

## **Form ADV Part 2 – Disclosure Brochure**

**Effective: June 13, 2012**

This Brochure provides information about the qualifications and business practices of Adondo Capital (“Adondo”). If you have any questions about the contents of this Brochure, please contact us at (610) 964-3400.

Adondo is a Registered Investment Adviser (“RIA”) registered with the United States Securities and Exchange Commission (“SEC”). The information in this Brochure has not been approved or verified by the SEC or by any state securities authority. Registration of an Investment Adviser does not imply any specific 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 Adondo and its advisory persons are available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Adondo Capital**  
**CRD No: 152672**  
**SEC File No: 801-71028**  
**353 West Lancaster Avenue, Suite 120**  
**Wayne, PA 19087**  
**Phone: (610) 964-3400 ♦ Fax: (610) 964-2585**  
**[www.AdondoCapital.com](http://www.AdondoCapital.com)**

## Item 2 - Material Changes

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As required by the Dodd-Frank Wall Street Reform and Consumer Protection Act, mid-sized investment advisory firms (firms with Assets Under Management between \$25 Million and \$99 Million) must change their primary regulatory authority from the United States Securities and Exchange Commission to the individual States. Due to this regulatory change Adondo Capital is now filing for registration with the State of Pennsylvania.

We will continue to ensure that you receive a summary of material changes, if any, to this and subsequent disclosure brochures within 120 days after our fiscal year ends. Our fiscal year ends on December 31 so you will receive the summary of material changes, if any, no later than April 30 each year. At that time we will also offer a copy of the most current disclosure brochure. We may also provide other ongoing disclosure information about material changes as necessary.

Adondo believes that communication and transparency are the foundation of our relationship and continually strive to provide current and prospective investors with complete and accurate information at all times. We encourage you to read this Firm Brochure and to discuss any questions with us. And, of course, we always welcome feedback.

### Initial Filing

Adondo is an existing Registered Investment Adviser ("RIA"); however, this is the initial filing of the Firm Brochure under the new rules.

### Future Changes

From time to time, we may amend this Firm Brochure to reflect changes in Adondo's business practices, changes in regulations and routine annual updates as required by the securities regulators. This complete Firm Brochure or this summary of Material Changes shall be provided to each Client annually or if a material change is made.

At any time, the current Firm Brochure may be viewed on-line at the SEC's Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>. To review the firm information for Adondo:

- Click **Investment Adviser Search** in the left navigation menu and enter.
- Select the option for Investment Adviser Firm and enter **152672** (*our firm's CRD number*) in the field labeled "Firm IARD/CRD Number".
- ADV Part 1 will be displayed.
- This will provide access to Form ADV 1 and 2A.
- Item 11 of the ADV Part 1 lists legal and disciplinary questions.
- On the left navigation, Form ADV Part 2A is located near the bottom.

A copy of this Firm Brochure may also be requested at any time, by contacting us at (610) 964-3400.

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## Item 4 - Advisory Services

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### A. Firm Information

Adondo Corporation, doing business as ("DBA") Adondo Capital ("Adondo"), has been a Registered Investment Adviser ("RIA") with the U.S. Securities and Exchange Commission ("SEC") since 1/2010 and was organized as a Pennsylvania S-corporation in 2003. Adondo commenced its investment management activities in 2010. As mentioned in Item 2 in March of 2012 Adondo has become required to file for registration with the State of Pennsylvania.

### B. Advisory Services Offered

Adondo is a quantitative investment firm that actively manages long/short U.S. exchange-traded equity portfolios. We offer fee-based investment management services utilizing a model-driven investment process based on our firm's expertise in computational linguistics. We offer our advisory services through an unregistered limited partnership ("LP"), as well as through separately managed accounts. Accounts are typically managed on a discretionary basis. (See Item 16 – Investment Discretion.)

**Prior to rendering investment management services, Adondo will ascertain, in conjunction with the Client, the Client's financial situation, risk tolerance, and investment objective(s).**

### C. Client Account Management

Adondo offers its investment management services through:

- The Adondo Fund, LP: Adondo advises an unregistered limited partnership, The Adondo Fund, LP (the "Fund"). This pooled vehicle is only offered to accredited investors pursuant to a limited partnership agreement ("LPA").
- Separately Managed Accounts: Client assets are held at a qualified custodian ("Custodian") chosen by the Client. Adondo is granted discretionary authority to transact on the Client's behalf through an Investment Advisory Agreement ("IAA").

