

ADV Part 2: FIRM BROCHURE

GREGG HACKETHAL
INVESTMENT COUNSEL

924 Anacapa Street, Suite 3D
Santa Barbara, CA 93101
805-962-5252

www.ghinvc.com

February 2012

This brochure provides information about the qualifications and business practices of Gregg Desmond Hackethal who does business under the name of Gregg Hackethal, Investment Counsel. If you have any questions about the contents of this brochure, please contact Gregg Hackethal at 805-962-5252. 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 Gregg Desmond Hackethal and Gregg Hackethal, Investment Counsel is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

Our last version of ADV Part 2 was released in March 2011. The only material change in this amended version is the amount of total assets under management (Item 4, page 4), which has increased by approximately \$9 million since January 31, 2011.

Item 3 – Table of Contents

Item 1 – Cover Page.....	1
Item 2 – Material Changes.....	2
Item 3 – Table of Contents.....	3
Item 4 – Advisory Business.....	4
Item 5 – Fees and Compensation.....	4
Item 6 – Performance Based Fees and Side-By-Side Management.....	5
Item 7 – Types of Clients.....	5
Item 8 – Methods of Analysis, Investment Strategies, and Risk of Loss.....	5
Methods of Analysis and Investment Strategies.....	5
Risk of Loss.....	5
Item 9 – Disciplinary Information.....	6
Item 10 – Other Financial Industry Activities and Affiliations.....	6
Item 11 – Code of Ethics, Interest in Client Transactions, and Personal Trading.....	7
Item 12 – Brokerage Practices and Trade Error Policy.....	7
Item 13 – Review of Accounts.....	9
Item 14 – Client Referrals and Other Compensation.....	9
Item 15 – Custody.....	9
Item 16 – Investment Discretion	9
Item 17 – Proxy Voting.....	10
Item 18 – Financial Information.....	10
Item 19 – Management Persons.....	10

Item 4 – Advisory Business

Gregg Hackethal, Investment Counsel, was established in 2009 by Gregg Hackethal. We only manage separate accounts of publicly traded securities for individuals, trusts, corporate pension plans, charitable organizations and a bank trust department.

Each account is individually structured to meet the needs of a particular client. We consider the nature of a client's assets, risk tolerance, income needs, tax circumstances, family obligations and liquidity requirements. Clients may impose restrictions on investing in certain securities or types of securities.

As of January 31, 2012, total assets under management were approximately \$55,100,000, all managed on a discretionary basis with the exception of approximately \$200,000 managed on a non-discretionary basis.

Gregg Hackethal is the sole proprietor of the firm. He was born in 1948, received a BA with a major in Economics from the University of Southern California in 1970 and a JD with honors from Loyola University School of Law in 1978. Prior to entering the investment industry, Mr. Hackethal was Executive Assistant to a Member of Congress and was engaged in the private practice of law. He was a Senior Vice President and Portfolio Manager with Van Deventer & Hoch from 1986 to 2000, a Principal, Managing Partner and Portfolio Manager at Gamble, Jones, Morphy and Bent from 2000 to 2005 and Senior Partner and Portfolio Manager at Dunvegan Associates from 2005 to 2009.

Item 5 – Fees and Compensation

We are paid based upon a percentage of assets under management. Our fees are computed and billed quarterly, in advance, and are prorated for periods less than three months. At the client's election, we bill for our fees or deduct our fees directly from the client's account.

Our standard fee schedule is:

0 - \$2,000,000	1.0%
\$2,000,001 to \$3,000,000	3/4 of 1%
\$3,000,001 to \$4,000,000	1/2 of 1%
Over \$4,000,000	3/8 of 1%

Fees are subject to negotiation and on some accounts we charge lower rates and may charge fixed fees. In certain circumstances, we waive our fees for specific clients.

In addition to our management fee, clients may incur fees charged by the custodian of their accounts, as well as management fees and other expenses charged by mutual funds held in their accounts. Clients will incur brokerage and other transaction costs from broker-dealers as more fully described in Item 12 below.

We provide our services pursuant to a written management agreement. Both we and a client may terminate our management agreement at any time, either verbally or in writing, in which event any unearned fees paid in advance are refunded to the client on a prorated basis.

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

We do not charge performance based fees nor engage in side-by-side management.

Item 7 – Types of Clients

Most of our clients are high net worth individuals, but we also manage assets for trusts, corporate pension plans, charitable organizations and a bank trust department.

