

# TSL Investment Management, LLC

## Firm Brochure

*This brochure provides information about the qualifications and business practices of TSL Investment Management, LLC. If you have any questions about the contents of this brochure, please do not hesitate to contact us at (561) 807-2770 or by email at: [smleder@ledergroup.com](mailto:smleder@ledergroup.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 TSL Investment Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). TSL Investment Management, LLC's CRD number is: 152123*

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*Registration does not imply a certain level of skill or training.*

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## Item 2: Material Changes

TSL Investment Management, LLC has transitioned from SEC registration to Florida registration. This Brochure has undergone substantial amendments since the previous annual filing. TSL Investment Management, LLC has urges you to review the entire Brochure for changes. The specific material changes are listed below:

Material Change	Previous Brochure Location (Page Number/Item Number)	This Brochure Location (Page Number/Item Number)
Addition of Item 19	Didn't exist in previous brochure.	Item 19, Page 10-11.

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## **Item 4: Advisory Business**

### **A. Description of the Advisory Firm**

This firm has been in business since February 4, 2010, and the principal owners are Sean Michael Leder and Natalie Michelle Leder.

### **B. Types of Advisory Services**

TSL Investment Management, LLC (hereinafter "TSL") offers the following services to advisory clients:

#### ***Investment Supervisory Services***

TSL offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. TSL creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

TSL evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. TSL will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

#### ***Performance Based Fees***

TSL manages a value oriented hedge fund. Accredited investors may be charged performance fees based on net profits above a mutually agreed upon high water mark.

#### ***Services Limited to Specific Types of Investments***

TSL limits its money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, REITs, hedge funds, and government securities. TSL may use other securities as well to help diversify a portfolio when applicable.

### **C. Client Tailored Services and Client Imposed Restrictions**

TSL offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may not impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs.

### **D. Wrap Fee Programs**

TSL does not participate in any wrap fee programs.

### **E. Amounts Under Management**

TSL has the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$35,388,811.00	\$0.00	12/31/2011

## Item 5: Fees and Compensation

### A. Fee Schedule

#### *Investment Supervisory Services Fees*

Total Assets Under Management	Annual Fee
\$1 - \$10,000,000	1.00%
Above \$10,000,000	0.75%

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in arrears, and clients may terminate their contracts with thirty days' written notice. Because fees are charged in arrears, no refund policy is necessary. Clients may terminate their accounts without penalty within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

#### *Performance Based Fees*

Accredited investors are charged an asset based management fee of 2.00% on all assets under management and a performance based fee of 20% of net profits above a mutually agreed upon high water mark.

### B. Payment of Fees

#### *Payment of Investment Supervisory Fees*

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in arrears. Advisory fees are invoiced and billed directly to the client quarterly in arrears. Payments are due at the end of the quarter. Clients may select the method in which they are billed.

#### *Payment of Performance Based Fees*

Performance fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid annually in arrears.

### **C. Clients Are Responsible For Third Party Fees**

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by TSL. Please see Item 12 of this brochure regarding broker/custodian.

### **D. Prepayment of Fees**

TSL collects its fees in arrears. It does not collect fees in advance.

### **E. Outside Compensation For the Sale of Securities to Clients**

Neither TSL nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

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

TSL manages accounts that are billed on performance based fees as well as accounts that are not billed on performance based fees. Managing both kinds of accounts at the same time presents a conflict of interest because TSL or its supervised person's have an incentive to favor accounts for which TSL and its supervised persons receive a performance-based fee. TSL addresses the conflicts by ensuring that clients who have performance based accounts do not receive preferential treatment. TSL provides best execution practices and upholds its fiduciary duty for all clients.

Accredited investors are charged an asset based management fee of 2.00% on all assets under management and a performance based fee of 20% of net profits above a mutually agreed upon high water mark.

Clients that are paying a performance based fee should be aware that investment advisors have an incentive to invest in riskier investments when paid a performance based fee due to the higher risk/higher reward attributes.

