

RAVENNA INVESTMENT LLC

Brochure

Investment Advisor

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Ravenna Investment LLC is registered with the Securities and Exchange Commission and makes a notice filing in the State of Washington. This brochure gives information about our investment advising service, fees and methods. It also provides information on the education and business background of the manager. The manager of Ravenna was a manager and part owner of Paladin Investment from 1997 until Ravenna split off from Paladin early in 2010. Being registered does not imply a certain 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.

If you have any questions about the contents of this brochure, please contact us at 206-526-1383, or at r.s.ravenna@comcast.net. Additional information about Ravenna Investment LLC also is available on the SEC's website at www.adviserinfo.sec.gov.

—Ronald Stein, President and CCO

MATERIAL CHANGES SINCE LAST FILING

When Ravenna Investment was formed it was required to publish a brochure, but filing with the SEC was not required. Changes (mostly format) have been made to conform to the newly issued SEC brochure rule IA-3060.

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ADVISORY BUSINESS

Ravenna Investment LLC was formed from as a single person Limited Liability Corporation registered in the state of Washington in 2010 and is wholly owned by Ronald Stein. The company was assigned CRD # 153387 by the NASAA/NASD Central Registration Depository on March 10, 2010. Ronald Stein's individual CRD number is 2971414. At formation, all of the clients in Ravenna Investment were originally advised by Ronald at Paladin Investment LLC where he was part owner for 13 years.

The advisor provides investment supervisory services (more than 98% of billings) and furnishes investment advice through consultations (less than 2% of billings) to individuals, families, and retirement accounts. Ravenna Investment LLC does not provide a financial planning service. Financial planning to a family consists of planning for such items as when and how much to save for children's college education and retirement. Investment advice is given on how to invest assets once they are saved.

Ravenna tailors its advice to the individual needs of the client based on consultations with the client. Clients may impose restrictions on investing in certain securities or types of securities. Ravenna Investment manages \$35.5 million in assets, as of December 31, 2010, including clients and principal on a discretionary basis. In this case, a principal is a person having at least part ownership in the business. The advisor does not supervise assets on a non-discretionary basis. Advice on a discretionary bases means the advisor has some flexibility as to when and how much to invest.

FEES AND COMPENSATION

Ravenna Investment LLC offers investment advisory and supervisory services for a percentage of assets under management, as agreed upon with the client. The advisor does not impose a minimum dollar value of assets for starting or maintaining an investment supervisory account. The advisor generally provides investment advice to individuals, trusts, and small retirement plans only. Consultations are billed on an hourly basis for individuals not on a fee schedule. Ravenna Investment LLC does not impose a minimum dollar value of assets or other conditions for starting or maintaining an investment supervisory or advisory account.

STANDARD FEE SCHEDULE

Service	Fee (% Assets Managed Per Year)
General supervisory service (includes stocks, bonds, and mutual funds) Mutual funds charge additional fees referred to in the fund's prospectus. Custodial broker charges commissions for each trade and may charge custodial fees under some circumstances.	0.5% of assets under \$2,000,000; 0.375% of assets above \$2,000,000.
Minimum Fee	\$500 per year

All fees are billed and payable at the end of the quarter based on assets under management at the end of the previous quarter. Clients normally have fees deducted from an account but may pay directly to Ravenna.

The client has the option of purchasing investment products that the advisor recommends through other brokers or agents that are not affiliated with Ravenna Investment.

Service is terminated on demand with fees prorated. Fees are negotiable at the advisor's discretion. Managers and their immediate families are either not charged or may receive favorable fees.

PERFORMANCE BASED FEES

Ravenna Investment LLC does not have fees based on a share of capital gains or any other performance based fees.

TYPES OF CLIENTS

The advisor provides investment supervisory services to individuals, families, retirement accounts, and trusts. A prospective client can open an account after a discussion with the principal of the firm, agreeing to and completing an Investment Advisory Agreement, and completing an Investment Profile describing the client's Investment philosophy, financial background, and investment objectives.

Client and advisor will discuss and agree on the custodial broker, normally Charles Schwab. The advisor will provide necessary applications and transfer forms to move assets from client's current broker to the broker mutually agreed upon.

METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

Methods of Analysis

The advisor uses many methods to find and analyze securities including fundamental analysis, cyclical analysis, charting, and technical analysis. We use information primarily gleaned from annual reports, prospectuses, filings with the SEC (Securities and Exchange Commission) or similar foreign agencies, financial newspapers and magazines, inspections of corporate activities, company press releases, research materials prepared by others, corporate rating services, and timing services. All of these methods have an element of risk due to errors in reports and documents, misstatements by company officials or other analysts, and misunderstanding by us. We prefer to use material as close as possible to company source material and to make our own interpretation. Our ability to analyze an investment is limited by our capabilities and the time we have available to us.

