

GRANITE CAPITAL ADVISORS, LLC

**16100 NW CORNELL ROAD, SUITE 260
BEAVERTON, OR 97006-7636**

PHONE 503-597-7788

FAX 503-597-7787

bill@granitecapitaladvisors.com

03/30/2012

**FORM ADV PART 2
BROCHURE**

This brochure provides information about the qualifications and business practices of Granite Capital Advisors, LLC. If you have any questions about the contents of this brochure, please contact us at 503-597-7788 or bill@granitecapitaladvisors.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 Granite Capital Advisors, LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for Granite Capital Advisors, LLC is 153470.

Granite Capital Advisors, LLC is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Table of Contents

<i>Advisory Business.....</i>	<i>1</i>
<i>Fees and Compensation</i>	<i>3</i>
<i>Performance-Based Fees and Side-By-Side Management.....</i>	<i>5</i>
<i>Types of Clients.....</i>	<i>6</i>
<i>Methods of Analysis, Investment Strategies and Risk of Loss.....</i>	<i>7</i>
<i>Disciplinary Information.....</i>	<i>9</i>
<i>Other Financial Industry Activities and Affiliations</i>	<i>11</i>
<i>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</i>	<i>12</i>
<i>Brokerage Practices</i>	<i>14</i>
<i>Review of Accounts</i>	<i>17</i>
<i>Client Referrals and Other Compensation.....</i>	<i>18</i>
<i>Custody</i>	<i>19</i>
<i>Investment Discretion.....</i>	<i>20</i>
<i>Voting Client Securities.....</i>	<i>21</i>
<i>Financial Information.....</i>	<i>22</i>
<i>Requirements for State-Registered Advisers</i>	<i>23</i>
<i>Additional Information.....</i>	<i>25</i>

Advisory Business

Form ADV Part 2A, Item 4

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Describe your advisory firm, including how long you have been in business. Identify your principal owner(s).

Granite Capital Advisors, LLC was established in May 2008. The principal owners and managers are William M. Rawson and Laurie S. Rawson.

B. Describe the types of advisory services you offer. If you hold yourself out as specializing in a particular type of advisory service, such as financial planning, quantitative analysis, or market timing, explain the nature of that service in greater detail. If you provide investment advice only with respect to limited types of investments, explain the type of investment advice you offer, and disclose that your advice is limited to those types of investments.

Granite Capital Advisors, LLC provides discretionary investment management services on a fee basis only. Granite Capital Advisors, LLC management services are fundamentally focused on providing long term growth with focus on asset protection. Extensive research is utilized in doing our best to identify the overall domestic and worldwide economic trends and concerns. We utilize our economic research to assist in interpreting what we feel are the current and most likely foreseeable economic trends. We realize that there is no crystal ball and that even extensive research places no guarantees on forecasting the economic and investment future, however, research does assist in identifying past & current trends and increases the probability for successful investment decisions.

Granite Capital Advisors, LLC utilizes a number of investment vehicles to structure client portfolios. The investment vehicles could include but are not limited to Money Market Funds, Stocks, ADR's, ETF's, Mutual Funds & Fixed Income.

C. Explain whether (and, if so, how) you tailor your advisory services to the individual needs of clients. Explain whether clients may impose restrictions on investing in certain securities or types of securities.

Some clients do have special needs and as such Granite Capital Advisors does its best to accommodate those needs. These needs will vary from one client to the next. Generally speaking, our client's goals are very similar. The common goals are their desire to grow their asset base while also providing consideration and asset strategy to limit the down side. Downside mitigation is generally provided through asset diversification and the degree of fixed income to be utilized. Some clients may request target levels for fixed income while others may not. Some clients have personal guidelines on the types of companies they may or may not wish to be associated with through stock ownership.

As a general rule, many of our clients hold similar if not the same assets although their proportions of ownership percentage will vary.

D. If you participate in wrap fee programs by providing portfolio management services, (1) describe the differences, if any, between how you manage wrap fee accounts and how you manage other accounts, and (2) explain that you receive a portion of the wrap fee for your services.

