

**Item 1- Cover Page**

**VAB Advisors, LLC.  
352 Fernando Primero  
San Juan, Puerto Rico, 00918-2424  
(787) 302-1051  
Frank Vasquez, Chief Compliance Officer  
February 15, 2011**

**This Brochure Supplement provides information about Frank Vasquez and supplements the VAB Advisors, LLC. (“VAB Advisors” or “VAB”) Brochure. You should have received a copy of that Brochure. Please contact Frank Vasquez at (787) 302-1051 if you did not receive VAB Advisors’ Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Frank Vasquez and VAB Advisors is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)**

## **Item 2- Educational Background and Business Experience**

### **Frank Vasquez, Senior Managing Director, Investment Advisor Representative Chief Compliance Officer**

Mr. Vasquez is a founding member of VAB Advisors. In this capacity he will serve as the firm's Senior Managing Director. VAB Advisors will provide institutional and public sector clients with a broad range of capital markets and business advisory services to facilitate breakthrough solutions for their financial objectives.

Mr. Vasquez has in excess of 20 years experience in Public and Corporate Finance. He has advised and assisted various clients in executing bond and equity transactions, privatizations, and public private partnerships. Mr. Vasquez holds Series 7, Series 24, Series 53, and Series 66 Licenses.

#### **Experience**

**Public Finance:** Mr. Vasquez is an experienced public finance banker and has served a number of institutional clients. Mr. Vasquez has provided services to a full range of Public Financial services to clients in Texas, Georgia, New York, and New Jersey. In Puerto Rico he has been a member of the senior underwriting team for a number of clients including, but not limited to, the Children's Trust, Puerto Rico Electric Power Authority, Puerto Rico Aqueduct and Sewer Authority, Puerto Rico Highway and Transportation Authority, and the University of Puerto Rico. Mr. Vasquez has also served private sector clients in a number of transactions including the hotel and recreation sector and the water infrastructure sector.

**Public Power Experience:** Mr. Vasquez served as a Senior Managing Director at Bear Stearns & Co. (1993 thru 2005). During this tenure, Mr. Vasquez served as the lead advisor to a number of important PREPA initiatives, including the Agencies' power purchase and operating agreements. Additionally, Mr. Vasquez effectively provided leadership with respect to the associated financings for 1) the Penuelas liquefied natural gas terminal (the only licensed LNG terminal in Puerto Rico), 2) the Penuelas LNG 500 Mega-watt combined cycle power plant, and 3) the AES 450 Mega-watt coal fired power plant. Mr. Vasquez also conceptualized, developed, and financed the not for profit predecessor to PREPA's current internal/external optical fiber telecommunications company. Additionally, Mr. Vasquez served as the lead or co-senior banker for a number of additional PREPA financings.

**Health Care Experience:** Mr. Vasquez served as a Board Member of the New York State Public Asset Fund (NYSPAF). In this capacity, Mr. Vasquez functioned as one of five members of the Board of the NYSPAF. The NYSPAF did not maintain any permanent staff which required that the Board to take responsibility for optimizing the financial benefits of converting not-for-profit

health care insurance companies to for profit entities. While serving in this capacity NYSPAF produced major capital benefits for the State of New York. Specifically, Mr. Vasquez participated in the development of policies and programs, that ultimately facilitated a strategic series of very successful innovative equity hedges, and provided guidelines and oversight for the conversion of not-for-profit HMO's to for profit entities. These policies and programs utilized IPO markets and merger alternatives.

**Maritime:** Mr. Vasquez served as Senior Vice President and Treasurer for the Navieras/Puerto Rico Marine Management Inc. Mr. Vasquez was responsible for one of the first series of public private partnerships by leading the negotiations for the construction and rehabilitation of a number of ships. These partnerships were financed in the Puerto Rico taxable markets and utilized the Federal Maritime Administration's Title XI program.

**Aviation:** Mr. Vasquez served as Assistant Director in Charge of Program Development for the Redevelopment of JFK Airport and the Port Authority of New York & New Jersey. Mr. Vasquez, with full authority to hire and fire, was responsible for the successful performance of all aspects of the Redevelopment program. This project included an overall budget in excess of \$5 billion.

### **Education**

Mr. Vasquez, born in 1945, is a graduate of New York University (NYU) Graduate School of Business Administration (MBA) and a graduate of Polytechnic Institute of New York (NYU) with a BS in electrical engineering. – Curriculum Vitae. Mr. Vasquez has also completed the master's equivalent program in power systems engineering and management.

Mr. Vasquez is regularly involved in civic and charitable activities. He is board member of the Children Foundation in Puerto Rico; and formerly served as a board member of the Puerto Rican Legal Defense and Education Fund.

