

FIT CAPITAL MANAGEMENT, LLC  
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March 29, 2012

This Brochure provides information about the qualifications and business practices of FIT Capital Management, LLC (FIT). If you have any questions about the contents of this Brochure, please contact us at 716-270-8100. The information included in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority.

FIT is registered as an investment adviser with the United States Securities and Exchange Commission. The firm's registration as an investment adviser does not imply a certain level of skill or training.

Additional information about FIT also is available at the [SEC's website](http://www.sec.gov). Select Investment Adviser Search on the left navigation panel and select Investment Adviser Firm on the Investment Adviser Search page to begin your search. The information included in this Brochure is intended to provide you with information that may be useful to you in evaluating the services that we provide and to compare our services with those of other advisory firms.

## ITEM 2 - MATERIAL CHANGES

This Brochure dated as of March 29, 2012 includes material changes to FIT's previous Brochure dated as of September 15, 2011. On March 29, 2012, Carosa Stanton Asset Management, LLC, a registered investment adviser having its principal place of business at 3909 Rush Mendon, Road, Mendon, New York divested its 25% voting interest in FIT. This transaction effected a change of control and resulted in removing the affiliate relationship between FIT and Carosa Stanton Asset Management, LLC. Additional material changes to this Brochure, some of which result from the change of control, are described more fully in various sections of this Brochure that follow. FIT intends to withdraw from SEC registration and any remaining client relationships will either be terminated or continue to use Carosa Stanton Asset Management, LLC as its sub-adviser. This summary describes only material changes.

Item 5 captioned "Fees and Compensation" reflects a revised fee schedule and reflects a sub-adviser arrangement with Carosa Stanton Asset Management, LLC.

Item 8 captioned "Methods of Analysis, Investment Strategies and Risk of Loss" has been revised to reflect the firm's relationship with Carosa Stanton Asset Management, LLC, and the fact that the firm works closely with Carosa Stanton Asset Management, LLC, throughout the investment process.

Item 10 captioned "Other Financial Industry Activities and Affiliations" has been revised to remove the firm's relationship with Carosa Stanton Asset Management, LLC, and the potential conflicts of interest that may result from that affiliation.

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## ITEM 4 – ADVISORY BUSINESS

We provide a variety of services that assist retirement plan sponsors and other investment fiduciaries in managing their fiduciary responsibilities. As described in more detail below, our services are intended to assist clients in understanding the scope of their fiduciary responsibilities and in developing processes and related documentation that can enable them to discharge those responsibilities more effectively.

### *Formulation of Investment Policy Statements*

We assist our clients in the formulation of Investment Policy Statements. This service involves a review of existing plan documents and, in some instances, recommendations for revision of those documents.

### *Identification of Investment Options*

We identify investment options for consideration by plan fiduciaries. This service typically involves the identification of various investment products (e.g. mutual funds) that may be suitable for the client. We provide each client with descriptive information about the investment products. The selection of the investment manager and/or investment funds is the sole responsibility of the client.

### *Periodic Reporting to Plan Fiduciaries and/or Investment Committees*

We provide ongoing fiduciary oversight services that involve reporting of investment results on a semi-annual basis.

### *Educational Meetings for Plan Participants*

We structure educational meetings for plan participants that are intended to assist them in understanding their investment options. We do not provide individualized investment advice to plan participants.

### *Vendor Searches*

We provide vendor search services that involve the identification of plan administrators and other service providers.

In addition to the services described above, we also provide consultation services that relate generally to pension and profit-sharing plans, but may address issues other than those specifically described in our summary of service offerings above.

FIT Capital Management, LLC (FIT) was organized as a limited liability company under the laws of New York State in 2009. The company currently has 14 members, none of which owns 25% or more of the membership interests in the company. FIT has a sub-adviser arrangement with Carosa Stanton Asset Management, LLC., a registered investment adviser having its principal place of business at 3909 Rush Mendon, Road, Mendon, New York.

We do not provide general investment management services and we do not manage securities portfolios for our clients.