### D. Wrap Fee Programs

Adondo does not place Client assets into a wrap fee program. Investment management services are provided by Adondo.

### E. Assets Under Management

As of December 31, 2011, Adondo manages the following assets:

Discretionary Assets	\$33,743,899.46
Non-discretionary Assets	\$0
<b>Total</b>	<b>\$33,743,899.46</b>

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## Item 5 - Fees and Compensation

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The following paragraphs detail the fee structure and compensation methodology for investment management services. Each Client enters into an Investment Advisory Agreement or, in the case of the Fund, a limited partnership agreement ("LPA") that details the responsibilities of Adondo and the Client.

### A. Fees for Advisory Services

- The Adondo Fund, LP:
  - Management Fee: 2% (per annum) based on assets under management, pursuant to the Fund's LPA.
  - Performance Fee: 20% performance fee based on the capital appreciation of the Client's account, pursuant to the Fund's LPA.
- Separately Managed Accounts:
  - Management Fee: 2% (per annum) based on assets under management, pursuant to the IAA.
  - Performance Fee: 20% performance fee based on the capital appreciation of the Client's account, pursuant to the IAA. Performance fees for separately managed accounts may only be charged to "Qualified Clients" [as defined in Rule 205-3 under the Investment Advisers Act of 1940 (the "Advisers Act")].

Adondo's performance fees are based upon any gains obtained in the Client's account. Our performance fees are subject to a "high water mark" (or "loss carry forward provision") to ensure that we will not receive performance fees unless, and only to the extent that, there are cumulative gains in the Client's account. A high water mark is applied to performance fee calculations for each Qualified Client; or, in the case of the Fund, for each "Accredited Investor" [as defined in Rule 501(a) of Regulation D under the Securities Act of 1933 (the "Securities Act")]. This means that Adondo only receives performance fees on increases in the value of the Client's account in excess of the highest account value it has previously achieved.

Our advisory fees may be negotiated at the sole discretion of Adondo. All securities held in a portfolio managed by Adondo will be independently valued by the Custodian. Adondo will not have the authority or responsibility to value portfolio securities.

Adondo's initial client has entered into an economic sharing arrangement with us that effectively reduces this Client's advisory fees. We do not anticipate entering into such agreements going forward.

### B. Fee Billing

- The Adondo Fund, LP: Investment management fees are payable on a monthly basis pursuant to the Fund's LPA. The management fee (2% per annum) is payable in advance of each calendar month, based on the Client's capital account balance in the Fund as of the close of business on the last business day of the previous month. Adondo may also receive a performance fee based upon any gains obtained in the Client's account for the month. Performance fees are paid monthly in arrears and will be equal to 20% of any gains in the Client's account during the month, subject to a high water mark. (See Item 5A - Fees for Advisory Services.) Adondo provides Clients with monthly statements that include details on their capital account, including all fees.

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- Separately Managed Accounts: Adondo will either invoice Clients on a quarterly basis or, if feasible, the Client may work with the Custodian to automatically calculate and deduct management fees on a periodic basis (e.g. daily, monthly). Clients will receive independent statements from the Custodian on a quarterly basis. It is the responsibility of the client to verify the accuracy of these fees as listed on the Custodian's brokerage statement.

### C. Other Fees and Expenses

Both The Adondo Fund, LP and separately managed account Clients, may incur certain fees or charges imposed by third parties (other than Adondo), in connection with investments made on behalf of Client accounts. The Client is responsible for all custodial and securities execution fees charged by the Custodian and executing broker-dealer. The investment management fee charged by Adondo is separate and distinct from these custodial and execution fees. Accordingly, investors should review the fees charged by the Custodian and executing broker-dealer, as well as the fees charged by Adondo, to fully understand the total fees to be paid.

### D. Advance Payment of Fees and Termination

#### Fees

- The Adondo Fund, LP: Management fees are assessed one month in advance. Performance fees are calculated one month in arrears. (See Item 5.B. – Fee Billing.)
- Separately Managed Accounts: Adondo's separately managed account Client has established an arrangement with the Custodian to deduct management fees on a daily basis (based on the Custodian's independent valuation of assets under management). Performance fees, if applicable, may be deducted on a monthly basis. (See Item 5.B. – Fee Billing.)

