

## BEPLAT ASSET MANAGEMENT, INC.

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This Brochure provides information about the qualifications and business practices of Beplat Asset Management, Inc. If you have any questions about the contents of this Brochure, you may contact us at (307) 690-5065, or email [rabeplat@beplatassetmgmt.com](mailto:rabeplat@beplatassetmgmt.com) to obtain answers and additional information. Beplat Asset Management, Inc. is an SEC registered investment adviser in the state of Wyoming. Registration of an investment adviser does not imply any level of skill or training. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

Additional information about Beplat Asset Management, Inc. is available on the SEC's website at [www.Adviserinfo.sec.gov](http://www.Adviserinfo.sec.gov).

## Item 2 – Material Changes

There have been no material changes since our previous annual update to our Brochure. The date of our previous annual update to our Brochure was March 31, 2011.

Our Brochure is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Beplat Asset Management, Inc. is 153005. We may provide ongoing disclosure information about material changes as necessary and will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Raymond Beplat at (307) 690-5065, or by email to [rabeplat@beplatassetmgmt.com](mailto:rabeplat@beplatassetmgmt.com).

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#### Item 4 – Advisory Business

- A** Beplat Asset Management, Inc., (“Beplat”) is a Wyoming corporation registered as an SEC regulated investment advisor under the Investment Advisers Act of 1940, with its principal place of business located in Jackson, Wyoming. Our assets under management would not qualify us to be SEC registered but for the fact that Wyoming does not offer state registration for independent investment advisory firms. The principal owner and planner is Raymond Beplat, President and Principal Shareholder.
- B, C** We offer a wide range of investment advisory services to our Clients. Advice and services are tailored to the stated objectives of each Client.

Our investment advisory services are driven by and coordinated with each Client’s individual financial goals. Our approach uses broadly diversified portfolios and a systematic strategy to manage investments. We follow strict fiduciary standards, putting our Clients’ interests before our own and seeking to avoid conflicts of interest with our Clients. We are compensated only by our Clients.

Except as otherwise instructed, our Clients grant us ongoing and continuous discretionary authority to execute its investment recommendations in accordance with our Statement of Investment Policy (or a similar document used to establish each Client’s objectives and suitability), without a Client’s prior approval of each specific transaction. Under this discretionary authority, Clients allow us to purchase and sell securities and instruments in their account(s), arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on their behalf in most matters necessary or incidental to the handling of their account, including monitoring certain assets. All transactions in Client accounts are made in accordance with the directions and preferences provided to us by our Clients. Clients execute instructions regarding our trading authority as required by each custodian.

- D** We do not participate in any wrap fee programs.
- E** We manage \$6,744,909 of Client assets, on a discretionary basis only. These amounts were calculated as of December 31, 2011.

#### Item 5 – Fees and Compensation

- A** Compensation for our services will be calculated in accordance with “Schedule A” of the Investment Advisory Agreement, which may be amended from time to time by us upon 30-days prior written notice to Client. Clients pay Beplat a fee monthly in arrears, with payment due within 10 days from the date of the invoice. The fee will be equal to the agreed upon

rate per annum, times the market value of the securities, with 1/12 of the fee accruing each month, based on prior month end values.

Schedule A

<u>Assets</u>	<u>Annual Fee</u>
Equities	1.0%
Fixed Income	0.5%
Mutual Funds	No Charge

Notwithstanding the above, fees are generally negotiable.

- B** Our fees may be paid directly to us from the account by the custodian upon submission of an invoice to custodian showing the amount of fees, the value of the Client's assets on which the fees are based, and the specific manner in which the fees are calculated. Payment of fees may result in the liquidation of Client's securities if there is insufficient cash in the account. Copies of the fee invoices will be mailed to Client as required. Clients may be required to pay, in addition to our fee, a proportionate share of any mutual fund's fees and charges.
- C** All brokerage commissions, stock transfer fees, and other similar charges incurred in connection with transactions for the account will be paid out of the assets in the account and are in addition to the investment management fees paid to us. Clients bear the responsibility for verifying the accuracy of fee calculations are encouraged to compare our fee calculations with statements received from the custodian of their accounts.
- D** The market value will be construed to equal the sum of the values of all securities in each asset class. Fees for partial quarters at the commencement or termination of this Agreement will be billed or refunded on a pro-rated basis contingent on the number of days the account was open during the quarter. Monthly fee adjustments for additional assets received into the account during a month or for partial withdrawals will also be provided on the above pro rata basis.
- E** We are a fee-only investment advisory firm paid on a percentage of Client assets managed. This means that no supervised person associated with us receives or accepts any compensation for the sale of securities or investment products.

