth.net](mailto:bas32060@bellsouth.net). In accordance with federal and state regulations, this Brochure is on file with the appropriate securities regulatory authorities as required. The information provided within this Brochure is not to be construed as an endorsement or recommendation by state securities authorities in any jurisdiction within the United States, or by the United States Securities and Exchange Commission. 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.

BAS Capital Corp. is an SEC registered investment adviser. Registration does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser. Additional information about BAS Capital Corp. also is available on the SEC's Web Site at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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## **Item 2 – Material Changes**

This Item number will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure. We have no material changes to report since the last annual update of our Brochure on March 30, 2012.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Disclosure Brochure may be requested by contacting Bruce A. Stein, President. His e-mail address is [bas32060@bellsouth.net](mailto:bas32060@bellsouth.net). BAS Capital Corp. currently does not maintain a website.

Additional information about BAS Capital Corp. is also available via the SEC's Web Site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's Web Site also provides information about any persons affiliated with BAS Capital Corp. who are registered, or are required to be registered, as investment adviser representatives of BAS Capital Corp.

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#### **Item 4 – Advisory Business**

BAS Capital Corp. (“BAS Capital”) is a registered investment adviser that was organized in 1997. The firm’s founding Member(s), Bruce A. Stein, has 75% or more ownership of the corporation.

Bruce A. Stein has served as the President of BAS Capital since its inception as a corporation in 1997. Bruce A. Stein has Twenty-four (24) years of financial industry experience. The firm currently does not supervise any other IARs. The amount of the total assets supervised as of the firm’s annual amendment, dated March 30, 2012, on a discretionary basis was \$40,410,230. BAS Capital does not manage any client assets on a non-discretionary basis.

BAS Capital provides investment supervisory services, manages investment advisory accounts and holds itself out as providing financial planning or some similarly termed services and imposes a minimum dollar value of assets or other conditions for starting or maintaining an account.

BAS Capital operates under the \$750,000 or \$1.5 Million net worth exemption. Acceptance of portfolios or relationships under this limit is at the discretion of the firm and in consideration of any extenuating or accommodating circumstances and will be determined on a case by case basis. Start-up fees are generally waived but may be required for relationships not meeting minimum account size. If start-up fees are imposed, this will be disclosed and agreed upon with prospective clients in advance.

In general, advisory matters may include the following:

Generally providing investment advice to: Individuals; Pension and Profit Sharing Plans; Trusts, Estates, or Charitable Organizations; Corporations or other Business Entities. Services provided to BAS Capital clients include: 99% investment supervisory services; 1% investment advice through consultations not included as investment supervisory services.

The types of services provided to clients can include the following types of investments: equity securities for exchange-listed securities and securities traded over-the-counter; corporate debt securities other than commercial paper; certificates of deposit; municipal securities; variable annuities and mutual fund shares; United States government securities; options contracts on securities; Interests in partnerships investing in real estate and oil and gas interests that are traded solely on the major exchanges.

BAS Capital does not hold itself out as specializing in any particular type of advisory service, such as financial planning, quantitative analysis, or market timing. The firm specializes in managing stock and bond portfolios for individual clients based on their stated needs and risk tolerances.

Advisory services are tailored to meet the needs of individual clients and any restrictions desired by the client are incorporated within the advisory contract.

The firm does not participate in WRAP programs.

This part of FORM ADV gives information about the Investment Adviser and its business for the use of clients.

The professional services described above will be offered to all prospective clients on a fixed fee basis. Start-up fees are generally waived but may be required for relationships not meeting minimum account size. If start-up fees are imposed, this will be disclosed and agreed upon with prospective clients in advance.

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

#### **ALL CLIENT FEES ARE SUBJECT TO NEGOTIATION**

The specific manner in which fees are charged by our firm is established in a client's written agreement between the client and BAS Capital.

#### **Fees**

BAS Capital will invoice the client according to the firm's billing policy. The billing is outsourced to a third party, Schwab Performance Technology (SPT). Each and every quarter at the beginning of the quarter, SPT receives a download from Charles Schwab & Company, the current custodian, for the previous quarter's end that reflects each and every client balance. Upon receipt of this data, SPT generates a bill. SPT then sends the total fees billed in the quarter to the custodian for automatic uploading to deduct from each client's preferred billing account. At that time, a fee account is used to transfer the total fees accumulated in the quarter to the BAS Capital account at Charles Schwab.