Granite Capital Advisors, LLC does not utilize outside money managers or wrap fee programs.

E. If you manage client assets, disclose the amount of client assets you manage on a discretionary basis and the amount of client assets you manage on a non-discretionary basis. Disclose the date "as of" which you calculated the amounts.

All client assets are managed on a discretionary basis. As of 03/22/2012, Total Assets Under Management are \$29,500,000.

Fees and Compensation

Form ADV Part 2A, Item 5

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

- A. Describe how you are compensated for your advisory services. Provide your fee schedule. Disclose whether the fees are negotiable.

All client accounts are fee based only.

ADVISORY FEE SCHEDULE

The following are the fees charged by Granite Capital Advisors, LLC for services provided. Fees for these services will be based on a percentage of the Assets Under Management as follows:

\$0.00	Through	\$100,000.00	=	1.50%
\$100,001.00	Through	\$250,000.00	=	1.35%
\$250,001.00	Through	\$500,000.00	=	1.21%
\$500,001.00	Through	\$750,000.00	=	1.11%
\$750,001.00	Through	\$1,000,000.00	=	1.00%
\$1,000,001.00	Through	\$2,500,000.00	=	0.92%
\$2,500,001.00	Through	\$5,000,000.00	=	0.86%
\$5,000,001.00 & Above			=	0.80%

Advisory fees are paid quarterly in advance, and clients may terminate their contracts with one days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the Investment Advisory Contract. Advisory fees are withdrawn directly from the client's accounts with written authorization. There is no account minimum. Fees are not negotiable.

B. Describe whether you deduct fees from clients' assets or bill clients for fees incurred. If clients may select either method, disclose this fact. Explain how often you bill clients or deduct your fees.

All fees are deducted directly from client assets by Charles Schwab & Co on a quarterly basis per signed Investment Advisory Contract.

C. Describe any other types of fees or expenses clients may pay in connection with your advisory services, such as custodian fees or mutual fund expenses. Disclose that clients will incur brokerage and other transaction costs, and direct clients to the section(s) of your brochure that discuss brokerage.

Currently, all client assets are in the Custody of Charles Schwab & Co. Clients have direct on line access to their accounts and as a direct client of Charles Schwab & Co our clients may incur additional costs associated with their relationship with Schwab. These additional fees include but may not be limited to per transaction trade fees and or certain client requested service fees provided by our custodian Charles Schwab & Co Inc.

D. If your clients either may or must pay your fees in advance, disclose this fact. Explain how a client may obtain a refund of a pre-paid fee if the advisory contract is terminated before the end of the billing period. Explain how you will determine the amount of the refund.

All fees are charged in advance, the first week of each quarter. Should a client terminate their account with Granite Capital, the fees previously charged would be prorated from the time the account leaves Schwab until the end of the quarter. Schwab would be notified to credit the fee back to the client account.

E. If you or any of your supervised persons accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds, disclose this fact and respond to Items 5.E.1, 5.E.2, 5.E.3 and 5.E.4.

1. Explain that this practice presents a conflict of interest and gives you or your supervised persons an incentive to recommend investment products based on the compensation received, rather than on a client's needs. Describe generally how you address conflicts that arise, including your procedures for disclosing the conflicts to clients. If you primarily recommend mutual funds, disclose whether you will recommend "no-load" funds.

Not Applicable

2. Explain that clients have the option to purchase investment products that you recommend through other brokers or agents that are not affiliated with you.

Not Applicable

3. If more than 50% of your revenue from advisory clients results from commissions and other compensation for the sale of investment products you recommend to your clients, including asset-based distribution fees from the sale of mutual funds, disclose that commissions provide your primary or, if applicable, your exclusive compensation.

Not Applicable

4. If you charge advisory fees in addition to commissions or markups, disclose whether you reduce your advisory fees to offset the commissions or markups.