## **Item 7: Types of Clients**

TSL generally provides management supervisory services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Other Pooled Investment Vehicles
- ❖ Corporations or Business Entities



### ***Minimum Account Size***

There is an account minimum, \$200,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

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

### **A. Methods of Analysis and Investment Strategies**

#### ***Methods of Analysis***

TSL uses fundamental analysis.

**Fundamental analysis** involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

#### ***Investment Strategies***

TSL uses Long Term Trading, Short Term Trading, Margin Transactions, and Options Writing (including covered options, uncovered options, or spreading strategies).

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **B. Material Risks Involved**

#### ***Methods of Analysis***

**Fundamental analysis** concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

#### ***Investment Strategies***

Long Term Trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short Term Trading, margin transactions, and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

**Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

### **C. Risks of Specific Securities Utilized**

TSL generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize margin transactions and options writing. Margin transactions and options writing generally hold greater risk of capital loss and clients should be aware that there is a chance of material risk of loss using any of those strategies.

**Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.**

## **Item 9: Disciplinary Information**

### **A. Criminal or Civil Actions**

There are no criminal or civil actions to report.

### **B. Administrative Proceedings**

There are no administrative proceedings to report.

### **C. Self-regulatory Organization (SRO) Proceedings**

There are no self-regulatory organization proceedings to report.

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

### **A. Registration as a Broker/Dealer or Broker/Dealer Representative**

Neither TSL nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

### **B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor**

Neither TSL nor its representatives are registered as a FCM, CPO, or CTA.

### **C. Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests**

Sean Michael Leder is a real estate broker in the state of Florida and the president of Leder Realty & Management, Inc. From time to time, he will offer clients advice or products from those activities. TSL always acts in the best interest of the client.

#### **D. Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections**

TSL does not utilize nor select other advisors or third party managers. All assets are managed by TSL Management.

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

#### **A. Code of Ethics**

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

#### **B. Recommendations Involving Material Financial Interests**

TSL does not recommend that clients buy or sell any security in which a related person to TSL has a material financial interest.

#### **C. Investing Personal Money in the Same Securities as Clients**

From time to time, representatives of TSL may buy or sell securities for themselves that they also recommend to clients. TSL will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

#### **D. Trading Securities At/Around the Same Time as Clients' Securities**

From time to time, representatives of TSL may buy or sell securities for themselves at or around the same time as clients. TSL will always transact client business before their own when similar securities are being bought or sold.

## **Item 12: Brokerage Practices**

### **A. Factors Used to Select Custodians and/or Broker/Dealers**

The Custodian, Schwab Institutional, a division of Charles Schwab & Co., Inc. (CRD # 5393), was chosen based on their relatively low transaction fees and access to mutual funds and ETFs. TSL will never charge a premium or commission on transactions, beyond the actual cost imposed by Custodian.

#### **1. *Research and Other Soft-Dollar Benefits***

TSL receives research, products, or other services from its broker/dealer or another third-party in connection with client securities transactions ("soft dollar benefits"). There is no minimum client number or dollar number that TSL must meet in order to receive free research from the custodian or broker/dealer. There is no incentive for TSL to direct clients to this particular broker-dealer over other broker-dealers who offer the same services. However, because this firm does not have to produce or pay for services or products it has an incentive to choose a custodian that provides those services based on its interests rather than the clients' interests. The first consideration when recommending broker/dealers to clients is best execution. TSL always acts in the best interest of the client.

#### **2. *Brokerage for Client Referrals***

TSL receives no referrals from a broker-dealer or third party in exchange for using that broker-dealer or third party.

#### **3. *Clients Directing Which Broker/Dealer/Custodian to Use***

TSL allows clients to direct brokerage. TSL may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage TSL may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices.

