

Yatalie Capital Management LLP.

An S.E.C Registered Investment Advisor
Item #1 – Cover Page

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This brochure provides information about the qualifications and business practices of Yatalie Capital Management (“the firm” or “YCM”). If you have any questions about the contents of this brochure, please contact us at (704) 622-3645 or fdappah@myyatalie.com

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 YCM is also available on the SEC’ s website at www.adviserinfo.sec.gov. While the firm is an investment advisor, registered with the SEC, this does not imply any particular level of skill or training on the part of the firm or its associated personnel.

Item #2 – Material Changes

1. 8/04/2012 - YCM no longer sells Health insurance products and as such is a fee-only financial planning firm and Life Insurance Brokerage firm.

2. 1/6/2012 - YCM Advisor Assisted trading fee of 0.012% of order size

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Item #4 – Services, Fees and Compensation

A. Services & Description of Advisory Firm

Yatalie Capital Management (“the firm” or “YCM”), a sole proprietorship, is an SEC registered investment advisor that provides financial planning services, asset management services, retainer services and retirement plans for small businesses.

The firm sponsors a wrap fee program option for managed investment accounts. The only difference between a wrap account and a non-wrap account is that the firm normally pays for trades in a wrap account and the client pays for trades in a non-wrap account.

Length of Time In Business

The firm was registered with the SEC on July 14, 2010.

Principal Owners

Frank Dappah (as noted in the attached ADV Part 2B) is the owner of the firm.

Other Entities

1. **TradePMR** . Yatalie Capital Management uses TradePMR, a brokerdealer located in Gainesville, FL 32635-8230, as the primary backoffice solution to process client investment (excluding college savings) accounts. YCM provides custodial services through Pershing (see below). YCM provides services exclusively for independent registered investment advisors (such as YCM).

2. **Pershing LLC** (“Pershing”). Pershing, a registered broker-dealer located at One Pershing Plaza Jersey City, New Jersey 07399, is a subsidiary of The Bank of New York Mellon and is the company SSG uses for securities clearing and custody. Pershing is focused on the safekeeping, servicing, segregation and reporting of client assets held in custody.

3. **Third-Party Money Managers** (“3PMM”). 3PMMs provided through Envestnet include such programs as: Separately Managed Accounts, Mutual Fund Solutions, ETF (exchange-traded funds) Solutions, Unified Managed Accounts, Multi-Manager Accounts, Manager Blends, PMC (Portfolio Management Consultants) Select Portfolios, PMC Tactical ETF Portfolios, Enhanced Portfolio Strategies and PMC Ultra Short-Term Fixed Income Portfolios.

Services

See section 6.C. for more information about services.

Description of Compensation for Advisory Services

There are three primary ways that the firm is compensated for financial planning, retirement plan and asset management services:

1. Flat fee for financial plan or advice. This fee can range from \$250 to \$10,000, depending upon the complexity of the client's situation and services requested. Fees for the financial plan or advice are paid by check in two installments; the down payment at the signing of the client agreement and the remainder at the presentation meeting.

2. The fee for asset management services is based upon the complexity of the client's situation, the type and frequency of services requested, the asset level for a given account and the asset level (of managed assets) for the household. The fee can range from 1% to 3% of the household asset level. However, there is a minimum fee of \$50 per month (\$600 per year) per household, which could result in a greater than 2% fee in some cases. There are three potential ways the fee can be calculated/charged as follows:

- a. flat monthly fee, paid in advance
- b. flat percentage monthly fee, calculated based upon the average daily balance for the prior month, paid in advance, prorated for partial months
- c. tiered percentage monthly fee, calculated based upon the average daily balance for the prior month, paid in advance, prorated for partial months.

The client is solely responsible for paying all fees and/or charges related to an investment account, unless otherwise noted on the new account form. The asset management fee is spelled out on the Client Services Agreement and account-related fees are listed on the new account application. The fee may be paid from the related investment account or from another investment account or financial institution.