Not Applicable

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

Granite Capital Advisors, LLC or any of its employees do not charge or accept Performance-Based fees nor do we provide Side-By-Side Management of any kind.

Types of Clients

Form ADV Part 2A, Item 7

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

Granite Capital Advisors, LLC does not currently have a minimum account size that it will accept. Generally speaking, our target Client Relationship is \$500,000 and above. Granite Capital Advisors client base is 100% individuals and family relationships, some of which include trusts.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Describe the methods of analysis and investment strategies you use in formulating investment advice or managing assets. Explain that investing in securities involves risk of loss that clients should be prepared to bear.

Granite Capital Advisors, LLC management services are fundamentally focused on providing long term growth with focus on asset protection. Extensive research is utilized in doing our best to identify the overall domestic and worldwide economic trends and concerns. We utilize our economic research to assist in interpreting what we feel are the current and most likely foreseeable economic trends. We realize that there is no crystal ball and that even extensive research places no guarantees on forecasting the economic and investment future, however, research does assist in identifying past & current trends and increases the probability for successful investment decisions.

Granite Capital Advisors, LLC utilizes a number of investment vehicles in structuring their client's portfolios. The investment vehicles could include but are not limited to Money Market Funds, Stocks, ADR's, ETF's, Mutual Funds & Fixed Income. The selections and mix of the various investment vehicles will vary as with long term economic trends. Currently (03/26/2012) the United States is undergoing a slow but what appears to be a progressive recovery from the past century's second worst financial meltdown as compared to the Great Depression. Current interest rates are at extreme lows making it very difficult to achieve reasonable returns utilizing fixed income. Not only are the current rates and returns low, the placement of capital into midterm and especially long term fixed income markets could be considered risky. As inflation increases in a rebounding market, interest rates will also tend to rise. Capital invested in fixed income generally reacts inversely to rising rates by decreasing in value. Generally, the longer the term, the greater the downside reaction. The interest rate / bond market example above is just one of many long term cyclical considerations that we periodically review and when we think that the risk / return ratios are increasing we will consider reducing our clients exposure to fixed income by either reducing portfolio bond positions or by reducing the duration of positions held to reduce capital exposure.

Just as our research will assist in guiding fixed income exposure, it also assists in developing equity sector allocations and pinpointing the companies or investments that are most likely to benefit going forward. Just as with fixed income or any financial investment, there are many unknowns and risks when investing in equities. The risks may have to do with unknown conditions that are specific and non-disclosed by the company that becomes public knowledge after the stock has been purchased. The risks could be associated with the sector that the company is part of. A type of risk that is difficult to mitigate is market risk. This is the type of risk most associated with major market corrections where a majority of investments can react negatively, swiftly and last from a few days to a few years. Overall, diversification is the best tool we have as investment managers to assist in lowering our clients exposure to the many types of investment risk.

B. For each significant investment strategy or method of analysis you use, explain the material risks involved. If the method of analysis or strategy involves significant or unusual risks, discuss these risks in detail. If your primary strategy involves frequent trading of securities, explain how frequent trading can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

See above

C. If you recommend primarily a particular type of security, explain the material risks involved. If the type of security involves significant or unusual risks, discuss these risks in detail.

Granite Capital Advisors, LLC generally provides well diversified portfolios based on our long term and current market outlook. However, we do manage a few smaller accounts. It is very difficult to provide proper asset allocation and diversification with smaller accounts. We have used different strategies in managing smaller accounts and the strategies will vary. Regardless of strategy, smaller accounts generally are prone to more risk and can suffer greater on a percentage of asset basis primarily due to diversification risk.

Disciplinary Information

Form ADV Part 2A, Item 9

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If there are legal or disciplinary events that are material to a client's or prospective client's evaluation of your advisory business or the integrity of your management, disclose all material facts regarding those events.