### **B. Aggregating (Block) Trading for Multiple Client Accounts**

TSL maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

## **Item 13: Reviews of Accounts**

### **A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews**

Client accounts are reviewed at least quarterly only by Sean Leder, Managing Member. Sean Leder is the chief advisor and is instructed to review clients' accounts with regards

to their investment policies and risk tolerance levels. All accounts at TSL are assigned to this reviewer.

#### **B. Factors That Will Trigger a Non-Periodic Review of Client Accounts**

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

#### **C. Content and Frequency of Regular Reports Provided to Clients**

Each client will receive at least quarterly a written report detailing the clients account which may come from the custodian.

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

#### **A. Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)**

TSL does not receive any economic benefit, directly or indirectly from any third party for advice rendered to TSL clients.

#### **B. Compensation to Non – Advisory Personnel for Client Referrals**

TSL does not directly or indirectly compensate any person who is not advisory personnel for client referrals.

### **Item 15: Custody**

TSL does not take custody of client accounts at any time. Custody of client's accounts is held primarily at Schwab Institutional; a division of Charles Schwab & Co., Inc. Clients will receive account statements from the custodian and should carefully review those statements. TSL urges clients to compare the account statements they receive from the custodian with those they received from TSL.

### **Item 16: Investment Discretion**

For those client accounts where TSL provides ongoing supervision, the client has given TSL written discretionary authority over the client's accounts with respect to securities to be bought or sold and the amount of securities to be bought or sold. Details of this relationship are fully disclosed to the client before any advisory relationship has commenced. The client provides TSL discretionary authority via a limited power of attorney in the Investment Advisory Contract and in the contract between the client and the custodian.

## **Item 17: Voting Client Securities (Proxy Voting)**

TSL will accept voting authority for client securities in certain cases. When TSL does accept voting authority for client securities, it will always seek to vote in the best interests of its clients. TSL does not maintain preapproved voting guidelines but relies on the investment committee to determine the appropriate course of action in voting client securities that is in the best interest of the client. Clients may direct TSL on how to vote client securities by communicating their wishes in writing or electronically to TSL. When voting client proxies the investment committee will always hold the interests of the clients above its own interests. Clients of TSL may obtain the voting record of TSL on client securities by contacting TSL at phone number or e-mail address listed on the cover page of this brochure. Clients may obtain a copy of TSL' proxy voting policies and procedures upon request.

## **Item 18: Financial Information**

### **A. Balance Sheet**

TSL does not require nor solicit prepayment of more than \$500 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

### **B. Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients**

Neither TSL nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

### **C. Bankruptcy Petitions in Previous Ten Years**

TSL has not been the subject of a bankruptcy petition in the last ten years.

## **Item 19: Requirements For State Registered Advisers**

### **A. Principal Executive Officers and Management Persons; Their Formal Education and Business Background**

TSL currently has only one management person/executive officer; Sean Leder. Sean Leder's education and business background can be found on the Supplemental ADV Part 2B form.

**B. Other Businesses in Which This Advisory Firm or its Personnel are Engaged and Time Spent on Those (If Any)**

Sean Leder's other business activities can be found on the Supplemental ADV Part 2B form.

**C. How Performance Based Fees are Calculated and Degree of Risk to Clients**

Accredited investors are charged an asset based management fee of 2.00% on all assets under management and a performance based fee of 20% of net profits above a mutually agreed upon high water mark.

TSL accepts performance based fees, fees based on a share of capital gains on or capital appreciation of the assets of a client

Clients that are paying a performance based fee should be aware that investment advisors have an incentive to invest in riskier investments when paid a performance based fee due to the higher risk/higher reward attributes.

**D. Material Disciplinary Disclosures for Management Persons of this Firm**

No management person at TSL or TSL has been involved in an arbitration claim or been found liable in a civil, self-regulatory organization, or administrative proceeding that is material to the client's evaluation of the firm or its management.

**E. Material Relationships That Management Persons Have With Issuers of Securities (If Any)**

Neither TSL, nor its management persons, has any relationship or arrangement with issuers of securities.