#### Termination

- The Adondo Fund, LP: Clients may redeem their interests in the Fund pursuant to the terms detailed in the Fund's LPA.
- Separately Managed Accounts: Clients may request to terminate their Investment Advisory Agreement with Adondo, in whole or in part, by providing thirty (30) days advance written notice. The Client shall be responsible for investment management fees up to and including the effective date of termination. The Client's Investment Advisory Agreement with Adondo is non-transferable without Client's written approval.

### E. Compensation for Sales of Securities

**As a fee-only adviser, Adondo does not receive commissions or any compensation for transactions in any Client account.** Adondo is paid only on the advice and investment management provided to Clients based on the Client's assets under management ("AUM") or, in the case of performance fees, based on the individual performance of the Client's account. (See Item 6 – Performance-Based Fees.)

## Item 6 - Performance-Based Fees

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Adondo charges a performance-based fee for its investment advisory services. This fee is charged by Adondo based upon the capital appreciation of the Client's account, subject to a high water mark. (See Item 5A – Fees for Advisory Services.)

## Item 7 - Types of Clients

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Adondo may provide services to a variety of client types, including:

- High Net Worth Individuals, Trusts, and Estates – Private investors, investing personal assets
- Corporations and Limited Partnerships – Taxable entities organized for a specific business purpose, investing cash reserves
- Other Institutional Clients – Typically tax exempt entities investing on their own behalf
- Hedge Funds – Adondo currently advises The Adondo Fund, LP, an unregistered limited partnership offered to Accredited Investors pursuant to a limited partnership agreement. (See Item 4 – Advisory Services.)

The relative percentage of each Client type to which Adondo provides services is available on Adondo's Form ADV Part 1. The actual mix of types of Clients changes over time based upon market conditions, business plans, and other factors.

Adondo does not specialize in, or actively seek, any given client type. Adondo is committed to providing services to qualified investors, regardless of legal or corporate status.

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

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### A. Methods of Analysis

Adondo employs a proprietary research methodology for investment decisions for the Fund and separately managed accounts. Our research is based on computational linguistics, a field that involves applying statistical techniques to analyze words or speech. The core of our research activities is a set of proprietary models that we apply to analyze individual stocks. Our investible universe consists of approximately 3,000 U.S. exchange-traded stocks, including large, mid, and small capitalization securities. Our models produce rankings for each candidate security and generate recommendations for either long or short positions in specific stocks.

Other methods of analysis may be employed by Adondo as deemed appropriate.

### B. Investment Strategies

Adondo offers one investment strategy:

#### Equity Market Neutral

- **Objective:** Our Equity Market Neutral strategy seeks to generate equity-like returns while controlling volatility and minimizing correlation to the overall market.
- **Benchmark:** As an absolute return strategy, we seek to generate equity-like returns for our Clients. Our strategy does not necessarily seek to exceed the returns of U.S. equity indices.
- **Portfolio Construction:** We construct portfolios consisting of long and short equity positions that our models have identified as attractive opportunities. Our portfolio construction process seeks to maintain "dollar neutral" portfolios. We monitor the market value of our positions with the objective of balancing the dollar value of our long positions with the dollar value of our short positions. In doing so, our goal is to have minimal net dollar exposure to the U.S. equity markets.

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Because of this, our portfolios will tend to have low correlation with respect to U.S. equity indices (e.g. S&P 500).

Our investment strategy utilizes leverage to the extent necessary to build a balanced portfolio of long and short positions. We maintain diversification in our portfolios by holding between 30-50 long positions and 30-50 short positions.