A. A criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which your firm or a management person

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

Not Applicable

2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;

Not Applicable

3. was found to have been involved in a violation of an investment-related statute or regulation; or

Not Applicable

4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

Not Applicable

B. An administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; or

Not Applicable

2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority

(a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;

Not Applicable

(b) barring or suspending your firm's or a management person's association with an investment-related business;

Not Applicable

(c) otherwise significantly limiting your firm's or a management person's investment-related activities; or

Not Applicable

(d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.

Not Applicable

C. A self-regulatory organization (SRO) proceeding in which your firm or a management person

Not Applicable

1. was found to have caused an investment-related business to lose its authorization to do business; or

Not Applicable

2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership;

(ii) Otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

Not Applicable

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If you or any of your management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer, disclose this fact.

Not Applicable

B. If you or any of your management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities, disclose this fact.

Not Applicable

C. Describe any relationship or arrangement that is material to your advisory business or to your clients that you or any of your management persons have with any related person listed below. Identify the related person and if the relationship or arrangement creates a material conflict of interest with clients, describe the nature of the conflict and how you address it.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

Not Applicable

D. If you recommend or select other investment advisers for your clients and you receive compensation directly or indirectly from those advisers that creates a material conflict of interest, or if you have other business relationships with those advisers that create a material conflict of interest, describe these practices and discuss the material conflicts of interest these practices create and how you address them.

Not Applicable

Code of Ethics, Participation or Interest in Client Transactions and Personal Trading

Form ADV Part 2A, Item 11

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If you are an SEC-registered adviser, briefly describe your code of ethics adopted pursuant to [SEC rule 204A-1](#) or similar state rules. Explain that you will provide a copy of your code of ethics to any client or prospective client upon request.

Granite Capital Advisors, LLC has adopted a code of ethics * to:

- (i) set forth standards of conduct expected of advisory personnel (including compliance with federal securities laws);
- (ii) safeguard material non-public information about client transactions; and
- (iii) require "access persons" to report their personal securities transactions. In addition, the activities of an investment adviser and its personnel must comply with the broad antifraud provisions of Section 206 of the Advisers Act.

* Granite Capital Advisors will provide a complete copy of our Code of Ethics to any client or prospective client on request.

B. If you or a related person recommends to clients, or buys or sells for client accounts, securities in which you or a related person has a material financial interest, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Examples: (1) You or a related person, as principal, buys securities from (or sells securities to) your clients; (2) you or a related person acts as general partner in a partnership in which you solicit client investments; or (3) you or a related person acts as an investment adviser to an investment company that you recommend to clients.

Not Applicable

C. If you or a related person invests in the same securities (or related securities, e.g., warrants, options or futures) that you or a related person recommends to clients, describe your practice and discuss the conflicts of interest this presents and generally how you address the conflicts that arise in connection with personal trading.

The securities that Granite Capital Advisors, LLC invests in for our clients and its employees are publicly traded and generally have significant daily volumes such that transactions that we may engage in will not generally impact its market. That being said, a majority of our positions are procured on a block basis, allowing for equal share prices to be achieved by all, while also facilitating a relatively quick and more efficient market execution compared to purchasing or selling positions on a trade by trade basis.

Conflicts could arise if employees purchased on their own accounts (i.e. front running) prior to purchasing for their clients in a thinly traded security. Front Running is a direct conflict of interest to clients as the employee responsible for the trades could personally benefit by utilizing their clients purchases to move the thinly traded market to a value higher, thus creating more value for themselves at the expense of their clients. Granite Capital Advisors, LLC understands the ethical issues surrounding their obligations to their clients in recommending and purchasing securities, especially when purchasing for their own accounts at the same time. Granite Capital Advisors, LLC and its employees will not utilize their clients purchasing power for their own benefit unless the benefit is mutual and equal to all.

D. If you or a related person recommends securities to clients, or buys or sells securities for client accounts, at or about the same time that you or a related person buys or sells the same securities for your own (or the related person's own) account, describe your practice and discuss the conflicts of interest it presents. Describe generally how you address conflicts that arise.

Yes, see C directly above.

