

# Bullish Cross Asset Management, LLC

## Part 2A of Form ADV

### The Brochure

4811 Coveview Drive  
Huntington Beach, CA 92649  
310.709.4847

March 2012

This brochure provides information about the qualifications and business practices of Bullish Cross Asset Management, LLC (“BCRAM”). BCRAM is in the process of registering with the California Department of Corporations (“DOC”) as an investment adviser. That registration does not imply a certain level of skill and training. The information in this brochure has not been approved or verified by the SEC or by any state securities authority. If you have any questions about the contents of this brochure, please contact us at 310.709.4847.

Additional information about BCRAM is also available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 - Material Changes**

BRAM's Form ADV, Part 2A was initially submitted with the SEC in October 2011. BCRAM is switching its adviser registration to California and this Brochure reflects that change.

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## Item 4 - Advisory Business

BCRAM was formed as a Delaware limited liability company in September 2011 by its sole member Bullish Cross, LLC. BCRAM is a wholly owned subsidiary of Bullish Cross, LLC, which is owned and controlled by Andy Zaky.

BCRAM provides discretionary advisory services to a Delaware limited partnership, Bullish Cross Capital, L.P. (the "Fund") and separately managed accounts ("Managed Accounts," and together with the Fund, "Clients"), with the goal of achieving capital appreciation while managing risk. The investment strategy, terms and fees are separately negotiated with each beneficial owner of a separately managed account and may or may not be the same or similar to the strategy, terms and fees of the Fund. The Fund is a client that is completely distinct from the separately managed accounts. However, for purposes of Part 2A, we have defined the Fund, together with the separately managed accounts, as the "Clients," so that when we refer to both the Fund and the separately managed accounts, we collectively refer to them as the "Clients."

To the extent that BCRAM provides advisory services to high net worth individuals who are not limited partners in the Fund, it will do so by managing their assets in separately managed accounts.

BCRAM constructs the Clients' portfolio of investments and implements the Clients' investment strategies, which generally are long-short, complex options strategies. See "Methods of Analysis, Investment Strategies and Risk of Loss" below for more detail.

BCRAM has complete discretion over investment decisions for the Clients, and investors have no authority to change the Clients' investment objectives or limitations. Investors have no right to remove or replace BCRAM.

BCRAM does not participate in wrap fee programs.

BCRAM manages client assets on a discretionary basis only. As of February 29, 2012, BCRAM manages approximately \$20,000,000 on a discretionary basis. BCRAM does not provide non-discretionary investment advice.

## Item 5 - Fees and Compensation

The Clients generally pay BCRAM a quarterly management fee, in advance, at a rate of 2.0% *per annum*.

As to capital contributed on a date other than the first business day of a fiscal quarter, BCRAM generally will be paid a prorated management fee. If a limited partner is permitted or required to withdraw some or all of its capital on a date other than the last business day of a fiscal quarter, BCRAM shall return the unearned portion of any management fee charged to such limited partner that is attributable to such withdrawal of capital. BCRAM may vary the management fee as to particular limited partners by separate agreement.

The General Partner may enter into side letters with limited partners to reduce the amount of the management fee. Also, the management fee for the separately managed accounts is negotiated on a

case-by-case basis. Accordingly, although the starting point for the management fee is 2%, the actual management fee paid may be less than 2% and may, in some cases, be waived entirely. So, it's possible that there would not be any pro rated management fee charged.

The pro ration is based on the number of days remaining in the quarter. So, if the management fee is 2% of \$1M and there are 30 days left in the quarter (assume 90 days per quarter), then the pro rated management fee would be approximately \$6666  $((0.02 \times \$1M) \times 30/90)$ . Calculating the unearned portion of the management fee works the same way.

Bullish Cross Capital GP, LLC ("Bullish Cross GP" or the "General Partner"), an affiliate of BCRAM and the general partner of the Fund, receives an "incentive allocation," calculated and made as of each December 31. The Fund pays the incentive allocation directly to Bullish Cross GP.

The incentive allocation generally is equal to 20% of the net realized and unrealized appreciation in the net asset value of each of the Limited Partner's capital accounts for the calendar year (as adjusted for withdrawals from the capital account during such calendar year) but only to the extent such appreciation exceeds the "high watermark" (as defined below) as of the end of the immediately preceding calendar year.