## **B. Risk of Loss**

Investing in securities involves certain investment risks. Securities may fluctuate in value or lose value. Clients should be prepared to bear the potential risk of loss. Adondo will assist Clients in determining the appropriateness of an investment in our strategy based on their tolerance for risk and investment goals. In so doing, we will rely on financial and other information provided by the Client or their designees, without the duty or obligation to validate the accuracy and completeness of the provided information. **It is the responsibility of the Client to inform us of any changes in the Client's financial condition, goals, or other factors that may affect the appropriateness of an investment in Adondo's strategy.**

**There is no guarantee that Clients will meet their investment goals.**

Quantitative long/short strategies like Adondo's may have certain risk characteristics beyond the potential risk loss inherent in investing in equity securities. These risks include:

- ***Computational Algorithms***  
Most of our trading decisions are driven by computational algorithms. Due to numerous factors, these algorithms may not perform as expected and may not perform as they have in the past. The assumptions used to create these algorithms may prove to be inaccurate and/or may change over time.
- ***Execution Errors***  
Adondo uses extensive automation; however, trades are entered manually and thereby are subject to human error. Various computer programs are essential to almost every aspect of Adondo's operations including: data collection and analysis, recommendations, trading, monitoring, accounting, and control. All of these systems require human interaction and maintenance. While we strive to include reliable means for checking entries, there are many opportunities for errors in execution. Some of these errors, especially systematic ones, if not detected and corrected promptly, could cause substantial harm to operations and performance.
- ***Technology Malfunctions***  
Adondo's investment process relies heavily on many computers and servers. Proprietary and third party software are also crucial to our investment process. Adondo computers as well as third-party providers are subject to reliability weaknesses, both in hardware and in software. While Adondo uses redundancy and back-up in many facets of its operation, failure at one or more points could cause substantial damage, including but not limited to, service interruptions and/or data loss.
- ***Uses of the Internet***  
Adondo uses the Internet for a variety of activities including communication and control of critical activities, such as trading and accounting. Furthermore, Adondo servers obtain public information from sources located on the Internet. Should our access to the Internet, or to information on the Internet, be compromised or disqualified, this could result in substantial disruption to our operations.
- ***Short Sales***  
We make extensive use of short selling in an effort to achieve dollar-neutrality. Short selling may result in losses if the security subject to such short position increases in value or pays dividends. Short selling may also be subject to an unlimited loss because there may be no limit on how much the price of a share may appreciate before the short position is closed out. We may be required to close the short



position prematurely and thereby incur unexpected losses if a security lender demands return of the lent security and an alternative lending source cannot be found.

- **Leverage**

Adondo uses leverage to the extent necessary to build a balanced portfolio of long and short positions. In using leverage, we borrow cash from our executing broker to establish stock positions that exceed Client capital. Such leverage results in a greater risk of loss when compared to non-levered strategies. Since we rely on our ability to borrow cash against our existing portfolio, if our ability to borrow were disrupted, we would not be able to execute our strategy.

## Item 9 - Disciplinary Information

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Adondo and its advisory personnel value the trust that our Clients place in us. We advise all current and prospective investors to perform the requisite due diligence on any adviser or service provider with which you partner or with which you may partner.

Background information on Advisers is available on the Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>.

To review the firm information for Adondo, click **Investment Adviser Search** in the left navigation menu and enter. Select the option for Investment Adviser Firm and enter **152672** (*our firm's CRD number*) in the field labeled "Firm IARD/CRD Number." This will provide access to Form ADV Parts 1 and 2. Item 11 of the ADV Part 1 lists legal and disciplinary questions. **There are no legal, regulatory or disciplinary events involving Adondo or any of its employees.**

## Item 10 - Other Financial Activities and Affiliations

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Adondo Corporation was originally established as a technology firm. In this separate capacity, Adondo provides a technology platform for Internet telephony and text messaging. We do not actively sell these services; however, we do continue to provide them to a small number of legacy customers. We do not solicit these customers for investment management services. These Internet telephony and text messaging services (including content) are not related in any way to the data utilized in our investment activities.

William Martindale (CRD#321700) a director and shareholder of Adondo Capital is also the founding member of Conestoga Capital Advisors an unaffiliated investment advisory firm (IARD # 111750).

## Item 11 - Code of Ethics, Participation in Client Transactions and Personal Trading

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### A. Code of Ethics

In keeping with regulatory standards, Adondo has written and implemented a Code of Ethics that defines our fiduciary commitment to each Client. This Code of Ethics applies to all "Supervised Persons"<sup>1</sup> associated with

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<sup>1</sup> The term "**Supervised Person**" means "any partner, officer, director (or other person occupying similar status or performing similar functions), or employees of an Investment Adviser, or other person who provides investment advice on behalf of the Investment Adviser and is subject to Adondo's supervision and control.