### **Past Employment**

February 1993 - Nov. 2005: Bear Stearns & Co., Senior Managing Director

February 2006 - January 2008: Popular Securities, Inc., Senior Vice President

February 2008 - August 2009: Duncan Williams, Inc., Senior Vice President

**Tom Civitano**

**Director, Investment Advisor Representative**

Mr. Civitano will serve as a Director of VAB Advisors. VAB Advisors will provide public sector clients with a broad range of capital markets and business advisory services to facilitate breakthrough solutions for their financial objectives.

**Public Finance Experience**

Mr. Civitano has advised and assisted clients in executing senior managed municipal bond transactions ranging in size from \$10 to \$150 million.

Mr. Civitano has wide experience in public finance and has served a broad range of clients in New York, New Jersey, Texas, and Illinois on complex financing concepts as well as all day-to-day analytics and market updates. For VAB Advisors, he oversees the production effort and quantitative analysis on all accounts.

**Education**

Mr. Civitano, born in 1984, is a graduate of the Stern School of Business at New York University (NYU). He graduated magna cum laude triple majoring in Finance, Marketing, and International Business. He also attended Morgan Stanley's extensive Investment Banking Training while at Popular Securities and continues to attend industry forums and conferences on a regular basis. He holds Series 7 and Series 63 Licenses.

**Past Employment**

February 2006 - January 2008: Popular Securities, Inc., Lead Analyst, Public Finance

February 2008 - August 2009: Duncan Williams, Inc., Associate and Head of Quantitative Analysis

### **Item 3- Disciplinary Information**

No information is applicable to this Item.

### **Item 4- Other Business Activities**

VAB Financial, LLC. (“VAB Financial”) is an affiliate broker dealer wholly-owned by Frank Vasquez and an investor, Eduardo Ballori. The broker dealer is headquartered in San Juan, Puerto Rico and is registered with the Securities and Exchange Commission (SEC), the Financial Industry Regulatory Authority (FINRA) and the Puerto Rico Office of the Commission of Financial Institutions (OCIF). VAB Financial provides Investment Banking and Underwriting services to various Municipal and Government Agencies of Puerto Rico. Both Frank Vasquez and Tom Civitano are employees of VAB Financial.

Vasquez Financial, LLC. (“Vasquez Financial”) is an affiliate company wholly-owned by Frank Vasquez and an investor, Eduardo Ballori. Vasquez Financial offers financial advisory and economic advisory services to the City of San Juan. Both Frank Vasquez and Tom Civitano are employees of Vasquez Financial.

### **Item 5- Additional Compensation**

The firm’s compensation will solely be derived from VAB Advisors and its affiliated entities.

### **Item 6 - Supervision**

In conjunction with any hired sub-advisors, VAB Advisors will review the securities and assets held in each client’s account no less frequently than monthly. On the average, each portfolio manager is assigned less than 5 accounts. Portfolio managers are instructed to notify designated senior officers of the Registrant of any irregularities or unusually poor performances with respect to a client’s account.

Prior to acceptance of a new account, VAB Advisors, in conjunction with any hired sub-advisors’ Management Investment Policy Committee (or a sub-committee of such committee delegated with account review responsibility), promptly conducts an initial review of the objectives of the new account. In addition to the monthly portfolio manager reviews, VAB Advisor’s Management in conjunction with any hired sub-advisors’ Investment Policy Committee (or sub-committee) will review the portfolios of each client account no less frequently than annually to determine the advisability of retaining or disposing of securities or assets in such an account and to determine whether there are any irregularities or improprieties with respect to such an account.

In general, clients receive a quarterly report which summarizes the performance of the account during the immediately preceding quarter. Clients also meet with both VAB Advisors and any hired contractors' portfolio managers on a quarterly, semi-annual, or annual basis as agreed by the client and the assigned portfolio manager. During such meetings, the portfolio managers review with the client relevant objectives, guidelines, securities in the client's account, investment performance and current investment strategy. Moreover, portfolio managers provide a report at such meetings and will occasionally modify the format or information contained in the reports to meet the needs of individual clients.

Additionally, our Advisors will contact you, and typically meet with you, at least annually to review the performance of your account and any changes to your financial situation and investment goals and objectives. Our Advisors will review the quarterly performance report received from the custodian for you as our client. You, in our standard agreement(s), agree to inform your Advisor promptly of any changes to your information that you have previously provided, including your financial situation or investment objectives and policies. You will receive confirmations of all transactions, monthly statements and quarterly performance reports from the designated custodian. Our Advisors and our home office personnel are typically available during normally business hours to answer questions or concerns you may have.

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#### **Item 7- Requirements for State-Registered Advisers**

VAB Advisors is registered as an SEC Registered Investment Advisor.