3. Retainer. Some clients do not have enough manageable assets available to transfer to SFP to generate fees sufficient to cover services. Other clients may prefer to not transfer assets to SFP service providers and therefore choose a retainer fee. Additionally, if a fee is charged for managing college funding accounts, it is typically a retainer fee. The retainer fee is a flat fee, loosely based on investment assets, salary or a combination of the two using a range of .8% to 2%. The fee is paid monthly in advance and may be paid from an investment account or by check. There is a minimum fee of \$250 per month (\$3,000 per year) per household. SFP reserves the right to reduce the minimum fee for special circumstances.

There is a 0.012% advisor assisted trading fee for actively managed accounts.

Some other important information regarding fees and expenses:

- ☐ Fees are not negotiable.
- ☐ In most cases, fees are due in advance.
- ☐ Mutual funds have expenses which are spelled out in the respective prospectus.

- Notwithstanding the preceding, the firm does, from time-to-time, receive non-monetary benefits from various service and product providers such as free research, education and conferences.

- See Item #12 – Brokerage Practices for more information.

All retirement plans use no-load products, which means the firm receives no commissions or other monetary compensation aside from the management fee or financial planning fee paid by the client to SFP. For every retirement plan, there is an agreement spelling out the specific fees associated with the plan.

Other Fees and Expenses Clients May Incur

The client is solely responsible for payment of all fees related to investment accounts, unless otherwise noted on the new account application. The new account application is accompanied by a schedule of fees. Fees include such things as: trading cost, check-writing fees and account closing fees.

Fees Paid In Advance

The deposit for the financial plan, asset management fees and retainer fees are all paid in advance. Upon written request (email notification is acceptable) from client of termination of an account, prepaid unearned fees will be prorated and refunded to the client within 30 days of termination request.

Compensation for the Sale of Investment Products

YCM does not receive compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

B. Program Cost

The program may cost the client more or less than purchasing such services separately. The factors that bear upon the relative cost of the program are such things as the cost of the services if provided separately and the trading activity in the client's account.

C. Additional Fees

The client is solely responsible for payment of all fees related to investment accounts, unless otherwise noted on the new account application. The new account application will be accompanied by a schedule of fees. Fees include such things as: trading cost, check-writing fees and account closing fees.

D. Compensation

The advisor recommending the wrap fee program receives compensation as a result of the client's participation in the program. The amount of this compensation is usually less than what the advisor would receive if the client chose another program or selected services individually. Therefore, the advisor may have a financial incentive to recommend non-wrap fee programs.

Item #5 – Account Requirements and Types of Clients

SFP provides services to individual investors, couples, domestic partners, trusts, estates, charitable organizations, schools, small businesses, pension plans and profit-sharing plans. The minimum balance of a wrap account is \$50,000. The firm reserves the right to lower the minimum for special circumstances.

Item #6 – Portfolio Manager Selection and Evaluation

A. Selection and Review Portfolio Managers

Clients have two basic choices for portfolio managers: use SFP to manage the account or use a 3PMM through Envestnet. Clients with assets under \$150,000 are required to use SFP as portfolio manager, although the firm reserves the right to make exceptions.

The firm uses the following criteria when determining which portfolio manager to use:

- Account asset level
- Investor risk tolerance
- Investor time horizon
- Investor goals
- Investor age
- Investor life stage
- Investor income level
- Investor preferences.

The firm uses the criteria listed above plus an in-depth interview process to determine which portfolio manager best meets the client's needs.

Standards Used to Calculate Portfolio Manager Performance

YCM does not calculate portfolio manager performance. Instead, the firm uses third-party vendors, who produce FIRNA approved reports, such as Morningstar and Envestnet to calculate portfolio manager performance.

Accuracy and Compliance with Standards of Performance Information

Morningstar and Envestnet have responsibility to verify accuracy of their reports.

B. Potential Conflicts of Interest Regarding Wrap Fee Programs

The firm acts as portfolio manager for the wrap fee program that YCM sponsors. This is a potential conflict of interest when comparing the firm's program to 3PMM programs. The firm uses the same basic selection and review process for all wrap fee programs.