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

Methods of Analysis and Investment Strategies

In evaluating securities, we use fundamental analysis, which is an effort to measure the intrinsic value of a security by examining a company's financial condition and operations, including sales, earnings, growth potential, assets, debt, management, products and competition. Our objective is to determine a value that we can compare with the security's current price. We seek to identify securities selling for less than their intrinsic value as candidates for purchase. We target securities owned in client accounts as candidates for sale when they materially exceed our estimate of their intrinsic value.

While we primarily rely upon fundamental analysis in making investment decisions, we may also employ certain aspects of technical analysis in determining the timing of a purchase or sale. Technical analysis entails analyzing the statistics generated by market activity, such as past prices and volume, which may reflect the supply and demand for a security at a given point in time.

For most clients we manage balanced portfolios of equities, debt instruments, cash and cash equivalents. Some clients have all equity portfolios and some clients have all debt portfolios. In some cases clients also own open and closed end mutual funds, as well as exchange traded mutual funds in their portfolios.

While we may on occasion buy and subsequently sell a security over a short time frame, we are primarily long term investors. We do not sell securities short or trade on margin. We do not recommend investments in derivative securities such as options or futures and will only engage in such transactions when specifically instructed to do so by a client.

Risk of Loss

All securities investments involve the risk of loss of capital. The identification and exploitation of investment opportunities involves uncertainty. There is no assurance that we will be able to identify profitable investment opportunities or correctly exploit inefficiencies in the markets. Unforeseeable events such as actions by governmental entities, geopolitical developments and natural disasters may cause sharp market fluctuations that negatively impact client investments.

General economic and market conditions, such as interest rates, availability of credit, inflation rates, economic uncertainty, changes in laws, currency exchange controls, and national and international political circumstances affect investment prices. Economic slowdowns or market downturns may lead to losses.

Equity security prices fluctuate and are affected by economic and market conditions, changes in investor confidence and perceptions of individual companies. Investor confidence and perceptions are based on various and generally unpredictable factors, including expectations regarding governmental, economic, monetary and fiscal policies, inflation and interest rates, economic expansion or contraction, global or regional political, economic or financial crises, and actions by corporate managers.

Debt securities are subject to credit and interest rate risks. Credit risk is the likelihood that an issuer will default in the payment of principal and/or interest. Financial strength and solvency of an issuer are the primary factors influencing credit risk. In addition, lack or inadequacy of collateral or credit enhancement for a debt instrument may affect its credit risk. Credit risk may change over the term of an instrument, and debt obligations rated by rating agencies are often reviewed and may be subject to downgrade.

Interest rate risk is the risk associated with market changes in interest rates. Interest rate changes may affect the value of a debt instrument indirectly (especially in the case of fixed-rate debt securities) and directly (especially in the case of debt instruments whose rates are adjustable). In general, rising interest rates negatively impact the price of a debt instrument and falling interest rates have a positive effect on price.

In an attempt to reduce risk of loss, we diversify client assets in multiple investment positions. Although diversification is intended to offset losses while maintaining the possibility of capitalizing on profitable price movements over time, there is no assurance that the use of multiple investments will provide material diversification in all circumstances. Nor is there any assurance that diversification will not result in overall losses or that the selection of multiple investments will prove more successful than would selection of a single investment.

Gregg Hackethal is the only person making investment decisions on behalf of the firm's clients. In the event of Gregg Hackethal's death or incapacity, clients would be adversely affected and would be required to seek investment advice and management from another advisor.

Item 9 – Disciplinary Information

Neither Gregg Hackethal nor his firm have been the subject of any complaints or been involved in any disciplinary proceedings.

Item 10 – Other Financial Industry Activities and Affiliations

We engage in no other financial industry activities and have no material affiliation with other financial industry entities.

Item 11 – Code of Ethics, Interest in Client Transactions and Personal Trading

We require all employees to adhere to the highest fiduciary standard of conduct and to avoid any behavior that would create a conflict of interest with clients. All personnel must understand, acknowledge and follow a written Code of Ethics, a copy of which is available to any client or prospective client upon request. Our code of ethics requires all employees to place the interest of clients first and maintain client confidentiality.

All employee personal security transactions must be made in such a manner as to avoid any actual or potential conflict of interest. Employees are subject to restrictions relating to personal security transactions. Those restrictions include pre-authorization and disclosure requirements and general prohibitions on transactions in certain circumstances, such as when one is in possession of inside information.