Our firm's fees may differ dependent on the facts, scope and complexity of the contracted service(s) that are to be provided. Clients may incur brokerage and other transaction costs unrelated to the services provided by BAS Capital. When the scope of the service has been agreed upon, a determination will be made as to the type, and the amount of the applicable fee. Our firm believes that its professional advisory service offerings are competitively priced. Those considering an advisory relationship with us should be aware that the probability does exist of being able to procure similar advisory services at a higher or lower price if acquired elsewhere. The professional fees accessed by our firm are negotiable; consequently clients may pay more or less than others who may be receiving similar offerings.

#### **Compensation**

BAS Capital primarily provides Investment Supervisory services. The term "supervisory services" means that we give continuous investment advice to clients based on each client's individual needs. Each portfolio under management is designed to serve the known needs of the client regarding cash flow, risk tolerance, etc.

Fees for continuous portfolio management are as follows:

- 1.50% Up to \$499,999 under management
- 1.25% Between \$500,000 and \$999,999 under management
- 1.00% \$1,000,000 or more under management

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The percentages shown are annual percentages. Fees will be calculated quarterly with  $\frac{1}{4}^{\text{th}}$  of the annual calculation due in advance at the beginning of the billing period. Fees are based on the market value of the assets under management as of the last business day of the calendar quarter immediately preceding the billing cycle. Fees may be negotiated for client accounts, and the assets of accounts within each household may be aggregated for purposes of determining the fees.

For example, clients opening accounts during the first or second month of the quarter, the initial fee shall be calculated on a pro rata basis for the initial quarter. Fees shall be due at the opening of the account, and may be adjusted to include start-up expenses. For new accounts opened during the third month of the quarter, the initial fee shall include a pro rata fee for the initial quarter, plus the fee for the next full quarter, and shall be due in full upon the opening of the account.

Clients terminating their accounts before the close of a calendar quarter may receive a prorated refund of that quarter's fees. In the event that BAS Capital determines that a refund is due, the entire original amount of the quarterly bill would be credited back to the client's account in full, followed by a final bill reflecting the prorated amount of the billing cycle through the custodian. On rare occasions, BAS Capital may provide advice or consultation on matters outside the core activities of portfolio management.

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

BAS Capital does not have any arrangements, oral or in writing, in which additional compensation may be collected as cash or otherwise, including commissions, equipment, or non-research services from a non-client in connection with giving advice to clients.

#### **Item 7 – Types of Clients**

BAS Capital provides investment supervision of assets for Individuals; Pension and Profit Sharing plans; Trusts, Estates, or Charitable Organizations; Corporations or other Business Entities.

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

BAS Capital strives to produce investment returns that will meet or exceed major indices within the realm of publicly traded equities and fixed income investments. Our management process takes into account risk tolerance and investment time horizon. In order to facilitate investment decisions we may obtain information from a variety of sources including but not limited to; financial publications and the media; corporate activities; filings with the Securities and Exchange Commission; rating services; and research materials available within the public domain.

Those who are considering any investment program should be aware that investing in securities involves risks that one should be prepared to take on.

BAS Capital utilizes fundamental, technical, and other methods of research to analyze securities. Recommendations of Mutual Funds will follow research of commercially available (independent) databases that provide research information including funds, holdings, objectives and fee structure. Economic research involves global trends and sector specific trends including currencies and commodities.

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Third party professionals are utilized to provide this area of expertise as well. Psychological analysis is an intangible tool built on decades of trial and error. Corporate governance issues such as golden parachutes, golden handcuffs, poison pills, as well as companywide efforts to promote the organization through road shows, analyst conferences, as well as insider ownership levels may also have an impact on the recommendation process.

Our main sources of information are financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases. The material risks of using such information include incomplete filings, inaccurate ratings and potential misinformation.