Brokerage Practices

Form ADV Part 2A, Item 12

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Describe the factors that you consider in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

1. Research and Other Soft Dollar Benefits. If you receive research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions ("soft dollar benefits"), disclose your practices and discuss the conflicts of interest they create.

Charles Schwab & Company provides to Granite Capital Advisors, LLC a trading platform on which to execute transactions for all accounts held at Charles Schwab & Co as the custodian. In addition to a trading platform they provide without charge the following:

1. Ability to view and manage client & employee accounts.
2. Research platform for discovery and fundamental security information
3. Charles Schwab & Co has reimbursed fees charged to clients' accounts by their previous custodian in moving accounts to the Charles Schwab & Co custodianship. These reimbursed fees were placed directly into the client accounts by Charles Schwab & Co for the benefit of our clients and was provided on a one time bases while transitioning our client accounts from our previous custodianship provider.

Explain that when you use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, you receive a benefit because you do not have to produce or pay for the research, products or services

Because we have requested that our clients household their assets with Charles Schwab & Co, they in turn have provided us with electronic software tools to assist with client account management. These tools are provided at no additional cost to Granite Capital Advisors, LLC.

b. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving the research or other products or services, rather than on your clients' interest in receiving most favorable execution

Other than benefiting through the free use of account management tools and some limited research our firm does not directly benefit by recommending Charles Schwab & Co to our clients to household their assets with Charles Schwab & Co. The only compensation we receive for providing management services to our clients is the Quarterly fee we charge as discussed above. Granite Capital Advisors, LLC recommends Charles Schwab & Co because they are a professional company with a very "Client Oriented Service Attitude" that begins with top management and flows throughout their company. We know that they will assist us and our clients by providing a professional & reliable platform at a reasonable cost.

c. If you may cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying-up), disclose this fact.

Not Applicable

d. Disclose whether you use soft dollar benefits to service all of your clients' accounts or only those that paid for the benefits. Disclose whether you seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

Not Applicable

e. Describe the types of products and services you or any of your related persons acquired with client brokerage commissions (or markups or markdowns) within your last fiscal year.

Not Applicable

f. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits you received.

Currently, the only soft dollar benefit that we receive by referring our clients to household their accounts at Charles Schwab, is the electronic platform they provide to our hardware in order to effect trades and provide account maintenance as needed for our clients as discussed above.

2. Brokerage for Client Referrals. If you consider, in selecting or recommending broker-dealers, whether you or a related person receives client referrals from a broker-dealer or third party, disclose this practice and discuss the conflicts of interest it creates.

a. Disclose that you may have an incentive to select or recommend a broker-dealer based on your interest in receiving client referrals, rather than on your clients' interest in receiving most favorable execution.

Not Applicable

b. Explain the procedures you used during your last fiscal year to direct client transactions to a particular broker-dealer in return for client referrals.

Not Applicable

3. Directed Brokerage.

a. If you routinely recommend, request or require that a client direct you to execute transactions through a specified broker-dealer, describe your practice or policy. Explain that not all advisers require their clients to direct brokerage. If you and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, describe the relationship and discuss the conflicts of interest it presents. Explain that by directing brokerage you may be unable to achieve most favorable execution of client transactions, and that this practice may cost clients more money.

Granite Capital Advisors, LLC strongly feels that there is no conflict of interest by requesting our clients to household their assets at Charles Schwab & Co. We receive no monetary benefit other than both our clients costs as well as our operational costs were both substantially reduced by transferring client accounts from a broker dealer platform to their custodian platform. The decision to utilize Charles Schwab & Co was a win-win for all parties.

b. If you permit a client to direct brokerage, describe your practice. If applicable, explain that you may be unable to achieve most favorable execution of client transactions. Explain that directing brokerage may cost clients more money. For example, in a directed brokerage account, the client may pay higher brokerage commissions because you may not be able to aggregate orders to reduce transaction costs, or the client may receive less favorable prices.

Not Applicable

B. Discuss whether and under what conditions you aggregate the purchase or sale of securities for various client accounts. If you do not aggregate orders when you have the opportunity to do so, explain your practice and describe the costs to clients of not aggregating.