## ITEM 5 – FEES AND COMPENSATION

### SCOPE OF SERVICES

For the following services which are described in Item 4, we charge an annual fee, calculated as a percentage of aggregate plan assets and payable quarterly in arrears in accordance with the schedule set forth below. Our fees are negotiable.

- Formulation of Investment Policy Statements
- Identification of Investment Options
- Ongoing Monitoring of Plan Investments
- Semi-Annual Reporting to Plan Fiduciaries or Investment Committees
- Trustee and Participant Education Vendor Searches

PLAN ASSETS	FEE AS A PERCENTAGE OF PLAN ASSETS
\$0 - \$2,000,000	1.00%
\$2,000,001 - \$5,000,000	0.75%
\$5,000,001 and Above	0.30%

The fees for these services, which are negotiable, are subject to a minimum annual fee of \$15,000. In connection with each of these services, any prepaid fees are refunded on a pro-rated basis in the event of cancellation of the service arrangement. We reserve the right to charge an additional fee of \$500 per meeting for each group educational meeting.

or an hourly rate. These rates are negotiable. In addition to those services, we also provide a general consultation service for which we will be compensated based on an hourly rate that is also negotiable.

**OTHER FEES AND EXPENSES, WHICH CLIENTS MAY INCUR, IN CONNECTION WITH THE SERVICES THAT WE PROVIDE**  
The fees described above cover fees only for services that we provide. The fees do not cover any other fees which may be incurred in connection with the implementation of a client's investment program, including, but not limited to, the following: (1) fees charged separately by investment managers pursuant to a client's contract with the investment manager; (2) the fees and costs associated with the purchase of investment products such as mutual funds; (3) transaction costs; and (4) custody costs. We do not receive compensation of any kind from mutual funds or their affiliates under circumstances where a client implements an investment recommendation that results in the purchase of mutual funds.

#### **SUB-ADVISER ARRANGEMENT**

FIT has a fee sharing arrangement with Carosa Stanton Asset Management, LLC.

## ITEM 6 – PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Our consulting services are limited in scope to those services described in Item 4 of this Brochure. We do not manage securities portfolios for our clients. We do not provide any services for which a charge is made based upon performance-based fees.



## ITEM 7 – TYPES OF CLIENTS

Our clients consist of pension and profit-sharing plans, as well as other types of retirement plans.

## ITEM 8 – METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

We provide a variety of services that are intended to assist retirement plan sponsors and other investment fiduciaries in managing their fiduciary responsibilities. As described in Item 4 (Advisory Business), our services are designed to assist clients in understanding the scope of their fiduciary responsibilities and in developing processes and related documentation that can enable them to discharge those responsibilities more effectively.

In some, but not all, engagements, we may assist a client in the development of an investment policy statement and the identification of possible investment options for a particular plan. In such cases, our role is limited to the recommendation of investment managers and/or investment products (e.g. mutual funds) that may be chosen by the client for purposes of implementing an investment policy statement. Our recommendations are formulated only after a rigorous due diligence process involving the investment manager or the investment product.

Nevertheless, we recognize that the past performance of a particular investment manager or a particular investment product cannot predict future investment results. We acknowledge that all investments involve the possible risk of loss and that our recommendations may not result in the investment performance that a particular client seeks, especially under circumstances where investment performance is not monitored continuously. We believe that we can assist our clients in mitigating the risk of loss under circumstances where we are engaged to provide ongoing monitoring and reporting services to our clients. Our services are designed to assist investment fiduciaries in the development of an informed decision-making process.

We work closely with, Carosa, Stanton Asset Management, LLC throughout the investment process. Clients are encouraged to read their Brochure which may be accessed on the [SEC's website](#).

## ITEM 9 – DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose relevant facts regarding any legal or disciplinary events that would be material to a client's or a prospective client's evaluation of the firm or the integrity of its management.

FIT has no information to disclose in response to this Item.

## ITEM 10 – OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

### A. Registration of Management Persons

FIT is not registered, and does not have an application pending to register, as a broker-dealer.

### B. Registration of Management Persons

Neither FIT nor any of its management persons is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing.