Investment Strategies and Risk of Loss

We seek investments with attractive risk-reward ratios, without preconceptions about where we will find the best opportunities. Our only rule is to keep overall portfolio risk under control, even though it cannot be eliminated. Investing in securities involves risk of loss that the client should be prepared to bear.

For most clients the primary securities held in their accounts are exchange listed equity securities. For clients with a low risk profile, considerable holdings of fixed income securities are in order. Investments held in client portfolios can include:

1. Equity Securities
 - Exchange listed securities
 - Securities traded over the counter.
 - Foreign Issuers
2. Warrants
3. Corporate debt securities (other than commercial paper)
4. Certificates of deposit
5. Municipal securities
6. Investment company securities
 - Mutual fund shares
 - Exchange traded funds
 - Variable annuities
7. United States government securities
8. Options contracts on securities

No advice is offered on variable life insurance, futures contracts, nonpublic partnerships, or other investments not previously described.

We prefer to buy good companies at substantial discounts to their intrinsic value. We look for market leaders with strong finances, and able management that

place shareholders first. We insist on high return on capital and a record of exceptional long-term performance even though this cannot guarantee future results. Paying too high a price, even for an excellent company, substantially increases the risk of any deterioration in company fundamentals and of poor investment return. The client must be aware that investing even in generally recognized quality companies still involves risk of loss that the client should be expected to bear.

Sound companies in a beleaguered industry can be good opportunities. Their predicament may be due to weakened business climate, legal or regulatory pressures or other issues we believe are temporary. These companies may be available at depressed prices, offering significant potential with acceptable risk.

Occasionally, we will engage in arbitrage, including liquidations, announced buyouts and tender offers. This is a way to commit excess cash, with acceptable risk, for short periods while waiting for long-term opportunities. Clients must be aware that some of these investments have higher risk of loss than our preferred investments.

We will allocate capital among fixed income, quality equities, and beleaguered equities based on each client's risk and financial profile. Usually we buy individual securities, but we can include mutual funds at client request.

We are most effective when we manage all of a client's stocks, bonds, and funds and that is the relationship we prefer.

DISCIPLINARY INFORMATION

The Advisor is not now nor has he ever been involved in any court or regulatory action directly or indirectly related to the investment advisory business.

OTHER FINANCIAL INDUSTRY ACTIVITIES OR AFFILIATIONS

Ronald Stein is not involved in other business activities that would be in conflict with his responsibilities to Ravenna Investment LLC and its clients. He does not receive any compensation, including bonuses and noncash compensation, other than fees described above, based on the sales of securities or other investment products.

When the advisor is on extended travel and communication with clients is not readily available, clients are referred to Robert Porter of Paladin Investment should they need assistance. This is a reciprocal relationship where the advisor covers for Dr. Porter when he is not readily available under similar circumstances. Since this is a reciprocal relationship, no payment is made for this service by either party. This arrangement creates no material conflict of interest.

SUMMARY OF CODE OF ETHICS (Complete copy on request)

Insider Trading Policy

The Investment Advisor and related Investment Advisor Representatives do not seek inside information and do not initiate recommendations or trades based on any material information that they may learn unintentionally from non-published sources.

Ensuring Best Possible Execution of Client Trades

It is the Advisor's goal to achieve the best possible execution of client trades. The Advisor balances many factors when deciding how to execute trades. He has other brokers that he can and will use for execution of securities trades that have special requirements such as corporate bonds and foreign securities. He can also decide whether to use a phone broker or place his order on line. Some of the factors he weighs on any trade are execution capability, price, market liquidity, financial responsibility, broker responsiveness, and any client restrictions. The advisor chooses the custodial broker based on account management services, competitive commissions and other client costs, and the stability of the firm.

Other Business Practices

Ravenna Investment LLC, recognizes that it has a fiduciary responsibility to act primarily for the benefit of their clients. Accordingly, the advisor does not engage in unethical business practices. In addition to those discussed above, the practices specifically avoided include unsuitable recommendations, exercising discretionary power without timely authority, excessive trading, placing orders without having client authority, borrowing from or lending to a client, misrepresenting the qualifications of the adviser and its employees, misrepresenting the services to be provided and the fees to be charged, charging a client an unreasonable advisory fee, guaranteeing a client that a specific result will be achieved, disclosing the client's personal information, and knowingly taking custody of client funds or securities other than deducting advisory fees directly from client accounts.

The adviser and its employees will disclose any unpublished third-party reports and recommendations to clients. They will disclose any material conflict of interest that reasonably could be expected to impair the rendering of unbiased and objective advice including compensation arrangements other than client fees. They will not publish or distribute any advertisement knowingly containing untrue statements.