Employees may invest in the same securities that we purchase for clients and employees may previously own securities that are subsequently purchased for clients, creating a potential conflict of interest. To address this potential conflict, orders to purchase or sell securities in accounts in which employees have a beneficial interest may not be entered or executed if purchase or sale orders for the same security are contemplated or pending in any client account.

Item 12 – Brokerage Practices

Clients place their assets with, and direct trading through, the custodian and broker of their choice. Clients may select any custodian or broker they desire. The amount of custodial fees, if any, and transaction charges (commissions) are set by the custodian and broker. We do not receive any portion of custodian fees or brokerage transaction charges. With client selected custodians and brokers we may be unable to achieve most favorable execution of client transactions. In a directed brokerage account clients may pay higher brokerage commissions and may receive less favorable prices than at other brokers.

For clients who do not have a preferred custodian, we may recommend that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab and Co., Inc. (Schwab), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although we may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. Gregg Hackethal's firm is independently owned and operated and is not affiliated with Schwab.

Schwab provides our firm with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Institutional. These services are not contingent upon our firm committing to Schwab any specific amount of business (assets in custody or trading commissions).

Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Institutional also makes available to our firm other products and services that benefit the firm but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist us in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of our fees from clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Institutional also offers other services intended to help our firm manage and further develop our business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to our firm. Schwab Institutional may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm.

Schwab Institutional may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend that clients custody their assets at Schwab, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

When we are purchasing or selling the same security for more than one account at the same time, we may combine orders for different clients for execution together as a batch or block trade. If the execution occurs at multiple prices, the average price is allocated to each account that participated in the order. We aggregate orders so that all clients receive the same execution price, and in some instances may pay lower transaction costs.

On occasion, with prior client permission, we purchase or sell securities through a broker other than a client's custodian or directed broker. Usually these are debt securities transactions made under a "prime broker" arrangement with the client's custodian or broker. We utilize such arrangements only when the transaction can be completed at lower total cost to the client than if the transaction was made with the client's custodian or directed broker.

Item 13 – Review of Accounts

Gregg Hackethal reviews all client accounts at least once per month to ensure compliance with client objectives. In addition, we continuously monitor securities in client accounts for fundamental developments or market specific occurrences that might trigger a decision to buy or sell particular securities.

At their election, clients receive from us either monthly or quarterly written portfolio statements listing securities held, purchase date, purchase price, current price, unrealized gains/losses, annual income, and annual yield. Performance data is also included for a client's total portfolio.

Item 14 – Client Referrals and Other Compensation

We do not pay referral fees or provide other economic benefits to any party referring clients to us.

Item 15 - Custody

We do not hold any client assets, but we may be deemed to have constructive custody of some client assets as a result of specific fee payment arrangements with certain clients. Actual custody of all client assets is with the broker-dealer, bank or other qualified custodian of a client's choice. Clients receive periodic statements from their respective custodians.

We also provide periodic statements to clients, as described in Item 13 above. We urge clients to compare the statements they receive from their custodian with the statements they receive from us.

Item 16 – Investment Discretion

We have investment discretionary authority over most of the accounts we manage. Prior to our assuming investment discretion, clients must execute our management agreement granting us investment discretion and a limited power of attorney on the form provided for that purpose by the custodian of their account.

Clients may impose limits on this authority, including restrictions on the types of securities purchased and sold in their accounts, the percentage of their account that may be invested in equities and debt instruments, minimum cash levels to be maintained and limits on the percentage of their account that may be invested in certain industries or market sectors.

Item 17 – Proxy Voting

At a client's election, we accept authority to vote client securities, or a client may choose to vote their own securities. Custodians mail proxies or other solicitations to us when we have voting authority and to clients when they retain voting authority.

We review and vote proxies we receive in accordance with our Proxy Voting Policy. We vote proxies in what we judge to be the best interests of our clients. Frequently, but not always, we vote with management on the election of directors. In matters concerning shareholder governance, executive compensation, covenants, social issues and other votes we frequently, but not always, vote against management. If a client directs us how to vote in a particular solicitation, we follow those instructions in voting that client's securities.

Copies of our Proxy Voting Policy and specific information on how we voted a client's securities are available upon request.

Item 18 – Financial Information

We do not have any financial condition that is reasonably likely to impair our ability to meet our contractual commitment to our clients.

Item 19 – Management Persons

Gregg Hackethal is the sole management person, whose education and business background are described in Item 4 above.