*Regulatory Reference:* [Investment Advisers Act of 1940, Section 202\(a\)\(25\)](#). See also, Corrine E. Wood (pub. avail. Apr. 17, 1986) (interpreting the term "person associated with an Investment Adviser" to include "those independent contractors whose activities are controlled by the [Adviser].")]

Adondo. The Code of Ethics was developed to provide general ethical guidelines and specific instructions regarding our duties to our Clients. Adondo and its personnel owe a duty of loyalty, fairness and good faith towards each Client. It is the obligation of Adondo associates to adhere not only to the specific provisions of the Code but to the general principles that guide the Code. Adondo's Code of Ethics covers a range of topics that may include: general ethical principles; insider trading; reporting personal securities trading; exceptions to reporting securities trading; reportable securities; initial public offerings and private placements; reporting ethical violations; distribution of the Code of Ethics; review and enforcement processes; amendments to Form ADV; and, supervisory procedures.

To request a copy of Adondo's Code of Ethics, please contact us at (610) 964-3400.

## **B. Personal Trading and Conflicts of Interest**

Adondo allows our employees to purchase or sell the same securities that may be recommended to and purchased on behalf of Clients. Owning the same securities we recommend (purchase or sell) to Clients presents a potential conflict of interest that, as fiduciaries, we must disclose and mitigate through policies and procedures. As noted above in Item 11A, we have adopted, consistent with Section 204A of the Investment Advisers Act of 1940, a Code of Ethics, which addresses insider trading (material nonpublic information controls) and personal securities reporting procedures. We have also adopted written policies and procedures to detect the misuse of material nonpublic information.

**At no time, will Adondo or any associated person of Adondo, transact in any security to the detriment of any Client.**

As a fee-only Registered Investment Adviser, Adondo does not have a broker-dealer relationship and has no incentive to sell products of any particular type to its Clients. In all circumstances, Adondo is solely compensated by the Client with neither the adviser nor any related party receiving compensation that is contingent on the purchase or sale of any financial product. Adondo does not engage in any transactions where it has a financial interest, including, but not limited to commissionable securities transactions, buying securities from or selling securities to its Clients.

## **Item 12 - Brokerage Practices**

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### **A. Recommendation of Custodian(s)**

- The Adondo Fund, LP: Adondo, as the General Partner ("GP") of the Fund, and pursuant to the LPA, has the discretionary authority to select the Custodian(s) for the Fund.
- Separately Managed Accounts: Adondo does not have discretionary authority to select the broker-dealer/custodian for custodial and execution services for separately managed account Clients. The Client will select the broker-dealer or Custodian to safeguard Client assets, and will authorize Adondo to direct trades to this Custodian as agreed in the Investment Advisory Agreement. Further, Adondo does not have the discretionary authority to negotiate commissions on behalf of our separately managed account Clients on a trade-by-trade basis. With "directed brokerage," Adondo will not be obligated to select competitive bids on securities transactions and does not have an obligation to seek the lowest available transaction costs. These costs are determined by the designated broker.

Where Adondo does not exercise discretion over the selection of the Custodian, it may recommend the Custodian(s) to Clients for execution and/or custodial services. Clients are not obligated to use the recommended Custodian and will not incur any extra fee or cost associated with using a broker not recommended by Adondo. Adondo may recommend a Custodian based on criteria such as, but not

limited to, reasonableness of commissions charged to the Client, services made available to the Client, and location of the Custodian's offices. Adondo does not receive research services, other products, or compensation as a result of recommending a particular broker that may result in the Client paying higher commissions than those obtainable through other brokers.

**Soft Dollars** - Soft dollars are revenue programs offered by broker-dealers whereby an adviser enters into an agreement to place security trades with the broker in exchange for research and other services. **Adondo does not participate in soft dollar programs sponsored or offered by any broker-dealer.**

**Brokerage Referrals** - **Adondo does not receive any compensation from brokers.**

**Principal Transactions and Cross Transactions** - **Adondo does not engage in any principal transactions** (i.e., trade of any security from or to the Adviser's own account) **or cross transactions with other Client accounts** (i.e., purchase of a security into one Client account from another Client's account(s)).