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

We do not charge any performance-based fees for our services. Accordingly, this item is not applicable to our firm.

## Item 7 – Types of Clients

We provide investment advice to individuals, pension and profit sharing plans, and trusts and estates. Because each Client is unique, we encourage their involvement and questions regarding the management of their account(s). Such involvement does not have to be time consuming, however we want our Clients to remain informed and have a sense of security about their investments.

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

**A** We offer advice on investments primarily including (but not limited to) the following:

- Equity securities such as:
  - Exchange-listed securities
  - Securities traded over-the-counter
  - Foreign issuers
- Corporate debt securities (other than commercial paper)
- Municipal securities
- Investment company securities:
  - Mutual fund shares
- United States government securities
- Options contracts on:
  - Securities
- Interests in partnerships investing in:
  - Real estate
  - Oil and gas interests

We will primarily research and review securities using traditional fundamental analysis. The primary investment strategies used to implement investment advice given to Clients include long-term (securities held at least one year) and short-term (securities sold within a year) purchases.

The main sources of information we rely upon when researching and analyzing securities include traditional research materials such as financial newspapers and magazines, research materials prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission; and company press releases.

**B** We will use our best judgment and good faith efforts in rendering services to our Clients. However, we cannot warrant or guarantee any particular level of account performance, or that an account will be profitable over time. Not every investment decision or recommendation made by us will be profitable. Clients assume all market risk involved in the investment of account assets under the Investment Advisory Agreement and understand

that investment decisions made for this account are subject to various market, currency, economic, political and business risks.

Except as may otherwise be provided by law, we are not liable to Clients for:

- Any loss that a Client may suffer by reason of any investment decision made or other action taken or omitted in good faith by us with that degree of care, skill, prudence and diligence under the circumstances that a prudent person acting in a fiduciary capacity would use;
- Any loss arising from our adherence to a Client's instructions; or
- Any act or failure to act by a custodian of a Client's account. However, nothing in this Agreement shall relieve us from any responsibility or liability we may have under state or federal statutes, including the Advisers Act of 1940.

It is the responsibility of each Client to give us complete information and to notify us of any changes in financial circumstances or goals.

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

We are required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of our firm, or the integrity of our management. We have no information to disclose applicable to this Item.

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

We do not participate in any other material activities and have no other financial industry affiliations to disclose.

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

- A** We follow strict fiduciary standards, putting our Clients' interests before our own. We have a Code of Ethics which all employees are required to follow. The Code of Ethics outlines proper conduct related to all services provided to Clients. Prompt reporting of internal violations is mandatory. Our chief compliance officer regularly evaluates employee performance to ensure compliance with the Code of Ethics.

The Code of Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things.

We will disclose to advisory Clients any material conflict of interest relating to Beplat, its representatives, or any of its employees which could reasonably be expected to impair the rendering of unbiased and objective advice. A copy of the Code of Ethics is available to any Client or prospective Client upon request.

Recommending a broker dealer can create a conflict of interest. Accordingly we have established the following restrictions in order to ensure its fiduciary responsibilities:

- A director, officer, associated person, or employee of Beplat shall not buy or sell securities for his personal portfolio where his decision is substantially derived, in whole or in part, by reason of his employment unless the information is also available to the investing public or reasonable inquiry. Further, no person associated with us shall prefer his or her own interest to that of a Client.
- If we receive separate compensation for effecting transactions on a Client's behalf such compensation arrangements will be fully disclosed to Client.
- We also emphasize the right of a Client to select and choose any broker or dealer he/she wishes.
- We require that all individuals must act in accordance with all applicable federal and state regulations governing registered investment advisory practices.

Any individual not in observance of the above may be subject to termination.

**B-D** Beplat or any individual associated with us may buy and sell some of the same securities for our own accounts that we buy and sell for our Clients. In all instances, where appropriate we will purchase a security for all of our existing accounts for which the investment is appropriate before purchasing any of the securities for our own account and, likewise, when we determine that securities should be sold, where appropriate we will cause these securities to be sold from all of our advisory accounts prior to permitting the selling of the securities from our accounts. In some cases we may buy or sell securities for our own account for reasons not related to the strategies adopted by our Clients.

When we are newly engaged by an investment advisory Client for whom we expect to recommend securities in which we hold a position, we will notify the new Client of our policies in respect to officers trading for their own account.