The investment strategies used to implement any investment advice given to the clients include: Long-term purchases (securities held at least a year); Short term purchases (securities sold within a year); Trading (securities sold within 30 days); Short sales; Margin transactions; Option writing, including covered options, uncovered options or spreading strategies; and other strategies. BAS Capital will employ additional option strategies that would include long-term equity options for purchase (leaps) so as to position a particular equity investment. Overweighting a particular economic sector is a consistent theme in BAS Capital's research approach. Avoiding the financial sector, for example, may allow for more exposure to the energy sector. Within the context of sector bias, position concentration and lack of diversification may exist.

The duration of concentration is governed by the research specific to that security as well as the sector. BAS Capital likewise employs Risk Arbitrage investing specific to companies involved in takeovers or mergers. While a very short-term holding period is the norm (less than 120 days), on rare occasions the holding period may extend into a longer term investment.

Performance is subject to substantial market fluctuations. Past performance is not indicative of future results, nor is there any assurance that the selected investments will achieve the investment objectives sought by the client.

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

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of an advisory firm or the integrity of a firm's management. BAS Capital does not have applicable information regarding this item. Any such disciplinary information for the company and the company's investment advisor representatives would otherwise be available upon request or publicly accessible by selecting the Investment Advisor Search option at <http://www.adviserinfo.sec.gov>.

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

BAS Capital does not participate in business activities other than investment advisory services.

### **Item 11 – Code of Ethics**

BAS Capital has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and its fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, insider trading, rumor mongering, gift and entertainment policy, and personal securities trading procedures, among other things. BAS Capital also buys and sells for itself securities that it also recommends to clients. All supervised persons at BAS Capital must acknowledge the terms of the Code of Ethics annually, or as amended. There are no general standards of education or business experience that BAS Capital requires of those involved in determining or giving investment advice to clients. Our Code of Ethics is designed to assure that transactions, activities and interests of any staff and supervisory personnel associated with our firm will not interfere with making decisions in the best interests of advisory clients. The Code of Ethics for BAS Capital is available upon request by contacting our office.

BAS Capital has adopted a Code of Ethics for all personnel. The Code states that BAS Capital is obligated to respect and protect the right to privacy of all of its clients. The Code specifically requires that personnel comply with securities laws. Personnel must pre-clear all trades for personal securities accounts and must report their personal securities transactions periodically. The Firm also has adopted certain policies and procedures concerning the misuse of non-public information. Any employee not complying with the Code is subject to immediate termination.

On rare occasions, BAS Capital may invest in the same securities (or related securities, e.g., warrants, options or futures) that are recommended to clients. The Firm makes every attempt to conduct such transactions on a day that is not in direct conflict with a client's purchase. If the purchase is on the same day, BAS Capital will assure that the client receives the best price regardless of the time of the transaction. If the client were not given the better price there could be the appearance that the client transaction was intended to manipulate the price of the security for the benefit of the BAS Capital transaction.

### **Item 12 – Brokerage Practices**

BAS Capital strives to obtain/provide favorable costs under the circumstances of each particular transaction, but more importantly best overall execution.

The best execution responsibility applies to the circumstances of each particular transaction and our firm must consider the full range and quality of a broker-dealer's services, including execution capability, commission rates, and the value of any research, financial responsibility and responsiveness, among other things.



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BAS Capital does maintain the right to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of such securities, the broker or dealer to be used, and the commission rates that will be paid. BAS Capital makes every effort to aggregate the purchase or sale of securities for client accounts.

BAS Capital will seek best execution in choosing brokers. BAS Capital will not be required to consider any particular criteria regarding best execution but will consider a range of factors such as: price; broker's facilities and reliability; effectiveness in clearing and settling trades; and broker's financial stability and responsiveness.

BAS Capital has a fiduciary duty to its advisory clients and will endeavor to seek best execution when placing trades for clients. In attempting to achieve best execution, BAS Capital will not necessarily seek to obtain the lowest commission but rather will seek the best overall qualitative execution.

Periodically, BAS Capital will evaluate the trading techniques and strategies of the broker-dealers it uses.

BAS Capital may, among other things, consider:

- input from portfolio managers, traders and others;
- establishing an acceptable commission range for trades;
- information about the commissions paid over the previous quarters, including to the extent whether the commissions exceed the acceptable, pre-established range and the circumstances that caused the deviation; and
- statistical and other information from consultants and vendors on the execution capabilities of broker-dealers.