## **B. Aggregating and Allocating Trades**

Transactions for each Client account are generally effected independently and the majority of our trades are executed with "limit-on-close" ("LOC") orders. Since we typically do not aggregate or "batch" trades, allocation across Client accounts is not necessary.

If Adondo does decide to purchase or sell the same securities for several Clients at approximately the same time, such transactions may be aggregated. When so doing, Adondo will aggregate and allocate orders only in a manner which ensures fairness to each Client. Aggregation of transactions will only occur when we believe that such aggregation is consistent with our duty to seek best execution and best price for Clients and is consistent with the Investment Advisory Agreement with each Client for which trades are being aggregated.

# **Item 13 - Review of Accounts**

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## **A. Frequency of Reviews**

Accounts are monitored regularly by Adondo for adherence to investment strategy and Client Objective. Investment management and supervision over the specific securities contained in each Client's portfolio are performed on an ongoing basis by Adondo.

## **B. Causes for Reviews**

In addition to the investment monitoring noted above in Item 13A, each Client account shall be reviewed at least annually. Accounts may be reviewed on an interim basis as a result of: material market, economic, or political events; known changes in the Client's financial situation; and/or large deposits or withdrawals in the Client's account. Reviews may also be conducted at the Client's request.

The Client is instructed to notify Adondo if changes occur in his/her personal financial situation that might adversely affect his/her investment plan. (See Item 8.B. - Risk of Loss)

## **C. Review Reports**

- The Adondo Fund, LP: Participants in the Fund receive monthly statements from Adondo that summarize the market value of their interests in the Fund, unaudited performance, allocated gains and

losses, income, and expenses (including management and incentive fees). On an annual basis, we will provide each participant with audited financial statements from the previous calendar year.

- **Separately Managed Accounts:** The Client will receive brokerage statements no less than quarterly from the Trustee or Custodian. These brokerage statements are sent directly from the Custodian to the Client. The Client may also establish electronic access to the Custodian's website so that the Client may view these reports and their account activity. Client brokerage statements will include all positions, transactions, and fees relating to the Client's account(s). (See Item 5B – Fee Billing.)

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## Item 14 - Client Referrals and Other Compensation

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### A. Compensation Received by Adondo

**As a fee-only adviser, Adondo, in all circumstances, is compensated solely by the Client.** Adondo does not receive commissions or other compensation from product sponsors, broker dealers, or any unrelated third party.

### B. Client Referrals from Solicitors

Adondo currently does not have any relationships with third party solicitors.

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## Item 15 - Custody

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Custody, as it applies to investment advisors, has been defined by regulators as having access or control over client funds and/or securities. In other words, custody is not limited to physically holding client funds and securities. If an investment adviser has the ability to access or control client funds or securities, the investment adviser is deemed to have custody and must ensure proper procedures are implemented.

Adondo is deemed to have custody of client funds and securities whenever Adondo is given the authority to have fees deducted directly from client accounts. However, this is the only form of custody Adondo will ever maintain. It should be noted that authorization to trade in client accounts is not deemed by regulators to be custody.

For accounts in which Adondo is deemed to have custody, I have established procedures to ensure all client funds and securities are held at a qualified custodian in a separate account for each client under that client's name. Clients or an independent representative of the client will direct, in writing, the establishment of all accounts and therefore are aware of the qualified custodian's name, address and the manner in which the funds or securities are maintained. The qualified custodian will send account statements directly to each client at least quarterly. Clients should carefully review those statements. When clients have questions about their account statements, they should contact Adondo or the qualified custodian preparing the statement.

When fees are deducted from an account, Adondo is responsible for calculating the fee and delivering instructions to the custodian. At the same time Adondo instructs the custodian to deduct fees from your account; Adondo will send you an invoice itemizing the fee. Itemization will include the formula used to calculate the fee, the amount of assets under management the fee is based on, and the time period covered by the fee.

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## Item 16 - Investment Discretion

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Adondo has discretion over the selection and amount of securities to be bought or sold in Client accounts without obtaining prior consent or approval from the Client. However, these purchases or sales may be subject to specified investment objectives, guidelines, or limitations previously set forth by the Client and agreed to by Adondo. Discretionary authority will only be authorized upon full disclosure to the Client. The granting of such authority will be evidenced by the execution of an Investment Advisory Agreement by separately managed account Clients, or, in the case of the Fund, by the execution of the LPA. These agreements contain all applicable limitations to such authority. All discretionary trades made by Adondo will be in accordance with each Client's investment objectives and goals.