Whenever possible we aggregate both purchases and sales of client assets utilizing a single block trade. This benefits our clients by being able to utilize a free service provided by Charles Schwab & Co trading desk that consists of certain electronic trading algorithms assisting in providing best execution and uniform pricing for client transactions. There is no cost difference whether we trade individually or as a block, the same execution transaction fee is charged regardless. The fees are fully disclosed in our client contract signing and they only vary depending on whether the client accepts electronic delivery for the lowest transaction fee to those who cannot accept electronic delivery of statements and transaction summaries and are willing to pay a higher transaction fee.

Review of Accounts

Form ADV Part 2A, Item 13

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Indicate whether you periodically review client accounts or financial plans. If you do, describe the frequency and nature of the review, and the titles of the supervised persons who conduct the review.

Granite Capital Advisors, LLC reviews clients' accounts on a quarterly basis. Client meetings, either over the phone or in person occurs at a minimum on a yearly basis. Depending on the client's needs and account size and complexity, we will increase the frequency of client account reviews to a quarterly basis. All reviews are currently provided by William M. Rawson, managing member of Granite Capital Advisors, LLC

B. If you review client accounts on other than a periodic basis, describe the factors that trigger a review.

In general, we are constantly reviewing accounts and the assets within. Given the volatile nature of the market these past few years we are very sensitive to monitoring positions for exposure to changing conditions and their ability to perform going forward.

C. Describe the content and indicate the frequency of regular reports you provide to clients regarding their accounts. State whether these reports are written.

Clients have full access to their accounts online at all times. They receive monthly statements and transaction reports are e-mailed as they occur. At a minimum we provide a yearly review report. Periodically we send out a market review letter, frequency will vary.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If someone who is not a client provides an economic benefit to you for providing investment advice or other advisory services to your clients, generally describe the arrangement, explain the conflicts of interest, and describe how you address the conflicts of interest. For purposes of this Item, economic benefits include any sales awards or other prizes.

Not Applicable

B. If you or a related person directly or indirectly compensates any person who is not your supervised person for client referrals, describe the arrangement and the compensation.

Not Applicable

Custody

Form ADV Part 2A, Item 15

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If you have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to your clients, explain that clients will receive account statements from the broker-dealer, bank or other qualified custodian and that clients should carefully review those statements. If your clients also receive account statements from you, your explanation must include a statement urging clients to compare the account statements they receive from the qualified custodian with those they receive from you.

Granite Capital Advisors, LLC does not hold custody of their clients' accounts. We realize that to personally take possession and to hold our client's accounts would most likely create a conflict of interest and would not be in our client's best interest.

We do provide periodic account performance review reports and we highly recommend that our clients review the reports with the understanding that they should carefully review their statements provided separately by Charles Schwab & Co. with the knowledge that there could be data errors or differences between the reports supplied directly by Granite Capital Advisors, LLC and Charles Schwab & Co. While we do our best to report accurately, errors in data transmission can occur. If there is ever a doubt, clients should rely on the statements provided by Charles Schwab & Co and to contact our office reporting any discrepancies found. We take pride in accurate reporting and welcome the opportunity to make corrections where needed.

Investment Discretion

Form ADV Part 2A, Item 16

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

If you accept discretionary authority to manage securities accounts on behalf of clients, disclose this fact and describe any limitations clients may (or customarily do) place on this authority. Describe the procedures you follow before you assume this authority (e.g., execution of a power of attorney).

As discussed above, under Advisory Business, Section A, Granite Capital Advisors, LLC operates on a fee only discretionary basis. Our discretionary capabilities are limited to investment Purchases and Sales only. We do not have direct access to client funds other than to direct the purchase and sale of assets within our clients' accounts held in custodianship at Charles Schwab & Co. We are unable to direct money away from client accounts unless directed by our clients in writing.