C. Advisory Business – Portfolio Management Financial Planning Services

Financial services may include the following:

- ☐ financial plan
- ☐ investment portfolio review and advice
- ☐ retirement funds rollover advice
- ☐ retirement funding advice
- ☐ retirement distribution strategies; how, when and how much to withdraw from investments and savings during retirement
- ☐ employer-sponsored retirement plan analysis and advice (401k, 403b, 457, SEP, SIMPLE)
- ☐ employer-sponsored pension plan review and advice
- ☐ annuity analysis and advice
- ☐ college funding and advice
- ☐ budgeting
- ☐ business succession planning
- ☐ personal CFO (chief financial officer) services
- ☐ life insurance review
- ☐ long-term insurance review
- ☐ long-term disability insurance review
- ☐ Roth conversion advice
- ☐ credit report review
- ☐ emergency fund advice
- ☐ estate plan review
- ☐ Social Security strategies.

The firm does not provide tax or legal advice. However, YCM does work with qualified tax and legal professionals to implement recommendations and can provide references or work with professionals where the client has existing relationships. Even though the firm does not sell insurance products, we work with insurance brokers to get quotes for various types of insurance products.

Asset Management Services (“AMS”)

The firm uses only no-load (no commissions) investment products to implement investment strategies. There are three primary types of AMS as follows:

- ☐ **AMS1.** This service is for non-college funding portfolios managed directly by YCM. The firm uses TradePmr to process investment accounts and Pershing for custody of client assets. AMS1 accounts may be discretionary or non-discretionary, depending upon client preference.
- ☐ **AMS2.** This service utilizes 3PMMs to manage clients assets. The firm uses TradePMR to process investment accounts via the Ecustody platform and Pershing for custody of client assets. AMS2 accounts are all discretionary. However, YCM does not have discretion over AMS2 accounts.

- **AMS3.** This service is for college-funding (529 accounts) portfolios. The firm uses the LearningQuest program to process college-funding accounts and hold client assets.

Retirement Plans

The firm implements and manages retirement plans for schools (403b, 457 plans), churches (403b plans) and small businesses (401k, SEP, SIMPLE). This process normally flows as follows:

1. Get Acquainted Meeting. The firm gets to know the needs of the organization and presents the available services and products.
2. If there is a fit in step one, the firm does a review of the current retirement plan and a census of current or potential participants.
3. SFP presents a proposal to the management of the organization.
4. If the organization decides to proceed, the firm implements the retirement plan.
5. Once the retirement plan is in place, there is a review at least annually.

Specialty

The firm's specialty is, first and foremost, financial planning, which is practiced in a holistic manner concerning the services listed above. Although it is not required to become a client, the firm strongly urges clients to sign up for an initial financial plan, which is tailored to meet the clients unique situation. YCM uses a disciplined approach to the financial planning process. The financial plan usually unfolds as follows:

1. The Get Acquainted Meeting answers the question: "Do we have a fit?" In other words, "Does it make sense to work together." This is the first step in the process, is at no charge and usually lasts about an hour. At the end of the meeting, the advisor gives the prospective client a fixed quote for the financial plan. Some prospective clients prefer to skip the initial financial plan and go directly to advice for one or more topics and/or implementation (see phase 5 below), e.g. management of assets, estate planning, college funding. Other clients prefer the formal financial planning process, as outlined below.
2. The Financial Checkup Meeting answers the questions: "What is your current financial situation?" and "What are your goals?" This meeting usually lasts about two hours and provides the basic information necessary to do a financial plan. The client pays 50% of the financial fee at the end of this meeting.
3. The Analyze Data and Develop Financial Plan phase normally takes two to four weeks. During this phase the advisor gathers additional information and develops a customized financial plan for the client.
4. The Presentation Meeting answers the questions: "How can I best achieve my goals?" and "What are the next steps?" The client pays the remaining 50% of the fee for the financial plan.
5. During the Refine and Implement Recommendations phase, the advisor meets with the client to implement recommendations such as asset management, life insurance quotes and setup of an estate plan.
6. Ongoing Services. Account review is performed about three to six months after initial account setup. As-needed financial advice and an annual checkup are included with most asset management services. Additionally, some clients desire monthly or quarterly meetings.