All investment advisory contracts will be in writing, will describe the services provided, the term of the contract, the advisory fee, the formula for computing the fee, whether the contract grants discretionary power to the adviser and that no

assignment of such contract shall be made by the investment adviser without the consent of the other party to the contract.

Participation or Interest in Client Transactions and Personal Trading

The advisor does not act as principal buying securities from any client or selling securities he owns to any client. (In this case, a principal is one who sells securities from his own account to clients or buys securities from a client for his own account.) The advisor does not act as a broker or agent by effecting securities transactions for compensation for any client or for any person.

The advisor recommends to clients that they buy or sell securities or investment products in which the advisor or any related person (person in which a principal has control or ownership interest) buys or sells for himself. The advisor will, from time to time, buy and sell securities for his or a related person's account and for client accounts by placing orders with an unrelated broker/dealer. He receives no compensation (financial or otherwise) for buying any security or placing any order. He intends to minimize conflict of interest by buying and selling actively traded securities listed on national exchanges, or on the NASDAQ National Market System, or by buying open-ended mutual funds. Further, to avoid a conflict of interest, he intends to place customer orders prior to or simultaneously with daily orders for managers' accounts. He has no control over the actual time of execution of any trade, and cannot guarantee that clients will always obtain a better or equal price. He will disclose managers' trades on written request.

The advisor and related persons reserve the right to trade for their own accounts in some thinly traded securities that they believe are unsuitable for client accounts or available share volumes are inadequate for client accounts.

BROKERAGE PRACTICES

The advisor, by contractual agreement with individual clients, has a limited power of attorney that gives the advisor authority to determine, without obtaining specific client consent, which securities and what amount are bought or sold for their accounts. The agreement also designates the custodial broker, normally Charles Schwab. The client agrees to the execution of trades with other brokers by executing a prime broker amendment to his account with the custodial broker. A fee is charged by our primary custodial broker, Charles Schwab, to each account receiving securities when using the prime brokerage services. We may use other brokers that can supply better execution of trades in specific securities. Commissions are negotiated with these brokers often on a trade by trade basis.

It is common industry practice for Investment Advisors to aggregate client orders for the purchase or sale of securities. The Advisor sometimes executes block trades through his master account at Charles Schwab. Advisor's Investment Advisory Agreement with each client, Article 1(a) and Article 2(e), authorizes aggregation of trades. Aggregating client orders permits more efficient, but does

not guarantee best possible, execution of trades because all orders are entered with the broker simultaneously. An allocation statement is prepared in advance of the trade showing the planned allocation. If the order is filled only in part, the Advisor allocates shares on a pro rata basis unless he determines that a pro rata allocation is disadvantageous to the client (e. g. where a pro rata allocation would result in a few shares being allocated among a number of accounts, possibly leading to excessive commission costs relative to the value of the security that would be acquired). The Advisor may allocate shares randomly when he does not use a pro rata allocation. The advisor's broker charges a separate commission on each trade that is aggregated. Orders for the Advisor, his employees, and principals may be included in a block trade.

Recommendation of Broker/Dealers

Advisor recommends Charles Schwab & Co based on account management and custodial services, competitive commissions, and his best judgment of the stability and safety of the firm. The broker is expected to emphasize low commissions and good account service. Advisor reserves the right to accept the client's choice of broker or to refuse to accept or continue with client if the client's broker is not acceptable to the Advisor.

Clients trading through Charles Schwab benefit from the waiver of fees for electronic account services. The waiver is based on total assets at Schwab. Schwab's brokerage commissions charged to advisor's clients did not change after these fees were waived. Brokers may provide additional research services such as newsletters, company evaluations, and market evaluations that might be used in servicing some or all of the advisor's accounts and might not be used in connection with accounts that have paid commissions to that broker. Clients may pay commissions greater than those charged by other brokers that do not provide or waive fees for electronic account and research services. Not all advisors require their clients to direct their trades to a specific broker.

The Advisor does use his business volume to negotiate favorable commission schedules. These are made available to all clients and to employees of the firm. The agreement with Charles Schwab, Inc. benefits most clients and the commission schedule is available on request.

REVIEW OF ACCOUNTS

The manager (Stein) frequently reviews all accounts to check for proper execution of orders and proper crediting and debiting of all money. He also frequently evaluates, depending on market conditions, the effect of market action on each account. Accounts are reconciled on a daily basis with the custodial broker when the accounts are held at Charles Schwab for the above items and for additional items such as dividends and margin interest. If the account is not held at Schwab, the account is reconciled against statements from the custodial broker with the advisor's records monthly.