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## Item 17 - Voting Client Securities

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Adondo currently does not vote proxies on behalf of its clients.

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## Item 18 - Financial Information

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Neither Adondo, nor its management, has any adverse financial situations that would reasonably impair the ability of Adondo to meet all obligations to its Clients. Neither Adondo, nor any of its advisory persons, has been subject to a bankruptcy or financial compromise. Adondo is not required to deliver a balance sheet along with this brochure as the firm does not collect advance fees for services to be performed six months or more in advance. (See Item 5 - Fees and Compensation.)

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## Item 19 - Requirements for State-Registered Advisers

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### **Executive Officer and Management Personnel**

Christopher F. McConnell, Born: 1953

CRD# 5749991

#### **Education:**

Harvard University  
MBA General Management (1984)

Purdue University  
MS Chemical Engineering (1976)

Dartmouth College  
AB Engineering Science (1975)

#### **Business Background:**

Principal and CCO Adondo Capital	2009 to Present
Founder Adondo Corporation	2003 to 2009
Founder and Principal The Founders Group, LLC	2000 to Present
Board of Directors Security of Campus	2011 to Present
Board of Overseers Thayer School of Engineering at Dartmouth College	2010 to Present
Board of Directors Wireless Accessories Group (NASDAQ:XWG)	2001 to Present
Founder and Chairman CFM Technologies, Inc.	1984 to 2000

### Other Business Activities

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Mr. McConnell serves on the boards of Wireless Xcessories Group (NASDAQ: XWG), Security on Campus, and is a member of the Board of Overseers of the Thayer School of Engineering at Dartmouth College.

### Performance Based Fees

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As previously disclosed, Adondo charges a performance-based fee for its investment advisory services. This fee is charged by Adondo based upon the capital appreciation of the Client's account, subject to a high water mark. (See Item 5A – Fees for Advisory Services.)

### No Arbitrations

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Neither Adondo or any of its associated persons have not been the subject of any client arbitrations or similar legal disputes.

### Material Relationship Maintained by this Advisory Business or Management persons with Issuers of Securities

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None to report

## **Form ADV Part 2B – Individual Disclosure Brochure**

**for**

**Christopher F. McConnell  
Principal / Chief Compliance Officer**

**Effective: June 13, 2012**

This Brochure Supplement provides information about the background and qualifications of Christopher F. McConnell (CRD# 5749991) in addition to the information contained in the Adondo Capital ("Adondo") Brochure. If you have not received a copy of this Brochure or if you any questions about the contents of the Adondo Capital Brochure or this Brochure Supplement, please contact us at (610) 964-3400.

Additional information about Christopher F. McConnell is available on the SEC's Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Adondo Capital  
CRD No: 152672  
SEC File No: 801-71028  
353 W. Lancaster Ave., Suite 120 ♦ Wayne, PA 19087  
Phone: (610) 964-3400 ♦ Fax: (610) 964-2585  
[www.AdondoCapital.com](http://www.AdondoCapital.com)**

## Item 2 – Educational Background and Business Experience

### **Christopher F. McConnell**

**Born:** 1953

CRD# 5749991

#### **Education:**

Harvard University  
MBA General Management (1984)

Purdue University  
MS Chemical Engineering (1976)

Dartmouth College  
AB Engineering Science (1975)

#### **Business Background:**

Principal and CCO Adondo Capital	2009 to Present
Founder Adondo Corporation	2003 to 2009
Founder and Principal The Founders Group, LLC	2000 to Present
Board of Directors Security of Campus	2011 to Present
Board of Overseers Thayer School of Engineering at Dartmouth College	2010 to Present
Board of Directors Wireless Accessories Group (NASDAQ:XWG)	2001 to Present
Founder and Chairman CFM Technologies, Inc.	1984 to 2000

## Item 3 – Disciplinary information

Adondo Capital and its advisory personnel value the trust you place in us. As we advise all clients, we encourage you to perform the requisite due diligence on anyone providing services to you.