Types of Investments

Investment advice is provided primarily for the following:

- Mutual funds
- Exchange-traded funds
- 401-k plan investments
- 403-b plan investments
- 529 plans investments (college funding)
- Variable annuity sub-account investments (the firm is not licensed to sell and does not sell variable annuities)
- Individual bonds
- Individual stock (in special cases)

Tailoring of Advisory Services

Advisory services are tailored to the specific needs of each client.

Clients Ability to Impose Restrictions

Clients have the ability to impose restrictions on investing in certain securities or types of securities.

Wrap Fee Program

The firm sponsors a wrap fee program option for AMS1 accounts. The only difference between a wrap account and a non-wrap account is that the firm pays for the trades in a wrap account and the client pays for trades in a non-wrap account¹. For AMS1 wrap accounts, YCM receives the entire wrap fee and uses a portion of the fee to pay for trades.

Envestnet sponsors a wrap fee program option for AMS2 accounts. In this case, a portion of the fee paid to YCM is used to cover trades and a portion of the fee is paid to the 3PMM.

The minimum balance of AMS1 and AMS2 wrap accounts is \$50,000. The firm reserves the right to lower the minimum for special circumstances. Because of minimum account balance requirements, wrap accounts tend to have larger balances than other accounts and therefore, tend to have more positions (investments) than other accounts. This allows for more fine-tuning of investments to target specific market sectors or trends.

All AMS3 accounts are wrap accounts. Trading costs are covered as part of the fees paid to LearningQuest to manage the client's account.

Performance-Based Fees and Side-By-Side Management

The firm does not accept performance-based fees and does not practice side-by-side management.

¹ For wrap accounts, the firm reserves the right to charge the client for trades required to close the account and unsolicited trades requested by the client.

Methods of Analysis, Investment Strategies and Risk of Loss

If the firm is engaged to provide investment advice, the client's current financial situation, needs, goals, objectives and tolerance for risk are evaluated. Asset allocation and investment policy decisions are then made to help the client achieve his/her overall financial objectives while minimizing risk exposure.

Asset allocation is a key component of investment portfolio design. YCM believes that the appropriate allocation of assets across diverse investment categories (stock versus bond, foreign versus domestic, large-cap versus small-cap, high quality versus high yield, etc.) is the primary determinant of portfolio returns and is critical to the long-term success of Client's financial objectives.

The firm uses various commercially available investment research firms. Model portfolios and investment advice are based upon research provided by these firms.

YCM employs fundamental, long-term, buy-and-hold philosophies and approaches in investment selection and implementation strategies. Recommendations provided are based on publicly available reports, analysis, research materials, computerized asset allocation models, and various subscription services. In limited circumstances, YCM may provide advice to clients interested in trading individual securities.

Risks of Loss for Investment Strategy & Investments

While the firm believes its strategies and investment recommendations are designed to maximize the long-term, real return on investments, there is no guarantee that any particular investment objective or planning goal will be realized.

Some investment decisions may result in a loss, which may include loss of the original principal. The client must be willing and able to bear the various risks involved in investing, such as market risk, currency risk, interest rate risk, liquidity risk, operational risk, political risk, among others.

Voting Client Securities

The firm does not vote client proxies. Clients maintain exclusive responsibility for directing the manner in which proxies solicited by issuers of securities beneficially owned by the client will be voted, as well as making all other elections relative to mergers, acquisitions, tender offers or other events pertaining to the client's investment assets.

The firm will have no power, authority, responsibility, or obligation to take any action with regard to any claim or potential claim in any bankruptcy proceeding, class action securities litigation or other litigation or proceeding relating to securities held at any time in a client account, including, without limitation, to file proofs of claim or other documents related to such proceeding, or to investigate, initiate, supervise or monitor class action or other litigation involving client assets.