Regular Reports to Clients

The custodial broker provides confirmations of all trades directly to clients, and provides timely monthly statements to clients documenting all transactions. The client has access at any time to positions held and other account detail by contacting the custodial broker directly or through the advisor. The advisor provides quarterly and annual reports showing the portfolio at the end of the reporting period and documenting the performance of the client's account. We urge our clients to compare the account statements they receive from their broker with those they receive from the advisor.

CLIENT REFERRALS AND OTHER COMPENSATION

The advisor does not receive economic benefit from non-clients in connection with giving advice to clients, does not recommend other advisors for clients for a fee, and does not directly or indirectly compensate any person for client referrals.

CUSTODY

Clients will receive account statements directly from the qualified custodian, usually Charles Schwab, or other broker-dealer, that maintains those assets. Clients should carefully review the account statements they receive from the qualified custodian. Clients are also urged to compare our quarterly reports with the account statements they receive from the qualified custodian. Comparing statements allows clients to determine whether account transactions, including deductions to pay advisory fees, are proper.

The advisor does not accept custody of client funds nor does he have the authority to direct funds from or between client accounts except:

When authorized in writing by the client, he sends bills for advisory services directly to the client's custodian after sending the bill to the client, with a note that the fees will be paid directly by the custodian. The bill notifies the client of the calculation and the amount of the fee. The custodian notifies the client in his monthly statements of the amount paid to the advisor. Clients are urged to compare fee payments shown on custodian quarterly statement with the bill included in our quarterly report to the client.

INVESTMENT DISCRETION

The advisor, by contractual agreement with individual clients, has limited power of attorney that gives the advisor authority to determine, without obtaining specific client consent, which securities and what amount are bought or sold for their accounts. The agreement also designates the custodial broker, normally Charles Schwab. Clients agree to the execution of trades with other brokers by executing a prime broker amendment to his account with the custodial broker.

The client may request in his Investment Profile that the advisor exercise limited discretion subject to prior discussion. The advisor will choose the approximate amount and timing of the investment.

VOTING CLIENT SECURITIES

Most clients delegate voting proxy statements and other issuer communications to us. After review, we often follow management's voting recommendations. This means we usually approve their choices for the Board of Directors; we approve their choice of auditors. We review compensation proposals carefully and may not approve of them, as they are often excessive. We may vote for or against shareholder proposals depending on their merits, but lean toward approving proposals giving shareholders more governing power.

We will not vote smaller stock holdings where we judge that the minimal impact of our vote is offset by the costs of voting and record keeping. If this bothers you because you may own one of these smaller positions, you may not want to delegate your voting. We will keep copies of our votes for 5 years and will disclose these to you on request.

FINANCIAL INFORMATION

Since the Advisor does not have custody of client funds or securities and does not require prepayment of fees, he is not required to provide a balance sheet as part of the information provided to clients.

The advisor does not know of any financial condition that would impair the advisor's ability to meet contractual commitments to clients.

BROCHURE SUPPLEMENT, RONALD STEIN, MANAGER
RANVENNA INVESTMENT LLC
Manager and Investment Advisor Representative
Date of Birth 10/22/43

EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Ronald Stein registered as an investment advisor with the Federal Securities and Exchange Commission and with the State of Washington in 1997. He successfully completed the General Securities Principal Examination (11/8/97) and the Uniform Investment Advisor State Examination (10/11/97) administered by the National Association of Securities Dealers. His individual CRD number is 2971414.

Education

Ph.D. and BS. in Physics

The Pennsylvania State University, 1974 and 1965

MS in Physics

University of Colorado, 1967

PE in Electrical Engineering, 1981

Business Background/Employment

Manager, President and Chief compliance officer

Ravenna Investment LLC

2010 to present

Manager and Vice president

Paladin Investment LLC

(Formerly Robert P. Porter, Investment Advisor)

1997-2010

Senior Physicist, Applied Physics Lab

University of Washington

1978-2000

DISCIPLINARY INFORMATION

Ronald Stein, manager is not now nor has he ever been involved in any legal or disciplinary event directly or indirectly related to his investment advisory practice.

OTHER BUSINESS ACTIVITIES AND COMPENSATION

Ronald Stein is not involved in other business activities that would be in conflict with his responsibilities to Ravenna Investment LLC and its clients. He does not receive any compensation, including bonuses and noncash compensation, other

than fees described above, based on the sales of securities or other investment products.

SUPERVISION

Ronald Stein is the sole investment professional in Ravenna Investment LLC and is responsible for all investment and compliance matters. His office is located at 1900 NE Naomi Place, Seattle, WA 98115. He can be reached by phone at 206-526-1383 or by email at r.s.ravenna@comcast.net.

(advisor flexibility on how much and when to invest)

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