**There are no legal or disciplinary events to disclose regarding Christopher F. McConnell.**

However, we do encourage you to independently view the background of Christopher F. McConnell on the Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>. Select the option for Investment Adviser Representative and enter **5749991** in the field labeled “Individual CRD Number.”



#### **Item 4 - Other Business Activities**

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Mr. McConnell serves on the boards Wireless Xcessories Group (NASDAQ: XWG), Security on Campus, and is a member of the Board of Overseers of the Thayer School of Engineering at Dartmouth College.

#### **Item 5 - Additional Compensation**

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Mr. McConnell does not receive any additional compensation or economic benefit from any unaffiliated person, company or organization in connection with the services provided to Clients of Adondo Capital.

#### **Item 6 - Supervision**

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Mr. McConnell serves as Principal and Chief Compliance Officer of Adondo Capital. Contact information for Mr. McConnell is listed on the cover of this Brochure Supplement.

Adondo Capital is governed by a Board of Directors. Adondo has implemented a Code of Ethics and internal compliance that guide each Supervised Person in meeting their fiduciary obligations to Adondo Clients. Further, Adondo Capital is subject to regulatory oversight by and various agencies. These agencies require registration by Adondo Capital and its employees. As a registered entity, Adondo is subject to examinations by regulators, which may announced or unannounced. Adondo is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets.

#### **Item 7 - Requirements for State-Registered Advisors**

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Mr. McConnell has not been the subject of any client arbitrations, similar legal disputes or any bankruptcy filings.

## **Form ADV Part 2B – Individual Disclosure Brochure**

**for**

**Tracy G. Auerbach  
Principal**

**Effective: June 13, 2012**

This Brochure Supplement provides information about the background and qualifications of Tracy G. Auerbach (CRD# 5753376) in addition to the information contained in the Adondo Capital (“Adondo”) Brochure. If you have not received a copy of this Brochure or if you any questions about the contents of the Adondo Capital Brochure or this Brochure Supplement, please contact us at (610) 964-3400.

Additional information about Tracy G. Auerbach is available on the SEC’s Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

**Adondo Capital  
CRD No: 152672  
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[www.AdondoCapital.com](http://www.AdondoCapital.com)**

## Item 2 – Educational Background and Business Experience

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### Tracy G. Auerbach

**Born:** 1966

**Education:**

University of Pennsylvania  
(1988-1990)

Syracuse University  
(1984-1988)

**Business Background:**

Principal Adondo Capital	2009 to Present
Principal Adondo Corporation	2006 to 2009
Development Office The Episcopal Academy	2003 to 2006
French Teacher and Faculty Representative to the Board of Directors Friends' Central School	2000 to 2003

## Item 3 – Disciplinary Information

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Adondo Capital and its advisory personnel value the trust you place in us. As we advise all clients, we encourage you to perform the requisite due diligence on anyone providing services to you.

**There are no legal or disciplinary events to disclose regarding Tracy G. Auerbach.**

However, we do encourage you to independently view the background of Tracy G. Auerbach on the Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>. Select the option for Investment Adviser Representative and enter 5753376 in the field labeled "Individual CRD Number:"

## Item 4 – Other Business Activities

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Ms. Auerbach is not compensated as a result of any business activity that is outside the scope of her relationship with Adondo Capital.

## Item 5 – Additional Compensation

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Ms. Auerbach does not receive any additional compensation or economic benefit from any unaffiliated person, company or organization in connection with the services provided to Clients of Adondo Capital.

## **Item 6 - Supervision**

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Ms. Auerbach serves as Principal of Adondo Capital. Contact information for Ms. Auerbach is listed on the cover of this Brochure Supplement.

Adondo Capital is governed by a Board of Directors. Adondo has implemented a Code of Ethics and internal compliance that guide each Supervised Person in meeting their fiduciary obligations to Adondo Clients. Further, Adondo Capital is subject to regulatory oversight by and various agencies. These agencies require registration by Adondo Capital and its employees. As a registered entity, Adondo is subject to examinations by regulators, which may announced or unannounced. Adondo is required to periodically update the information provided to these agencies and to provide various reports regarding firm business and assets.

## **Item 7 - Requirements for State-Registered Advisors**

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Ms. Auerbach has not been the subject of any client arbitrations, similar legal disputes or any bankruptcy filings.

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### **Adondo Capital**

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