Brokerage practices will be performed by a FINRA (Financial Regulatory Authority) Member firm and SIPC (Securities Investors Protection Corporation) Member firm.

### **Item 13 – Review of Accounts**

All accounts are reviewed at least annually by BAS Capital or as requested by a client for consistency with the objectives and risk tolerances initially established

Any deviations from or changes in client objectives will be considered and dealt with in the reviews.

Bruce A. Stein, as the Portfolio Manager for BAS Capital, reviews all portfolios and accounts, at least, on an annual basis.

The level and depth of review and analysis of each portfolio is determined based on the needs of that portfolio, cash flow considerations and changes in client risk appetite.

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BAS Capital highly recommends to our clients that they receive monthly statements and trade confirmations by mail (instead of on-line) as clients are more likely to review their holdings and transactions this way. However, all reports, trade confirmations, and updated holdings are available for client review on-line through the custodian's website, as some clients do opt out of mail delivery. BAS Capital encourages these clients to log-in to their accounts each month and electronically review their portfolio. BAS Capital prepares and mails quarterly reports of the accounts under management directly to clients. These reports are in conjunction with quarterly billings for Investment Management Fees.

Upon the request of a client, the account will be promptly reviewed.

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

BAS Capital does not directly or indirectly compensate individuals for client referrals.

#### **Item 15 – Custody**

BAS Capital does not maintain custody of funds pursuant to Rule 206(4)-2.

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

BAS Capital does maintain the right to determine, without obtaining specific client consent, the securities to be bought or sold, the amount of such securities, the broker or dealer to be used, and the commission rates that will be paid. This authority is granted as part of the advisory agreement.

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

BAS Capital recognizes that the act of managing assets of clients consisting of common stock includes the voting of proxies related to the stock. Where a client has delegated the power to vote portfolio securities in his or her account, BAS Capital will vote the proxies in a manner that is in the best interests of the client.

Since BAS Capital has such responsibility, it has implemented these Proxy Voting Policies and Procedures. BAS Capital shall vote proxies related to securities held by any client in a manner consistent with management. By exception, clients will be contacted if a proxy is voted differently. BAS Capital shall consider only those factors that relate to the client's investment, including how its vote will economically impact and affect the value of the client's investment. Proxy votes will be cast in favor of proposals that maintain or strengthen the shared interests of shareholders and management, increase shareholder value, and maintain or increase the rights of shareholders.

Proxy votes will be cast against proposals having the opposite effect. In voting on each and every issue, BAS Capital shall vote in a prudent and diligent fashion and only after a careful evaluation of the issue presented on the ballot.

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Clients may contact BAS Capital to obtain information regarding how BAS voted their securities on a particular issue.

From time to time, BAS Capital may have the option to elect to follow specific types of guidelines offered by a third-party proxy voting service (*e.g.*, XYZ Guidelines, which follows AFL-CIO voting recommendations). While such specific guidelines may be in the best interest of a subset of clients (*e.g.*, union pension plans), they may not be in the best interest of other clients. Furthermore, BAS Capital may receive an indirect benefit by choosing one type of guideline over another (*e.g.*, it may be able to attract and retain union pension plans because of its pro-union proxy voting record). This practice may not be in the best interest of certain clients and may raise conflicts of interest. See *INTECH Investment LLC*, Investment Advisers Act Rel. No. 2872 (May 7, 2009).

Prior to electing to follow any specific guidelines, BAS Capital will:

- Determine the impact of following such guidelines on all clients, including whether the guidelines would be more appropriate for one group of clients and not for others;
- Identify any direct or indirect benefits that might flow to BAS Capital as a result of choosing one guideline over other guidelines;
- Address any conflicts of interest raised by the selection of such guidelines by following the Proxy Voting Conflicts of Interest section of these Procedures; and
- Refrain from using such guidelines if it provides an advantage to one group of clients while disadvantaging or otherwise not being in the best interest of any of the remaining clients.

BAS Capital has adopted the following specific voting guidelines:

**Corporate Governance:**

Unless exceptional circumstances exist, BAS Capital will vote against proposals that make it more difficult to replace Board members, including proposals to:

- Stagger the Board;
- Overweight management on the Board;
- Introduce cumulative voting;
- Introduce unequal voting rights;
- Create super majority voting; and
- Establish pre-emptive rights.