Generally, our clients do not place constraints on our investment activity. We do have clients with special interests and needs and we do our very best to accommodate them. These special needs will vary from input on asset diversification, minimum percentage of bonds, fixed interest or cash reserves to be held to special requests on the types of companies they wish to own or not. The power granting us the discretionary authority described above is fully discussed with each client and is included in our signed Investment Advisory Contract prior to commencement of services.

Voting Client Securities

Form ADV Part 2A, Item 17

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If you have, or will accept, authority to vote client securities, briefly describe your voting policies and procedures, including those adopted pursuant to [SEC rule 206\(4\)-6](#). Describe whether (and, if so, how) your clients can direct your vote in a particular solicitation. Describe how you address conflicts of interest between you and your clients with respect to voting their securities. Describe how clients may obtain information from you about how you voted their securities. Explain to clients that they may obtain a copy of your proxy voting policies and procedures upon request.

Not Applicable, we will not vote client shares.

B. If you do not have authority to vote client securities, disclose this fact. Explain whether clients will receive their proxies or other solicitations directly from their custodian or a transfer agent or from you, and discuss whether (and, if so, how) clients can contact you with questions about a particular solicitation.

Clients are sent proxies directly either through mail or e-mail. We do not make recommendations regarding the execution of the proxies.

Financial Information

Form ADV Part 2A, Item 18

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. If you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, include a balance sheet for your most recent fiscal year.

1. The balance sheet must be prepared in accordance with generally accepted accounting principles, audited by an independent public accountant, and accompanied by a note stating the principles used to prepare it, the basis of securities included, and any other explanations required for clarity.

Not Applicable

2. Show parenthetically the market or fair value of securities included at cost.

Not Applicable.

3. Qualifications of the independent public accountant and any accompanying independent public accountant's report must conform to [Article 2 of SEC Regulation S-X](#).

Not Applicable.

B. If you have discretionary authority or custody of client funds or securities, or you require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, disclose any financial condition that is reasonably likely to impair your ability to meet contractual commitments to clients.

Not Applicable

C. If you have been the subject of a bankruptcy petition at any time during the past ten years, disclose this fact, the date the petition was first brought, and the current status.

If you are registering or are registered with one or more state securities authorities, you must respond to the following additional Item.

Not Applicable

Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

THIS SECTION IS REQUIRED. YOU MAY NOT OMIT THIS HEADING. You must answer each item. If an item is not applicable, you must state that it is not applicable.

A. Identify each of your principal executive officers and management persons, and describe their formal education and business background. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

William M Rawson – Managing Member:

Formal Education – Five Years College – 13 hours Short BCN Finance University of Oregon
Series 7 license 08/1998 – currently not supported by BD – will expire fall 2013
Series 63 & 65 – currently not supported
AAMS - 2007

B. Describe any business in which you are actively engaged (other than giving investment advice) and the approximate amount of time spent on that business. If you have supplied this information elsewhere in your Form ADV, you do not need to repeat it in response to this Item.

Not Applicable

C. In addition to the description of your fees in response to [Item 5 of Part 2A](#), if you or a supervised person is compensated for advisory services with performance-based fees, explain how these fees will be calculated. Disclose specifically that performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Not Applicable

D. If you or a management person has been involved in one of the events listed below, disclose all material facts regarding the event.

1. An award or otherwise being found liable in an arbitration claim alleging damages in excess of \$2,500, involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

Not Applicable

2. An award or otherwise being found liable in a civil, self-regulatory organization, or administrative proceeding involving any of the following:

- (a) an investment or an investment-related business or activity;
- (b) fraud, false statement(s), or omissions;
- (c) theft, embezzlement, or other wrongful taking of property;
- (d) bribery, forgery, counterfeiting, or extortion; or
- (e) dishonest, unfair, or unethical practices.

Not Applicable

E. In addition to any relationship or arrangement described in response to Item [10.C. of Part 2A](#), describe any relationship or arrangement that you or any of your management persons have with any issuer of securities that is not listed in Item [10.C. of Part 2A](#).

Not Applicable

Additional Information