## Item 12 – Brokerage Practices

**A** Our Clients' assets are held by independent third-party custodians. Except to the extent that the Client directs otherwise, we may use our discretion in selecting or recommending the custodian. Clients are not obligated to effect transactions through any custodian recommended by us. In recommending a custodian we will comply with our fiduciary duty in accordance with the Securities Exchange Act of 1934, to obtain best execution and will take into account such relevant factors as:

- Price;
- The custodian's facilities, reliability and financial responsibility;
- The ability of the custodian to effect transactions, particularly with regard to such aspects as timing, order size and execution of order;
- The research and related brokerage services provided by such custodian to us, notwithstanding that the account may not be the direct or exclusive beneficiary of such services; and
- Any other factors that we consider to be relevant.

### ADDITIONAL COMPENSATION

Additionally, Advisor may execute transactions with broker-dealers that provide research, seminars and execution services. Subject to Section 28(e) of the Securities Exchange Act of 1934, as amended ("Exchange Act"), Advisor may pay broker-dealer commissions for agency transactions that are in excess of the amount of commissions charged by other broker-dealers in recognition of their research, seminar and execution services.

But for soft dollar arrangements, Advisor would have to obtain the aforementioned services and products for cash. As a result of receiving such products and services for no cost, Advisor may have an incentive to continue to place Client trades through broker-dealers that offer soft dollar arrangements. This interest conflicts with the Clients' interest of obtaining the lowest commission rate available. Therefore, Advisor must determine in good faith, based on the "best execution" policy stated above that such commissions are reasonable in relation to the value of the services provided by such executing broker-dealers.

**B** Beplat is authorized in its discretion to aggregate purchases and sales and other transactions made for Client accounts with purchases and sales and other transactions in the same or similar securities or instruments for other Clients. When transactions are so aggregated, the actual prices applicable to the aggregated transactions will be averaged, and the account will

be deemed to have purchased or sold its proportionate share of the securities or instruments involved at the average price so obtained. We will direct that confirmations of any transactions effected for the account will be sent, in conformity with applicable law, to the Client.

### **Item 13 – Review of Accounts**

- A** Accounts are conducted, reviewed and/or supervised by Raymond Beplat, President, and Chief Compliance Officer.
- B** Reviews may be triggered by a change in a Client’s investment objectives; tax considerations; large deposits or withdrawals; large sales or purchases; loss of confidence in corporate management; or, changes in macro-economic climate.
- C** All Clients receive quarterly reports on representative investments we specifically recommended. Clients also receive standard account statements from the custodian of their accounts on a monthly basis.

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

We have no arrangements, written or oral, in which we are compensated for referrals.

### **Item 15 – Custody**

Other than having the ability to deduct our fees directly from Client accounts, we do not have custody of the assets in the account and shall have no liability to Clients for any loss or other harm to any property in the account, including any harm to any property in the account resulting from the insolvency of the custodian or any acts of the agents or employees of the custodian and whether or not the full amount or such loss is covered by the Securities Investor Protection Corporation (“SIPC”) or any other insurance which may be carried by the custodian. The SIPC provides only limited protection for the loss of property held by a custodian.

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

Generally, we are granted the authority to determine, without obtaining specific Client consent, the securities bought or sold and the amount of securities bought or sold and commission rates paid. The only restrictions on the above-discretionary authority are those set by a Client on a case-by-case basis. We make it a practice to communicate with Clients to determine if there are any limitations to our discretionary authority on the above matters.

Under this discretionary authority, Clients allow us to purchase and sell securities and instruments in their Account(s), arrange for delivery and payment in connection with the foregoing, select and retain sub-advisors, and act on behalf of the Client in all matters necessary or incidental to the handling of the Account, including monitoring certain assets. All transactions in a Client's Account(s) shall be made in accordance with the directions and preferences provided to us by the Client. Clients are required to execute instructions regarding our trading authority with each custodian holding their account.

In some limited circumstances, Clients will grant us non-discretionary authority to execute their investment recommendations in accordance with a Statement of Investment Policy, or a similar document we use to establish Client objectives and suitability. This non-discretionary authority requires us to obtain a Client's prior approval of each specific transaction prior to executing investment recommendations, as well as for the selection and retention of sub-advisors to their account.

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

Unless specifically directed otherwise in writing by the Client, we are not authorized to receive and vote proxies on issues held in the account or receive annual reports.

#### **Item 18 – Financial Information**

- A** Under no circumstances will Beplat Asset Management solicit or require prepayment of more than \$1,200, six months or more in advance, from any Client for advisory services.
- B** We do not have custody of Client's funds or securities. We do, however, manage Client assets on a discretionary basis. We have no financial commitment that impairs our ability to meet contractual and fiduciary commitments to Clients.
- C** Neither Beplat Asset Management nor Ray Beplat have ever been the subject of a bankruptcy proceeding.