**Takeovers**

BAS Capital will vote against proposals that make it more difficult for a company to be taken over by outsiders, and in favor of proposals that attempt to do the opposite.

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**Compensation Plans**

BAS Capital will vote in favor of proposals by management or shareholders concerning various compensation and stock option plans that will act to make management and employee compensation more dependent on long-term stock price performance. BAS Capital will vote against incentive stock awards that act to concentrate significant amounts of stock in the hands of upper management.

**Capital Structure**

BAS Capital will vote against proposals to move the company to another jurisdiction less favorable to shareholders' interests, or to restructure classes of stock in such a way as to benefit one class of shareholders at the expense of another, such as dual classes (A and B shares) of stock.

**Board Size**

BAS Capital will vote against any proposals that act to increase the size of the board beyond fifteen (15) members.

**Outside Directors**

BAS Capital will vote against any proposal to allow the Chief Executive Officer of a company to appoint outside directors, and in favor of any proposal to eliminate this ability.

**Multiple Director Positions**

BAS Capital will vote against any Board member who is also a director of four or more different companies.

BAS Capital recognizes that conflicts between itself and clients may arise in voting the proxies of public companies and that these conflicts must be addressed. Bruce Stein is responsible for identifying potential conflicts of interest in regard to the proxy voting process. Where appropriate, BAS Capital will use one of the following methods to resolve such conflicts, provided such method results in a decision to vote the proxies that is based on the clients' best interest and is not the product of the conflict:

1. Provide the client with sufficient information regarding the shareholder vote and BAS Capital's potential conflict to the client and obtain the client's consent before voting;
2. Vote securities based on a pre-determined voting policy set forth herein;
3. Vote client securities based upon the recommendations of an independent third party; or
4. Request the client to engage another party to determine how the proxies should be voted.

**Item 18 – Financial Information**

Registered Investment Advisory firms are required in this Item number to provide you with certain financial information regarding the financial condition of the firm. BAS Capital does not require pre-payment of more than \$1,200 in fees per client more than six (6) or more months in advance. BAS Capital does not have custody of client funds or securities. As such, a balance sheet is not required to be provided and available for the most recent fiscal year.

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**Item 19 – Requirements for State-Registered Advisers**

Bruce A. Stein is the President, Chief Compliance Officer and Investment Adviser Representative for BAS Capital. Mr. Stein was born in 1960. He received his bachelor's degree in Accounting from the University of Texas at Austin and has been a securities professional since 1987. Mr. Stein started his investment career with Merrill Lynch.

- In 1988, he moved to Paine Webber.
- In 1993, he moved to Smith Barney.
- In 1997, he moved to McDonald & Company.
- In 1999, he moved to Raymond James & Associates.
- In 2009, he started BAS Capital Corp.

BAS Capital does not participate in business activities other than investment advisory services, and is not compensated for advisory services with performance-based fees.

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**Item 1 Part 2B****BAS Capital Corp.**

SEC Registered Investment Adviser

5296 Bears Paw Circle

Memphis, TN 38120

(901) 761-7895 - phone

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This brochure supplement provides information about Bruce A. Stein, an individual that accompanies BAS Capital Corp ("BAS Capital"). Mr. Stein is the President, Chief Compliance Officer and Investment Adviser Representative for BAS Capital. Additional information about Bruce A. Stein is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 2 Part 2B****Education and Business Background**

Mr. Stein was born in 1960. He received his bachelor's degree in Accounting from the University of Texas at Austin and has been a securities professional since 1987. He started his investment career with Merrill Lynch.

- In 1988, he moved to Paine Webber.
- In 1993, he moved to Smith Barney.
- In 1997, he moved to McDonald & Company.
- In 1999, he moved to Raymond James & Associates.
- In 2009, he started BAS Capital Corp.

**Item 3 Part 2B****Disciplinary Information**

This Disclosure Brochure and this Supplement are delivered electronically through the Investment Advisor Public Disclosure system, (IAPD). Disclosure information about Bruce A. Stein of BAS Capital can be found on the disclosure reporting page, the details of which can be found by accessing the IAPD link at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Item 4 Part 2B****Other Business Activities**

Bruce A. Stein of BAS Capital has no other business activities that are investment-related nor do any outside business activities of Bruce A. Stein as disclosed on Form ADV Part 1 exist that pose a material conflict of interest.