### C. Material Relationships and/or Arrangements

FIT and certain of its management persons have relationships with one or more related persons that are material to its advisory business and its clients. Two of the five members of the Board of Managers of FIT Capital Management, LLC are also partners in Gaines Kriner Elliott, LLP, an accounting firm that also has its principal office at 100 Corporate Parkway, Amherst, NY 14226. FIT leases office space and administrative personnel from Gaines Kriner Elliott, LLP.

From time to time, partners of the accounting firm may identify clients of that firm that could benefit from the services provided by its affiliated investment advisory firm and, in such instances, may provide introductions to FIT. The Board of Managers of FIT recognize that, in such instances, the interests of the advisory firm in receiving revenues generated by introductions from an affiliate may compete with the interests of prospective clients. The Board of Managers also recognizes that, as a registered investment adviser, the firm has a fiduciary duty to its clients. In recognition of the potential for conflicts of interest in these and other situations, FIT has adopted policies and procedures, pursuant to which the firm identifies and assesses potential conflicts of interest on a regular basis. These policies and procedures require, among other things, that any identified conflict of interest be disclosed to a prospective client prior to the inception of a client relationship.

Edward Riedel, a member of FIT Capital Management, LLC, provides pension consulting services on behalf of the firm. Mr. Riedel is also an associated person of Invest Financial Corporation. Mr. Riedel's activities as a registered representative of Invest Financial Corporation are similar to the services that he provides on behalf the firm in that his activities include consultations relating to pension and profit-sharing plans. However, Mr. Riedel's activities as a registered representative of Invest Financial Corporation principally involve consultations that may result

in the sale of an investment product, and any services that he may provide to clients in that role are ancillary to the sales effort. Mr. Reidel receives commissions and/or other ongoing compensation as a result of his sales activities as a registered representative. We encourage prospective clients of the firm to evaluate their options carefully in an effort to determine whether their needs are better served by the purchase of an investment product that may or may not be accompanied by ancillary services or an engagement with the firm.

#### D. Recommendation of Other Investment Advisers

The firm works closely with of Carosa Stanton Asset Management, LLC in delivering advisory services to certain of its clients under a contractual arrangement with, Carosa Stanton Asset Management, LLC. This arrangement, which involves sharing fees with Carosa Stanton Asset Management, may create a material conflict of interest for clients of the firm because the firm may have a financial incentive to work with of Carosa Stanton Asset Management, LLC rather than to recommend other advisers. The firm seeks to address these potential conflicts of interest through an analysis of the specific needs of each client. The firm recognizes that there may be situations in which clients may be better served by engaging the services of a third party investment manager. From time to time, the firm may recommend other investment advisers to its clients in connection with its pension consulting activities. Under such circumstances, the firm will not receive direct or indirect compensation from any of those advisers. Apart from its relationship with Carosa Stanton Asset Management, LLC, the firm does not have any business relationships with any investment advisers that it may recommend that create a material conflict of interest.

## ITEM 11 – CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

FIT Capital Management, LLC has adopted a Code of Ethics pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 which includes, among other things:

- A standard of business conduct that the firm requires of its supervised persons. The standard of conduct reflects the firm's recognition of its fiduciary obligations and those of its supervised persons.
- Provisions that require the firm's supervised persons to comply with applicable federal securities laws.
- Provisions that require the firm's access persons to report personal securities transactions at specified intervals as well as provisions requiring review of those reports.
- Provisions that require the firm's supervised persons to report violations of the Code of Ethics promptly to the firm's Chief Compliance Officer.

Neither FIT Capital Management, LLC nor any of its related persons recommends to clients, or buys or sells for client accounts, securities in which FIT Capital Management, LLC or a related person has a financial interest.

Neither FIT Capital Management, LLC nor any of its related persons invests in the same securities that FIT Capital Management, LLC recommends to clients.

Neither FIT Capital Management, LLC nor any of its related persons recommends securities to clients, or buys and sells securities for client accounts, at or about the same time that it or any of its related persons buys or sells the same securities for its own or a related person's account. FIT Capital Management, LLC does not trade any securities for its own account or for the account of any client.