If the firm receives correspondence for a client relating to the voting of securities, class action litigation, or other corporate actions, it will forward the correspondence to the client or another entity (e.g. client counsel), if so directed.

Item #7 – Client Information Provided to Portfolio Managers

For every investment account, the firm provides the related portfolio manager with a new account form. This form has all the information needed to setup the account. The portfolio manager is notified on a timely basis if any of the pertinent information changes.

Item #8 – Client Contact with Portfolio Managers

For portfolios managed by the firm, clients are free to contact and consult as needed with the firm. For portfolios managed by 3PMM through Envestnet, the client communicates with the 3PMM through SFP.

Item #9 – Additional Information

A. Disciplinary Information & Other Financial Industry Activities and Affiliations

Disciplinary Information

None.

Other Financial Industry Activities and Affiliations

Broker-Dealer Registration

Not applicable.

Futures Commission Merchant Registration

Not applicable.

Broker-Dealer Relationships

For AMS1 type accounts, the broker-dealer relationships are with TradePMR and Pershing; SSG is the account processing firm and Pershing handles custody of client assets.

For AMS2 type accounts, the broker-dealer relationships are with TradePMR, Pershing and Ecustody processes accounts, Pershing handles custody of client assets and Ecustody is the platform used to access 3PMMs.

For AMS3 type accounts, American Century is the broker-dealer and custodian of client assets. The firm may receive free or discounted services and education from broker-dealers.

Compensation for Recommendations of Clients to other Advisors

None.

Other

From time-to-time, the firm may receive free or discounted services and education from companies such as Vanguard, Fidelity and Advisors Asset Management. The bottom line is that, apart from non-monetary services and education, the firm is compensated only by fees paid directly by the client to the firm.

B. Code of Ethics, Participation in Client Transactions & Personal Trading, Review of Accounts, Client Referrals & Financial Information

SEC-Registered Advisor Code of Ethics

The firm is a SEC-registered.

Material Financial Interest in Client Transactions and Personal Trading

Neither the firm nor any related person is authorized to recommend to a client, or perform a transaction for a client, involving any security in which the firm or a related person has a material financial interest. The firm and any related persons are prohibited from borrowing from or lending to a client unless the client is an approved financial institution or an immediate family member.

The firm and its related persons may buy or sell securities similar to those recommended to clients for their accounts, and it may also make recommendations or take action with respect to investments for its clients that may differ in nature or timing from recommendations made to or actions taken for other clients or its employees. At no time, however, will the firm or any related party receive preferential treatment over its clients. The firm maintains the required personal securities transaction records per regulation.

Periodic Review of Client Accounts

There is an annual review for all asset management and retainer clients. At a minimum, this involves: review of each account for a client, discussion about goals and discussion about changes in client's situation since last review. Depending upon the client asset level and client preference, the review may include an update of the client's financial plan. The firm prefers the review be done in person.

New account review. There is normally a new account review within 60 – 90 days of account setup. This is to review investments and general information about the client.

Monthly, quarterly and semi-annual reviews. Depending upon the asset level and client needs/preferences, there may be a reviews more than once a year.

Non-Periodic Review of Client Accounts

Depending upon asset level and services requested, clients may receive performance reports and other advice, as needed.

Regular Reports

Clients receive regular statements on all investment accounts, either monthly or quarterly from the related custodian. For non-college investment accounts, statements are from Pershing. For college funding accounts, statements are from LearningQuest.

Client Referrals and Other Compensation

Other than non-monetary benefits discussed above and fees paid to SFP by clients, the firm and related persons receive no other economic benefit for providing services to clients. Neither the firm nor any related persons directly or indirectly compensates any person for client referrals.

Financial Information

Due to the nature of the firms services and practices, no financial information is required or included in this disclosure.

Item #10 – Requirements for State-Registered Advisers

Not applicable.