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**Item 5 Part 2B****Additional Compensation**

Bruce A. Stein does not receive any other form of compensation.

**Item 6 Part 2B****Supervision**

Bruce A. Stein, as the Compliance Officer, is the person responsible for supervising the advisory activities of BAS Capital. Mr. Stein must adhere to the firm's established Code of Ethics. Individuals employed by the firm are also required to participate in continuing education on an annual basis relative to practice management, industry standards and compliance.

**Item 7 Part 2B****Requirements for State-Registered Advisers**

BAS Capital has no information responsive to this item.

**Important Firm Policies****Addressing Conflicts**

A "conflict" generally refers to any activity or relationship in which the interests of the firm compete with the interests of its clients. Common conflicts include dealing with affiliates, the receipt of compensation or other benefits from third parties that may affect the independence of the advice provided, the firm's potential financial interest in a transaction (such as; acting as principal), client referral arrangements and personal and proprietary trading by the firm and its related persons.

While we do not receive special monetary incentives or rebates that could potentially come about as a result of directing an existing or prospective client to a particular company, vendor or service provider, certain activities should be clarified so as not to give way to the presumption of a conflict, whether inherent or potential. Among these activities may include the following:

**Management of Other Accounts**

BAS Capital may manage other accounts and provide investment advice to other parties. Should the firm so desire or see fit, it may form an entity that it controls as an affiliate and may decide to invest funds of one or more other accounts, or recommend funds by other parties, that may differ from the recommendations provided to an alternate client under their particular advisory agreement. The firm and its respective affiliate may decide to invest the funds of one or more other accounts or recommend the investment of funds by other parties that may have different strategies or security positions than that of another client's account.

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BAS Capital may give advice or take such other action with respect to the these “affiliated accounts” which may differ from the advice given or the timing or nature of actions taken with respect to the account of an alternate client under their advisory agreement, provided that the firm acts in good faith.

All clients acknowledge this as such within their particular advisory agreement so as to avoid any possible conflict that may be inferred from such activity.

### **Disclosures to Plan Sponsors under 408(b) (2) and Form 5500**

Incentive type compensation has often been structured as reimbursements to some financial intermediaries and service providers for referring business to an affiliate of the intermediary that is an investment advisor. Such activity may pose a conflict of interest, based on the fact that the intermediary receiving such remuneration failed to place the interests of the plan beneficiaries with respect to the investment of the fiduciary assets. The Employee Retirement Income Security Act of 1974 (“ERISA”) prohibits self-dealing between a plan fiduciary or other parties in interest. A common exemption relied upon is ERISA Section 408(b)(2), which permits certain service contracts or arrangements (including investment management agreements) between plans and parties in interest, if the contract or arrangement is reasonable, the services are necessary for the establishment or operation of the plan and no more than reasonable compensation is paid for the services. All service providers are required to disclose annually the amount of compensation received directly or indirectly for services provided to the plan on Form 5500. In addition to the extensive fees disclosures, regulations also require service providers to disclose information relating to possible conflicts that may be relevant to a plan fiduciary's assessment of the objectivity of a service provider's decisions.

BAS Capital will identify any material conflicts that exist between the interests of any Plan Sponsor client by reviewing the relationship the firm has with the potential service provider that is being considered for use in connection with the plan. Given the fact that ERISA generally prohibits fee arrangements between a fiduciary and third parties with limited exceptions and that the firm has no affiliate that is a third party administrator or any other entity that could be construed as a party in interest, the firm sees no potential conflict with respect to assets governed by ERISA. The service providers utilized by our firm have no affiliation. BAS Capital neither receives nor provides any incentive based compensation as a result of working with any ERISA plan service provider. In addition, BAS Capital clearly discloses within its' advisory agreement, the firm's Fiduciary responsibility and duty to Plan Sponsors who have oversight of ERISA assets.