## ITEM 12 – BROKERAGE PRACTICES

Our consulting engagements do not involve the selection or recommendation of brokers. We do not manage securities portfolios for our clients.

## ITEM 13 – REVIEW OF ACCOUNTS

As described in Item 4, FIT Capital Management, LLC provides pension consulting services that may include, among other things, the formulation of investment policy statements, the recommendation of investment managers and/or investment products and ongoing oversight of a plan's portfolio investments. In those instances where a client engages the firm to provide ongoing oversight and reporting, reviews are performed on a periodic basis and written reports are provided to the plan fiduciary or the investment committee, as the case may be, on a quarterly basis. We may review accounts more frequently under circumstances where we believe that additional reviews (e.g., based upon market conditions or other factors) indicate that additional reviews would be prudent. In addition, we may review accounts more frequently upon the reasonable requests of our clients.



## ITEM 14 – CLIENT REFERRALS AND OTHER COMPENSATION

Our consulting services are limited in scope to those services described in Item 4 of this Brochure. Although we may receive client referrals from third parties from time to time, we do not compensate third parties for those referrals directly or indirectly.

## ITEM 15 – CUSTODY

Our consulting services are limited in scope to those services described in Item 4 of this Brochure. We do not manage securities portfolios for our clients. Therefore, we do not maintain custody of any client securities or funds.

## ITEM 16 – INVESTMENT DISCRETION

Our consulting services are limited in scope to those services described in Item 4 of this Brochure. We do not manage securities portfolios for our clients. Therefore, we do not have discretionary trading authority over any client accounts.

## ITEM 17 – VOTING CLIENT SECURITIES

Our consulting services are limited in scope to those services described in Item 4 of this Brochure. We do not manage securities portfolios for our clients. Although we may recommend that a client consider engaging a particular investment manager, the selection of a particular investment manager is made by, and is the sole responsibility of the client. We encourage clients to review each prospective investment manager's brochure (Form ADV – Part 2A) in an effort to determine whether that investment manager accepts authority to vote proxies for portfolio securities and to obtain other relevant information.

## ITEM 18 – FINANCIAL INFORMATION

We are required to provide you (in response to this item) with certain financial information or disclosures about the firm's financial condition. FIT Capital Management, LLC has no financial condition that would impair its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

## ITEM 19 – STATE REGISTERED ADVISERS

The disclosure requirements of this item apply only to state-registered investment advisers and, therefore, is not applicable to FIT Capital Management, LLC.

EDWARD E. RIEDEL  
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716.270.8119

March 29, 2012

This Brochure Supplement provides information about Edward E. Riedel that supplements the FIT Capital Management, LLC Brochure (Brochure). You should have received a copy of that Brochure. Please contact Edward E. Riedel if you did not receive a copy of the Brochure or if you have any questions about this Brochure Supplement. Additional information about Edward E. Riedel is available on the SEC's website at <http://www.sec.gov>.

#### EDUCATIONAL BACKGROUND AND BUSINESS EXPERIENCE

Edward E. Riedel, born in 1965, is a member of FIT Capital Management, LLC (FIT). Mr. Riedel is a graduate of the State University of New York at Buffalo, Buffalo, NY, and has been actively engaged in the financial services industry since 1991. Mr. Riedel has been a registered representative with Invest Financial Corporation, a registered broker-dealer since June 2011. He was a registered representative with Ensemble Financial Services from February 2011 to June 2011. Prior to that, he was a registered representative and an investment adviser representative with LaSalle Street Securities, LLC from May, 2003 to February, 2011.

#### DISCIPLINARY INFORMATION

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. No information is applicable to this Item.

#### OTHER BUSINESS ACTIVITIES

In addition to his role and responsibilities with FIT, Mr. Riedel is also a registered representative with Invest Financial Corporation ("Invest").

#### ADDITIONAL COMPENSATION

Mr. Riedel does not receive economic benefits from anyone other than clients of the firm for providing advisory services.

#### SUPERVISION

Mr. Riedel is supervised by Rocco Surace, Chief Executive Officer [716-250-7805].