### **Anti Money Laundering**

As part of the anti-money laundering program, BAS Capital has established procedures to ensure that all client identities have been verified before an account is opened. Before opening an account for an individual client, the firm will require satisfactory documentary evidence of a client's name, address, date of birth, social security number or, if applicable, tax identification number.



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Before opening an account for a corporation or other legal entity, the firm will require satisfactory evidence of the entity's name, address and that the acting principal has been duly authorized to open the account. BAS Capital will not open accounts or accept funds or securities from, or on behalf of, any person or entity whose name appears on the List of Specially Designated Nationals and Blocked Persons maintained by the U.S. Office of Foreign Assets Control, from any Foreign Shell Bank, or from any other prohibited persons or entities as may be mandated by applicable law or regulation.

## Privacy

In compliance with the Gramm-Leach-Bliley Act ("GLB"), Public Law 106-102 (1999), this notice contains the privacy policy of Holland Financial Service LLC. The GLB Act was enacted to provide greater protection for an individual's private information. This notice is meant to provide you with information regarding how we use your personal information and what your rights are with regard to your non-public personal information. In the course of providing its services, BAS Capital may gather non-public personal information from its business relationships and clients including but not limited to: pre-existing relationships; initial consultations; confidential questionnaires; account forms and statements; containing an individuals' name; address; social security number; investment preferences; risk tolerance; securities positions and balances. If you correspond with us or transact business through our computer web sites, your browser may provide information to us as you interact with us via the internet.

The firm may also obtain non-public personal information from electronic, telephonic, and written correspondence. Individuals and clients interacting with the BAS Capital, its' Directors, Employees or Officers or any of its Affiliates should be advised that some correspondence in all of its forms may be retained as required by law or regulation.

If you are currently not a client of BAS Capital, do not include information in any electronic correspondence that you or someone else considers to be confidential in nature. It is our responsibility to meet your expectations for privacy while still providing you with the desired financial services sought. In order to provide our services to you, your information may be shared with other service providers. To complete applications and forms, we may need to provide your non-public information to affiliated and nonaffiliated persons or entities involved in the processing, servicing, and marketing of financial products and services.

Our privacy policy does not permit us to provide any nonaffiliated third party with your non-public information unless we have an agreement with the third party that they will protect the confidentiality of your non-public information. There are times when we are required by law to provide such information to authorized persons and entities. These occasions include:

- Complying with a subpoena or summons by federal, state or local authorities;
- Responding to judicial process;

This part of FORM ADV gives information about the Investment Adviser and its business for the use of clients.

- Responding to regulatory authorities; and
- Any other purpose as required by law to provide your non-public information to authorized persons or entities.

The firm will not disclose any of your non-public personal information to anyone except as permitted by law. All employees and affiliates of our company with access to personal information about our clients are required to follow this policy. Our privacy policy applies to all personally identifiable non-public information about you that is obtained in connection with providing you our services. Our privacy policy will continue to cover information we collect about you during the course of our relationship, as well as after it has ended. If it comes to our attention that an item of personal information that we possess is inaccurate or false, we will make a reasonable effort to re-verify its accuracy and correct any error as appropriate. BAS Capital has adopted this privacy policy to protect the integrity and confidentiality of the firm's business and client relationships.

BAS Capital has measures in place to protect any unauthorized attempt to access client sensitive data. With the proliferation of the internet and increased web based technologies, it is possible that web browsing usage, including pages visited and any data provided may be tracked. Those who visit our web site agree to acknowledge the firm's Web Site Terms of Use, and should also be aware that by using our site, information concerning web browsing habits can be collected through the use of cookies. Cookies are small web text files that web sites can create on your computer for the purpose of storing data obtained from web site visits. This may include specific areas that were visited, any actions performed and personal data that may have been provided.

It is the policy of BAS Capital to carry out its affirmative duty to act in utmost good faith and provide full and fair disclosure of all material facts. With respect to this duty of good faith to provide full and fair disclosure is the principle that, unless the client agrees, BAS Capital may not act for individuals or entities whose interests' conflict with the firm's clients or deal with its' clients as an adverse party in connection with any services provided relative to the advisory relationship.

For additional information concerning the Policies of BAS Capital, please feel free to send your request in writing to the address of the firm.

**End of Firm Brochure ADV Part 2A and 2B**