Incentive allocations are subject to a "high watermark" procedure. That is, Bullish Cross GP may receive an incentive allocation as to a capital account for a calendar year (or portion of a calendar year, if the allocation is being made as a result of a mid-year withdrawal from such capital account) only if and to the extent that the appreciation in the net asset value of such capital account for the calendar year exceeds any depreciation in the net asset value of such capital account that has not been recouped. This prevents Bullish Cross GP from receiving an incentive allocation on net profit that simply restores prior net loss.

Once made, an incentive allocation will not be reduced by losses incurred in later periods. Bullish Cross GP may vary the incentive allocation as to particular limited partners by separate agreement.

BCRAM may receive an incentive allocation from the Managed Accounts that are subject to similar terms and conditions.

In some of the separately managed accounts, the advisory fees are billed to the Client and in some cases they are deducted directly from the Client's account. This is all negotiated with the investor before BCRAM agrees to establish a separately managed account. Regarding the Fund, the prime broker will only release advisory fees (i.e., the management fee and the incentive allocation) to BCRAM or its affiliate if the administrator issues a disbursement letter to the prime broker. Prior to issuing a disbursement letter, the administrator will verify the amount and availability of the advisory fee.

The General Partner may enter into side letters with limited partners to reduce the amount of the incentive allocation. Also, the incentive allocation/fee for the separately managed accounts is negotiated on a case-by-case basis. Accordingly, although the starting point for the incentive allocation/fee is 20%, the actual incentive allocation/fee paid may be less than 20% and may, in some cases, be waived entirely. The date on which the incentive allocation is paid is also negotiated on a case-by-case basis and depends on the investment strategy employed.

As a general matter, fees and other compensation are negotiable in certain circumstances and arrangements with particular investors or clients may vary.

The special profit allocations described above are intended to satisfy the requirements of Rule 260-234 of the California Code of Regulations. The Fund's investors are all "accredited investors" and "qualified clients," or "knowledgeable employees." Accordingly, the special profit allocation may be paid pursuant to Section 260.234 of the CCR. The Separately Managed Accounts' investors are all "accredited investors" and "qualified clients." Accordingly, the special profit allocation may be paid pursuant to Section 260.234 of the CCR.

The foregoing represents BCRAM's basic compensation arrangements. Although BCRAM believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.

Please see "Brokerage Practices" in this brochure for further information on brokerage practices and arrangements that may relieve BCRAM from certain costs and expenses.

Neither BCRAM nor any of its supervised persons accepts commissions or other compensation for the sale of securities or other investment products.

## **Item 6 - Performance Based Fees and Side-by-Side Management**

As discussed above under "Fees and Compensation," in connection with the Fund, BCRAM has the right to receive a management fee and Bullish Cross GP generally has the right to receive an incentive allocation based on the performance of the Fund, and in connection with the Managed Accounts, BCRAM may receive a management fee and an incentive allocation based on the performance of the Managed Accounts. BCRAM and Bullish Cross GP may advise additional funds or accounts in the future.

Although BCRAM and Bullish Cross GP faces a potential conflict of interest associated with differing fee arrangements among Clients. BCRAM and Bullish Cross GP will address all potential and actual conflicts of interest in a manner that they deem equitable to all Clients involved.

## **Item 7 - Types of Clients**

BCRAM's current clients are the Fund and the Managed Accounts. See "Advisory Business" above. Potential Fund investors may read the eligibility criteria and minimum investment requirements of the Fund in the Fund's confidential offering memorandum and subscription application.

Currently, the minimum initial investment in the Fund is \$500,000 and the minimum initial investment to establish a separately managed account is \$5,000,000. The Fund and the separately managed accounts are separate investment options available to investors. An investor who wants to employ a strategy or be subject to terms that are different than the Fund's strategy or terms, may request that BCRAM establish a separately managed account for such investor. An investor may invest in the Fund and/or a separately managed account.

## Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss

BCRAM believes that an ideal source of non-marginable leverage with the lowest risk profile is derived from the creation of complex hedging and derivative strategies in the options market. Accordingly, it will seek to achieve the Clients' investment objectives by employing a multi-layered short, intermediate and long-term options strategy that focuses on complex vertical call and put spreads. Specifically, BCRAM expects to employ well-hedged options strategies for large-cap technology stocks, cyclical and exchange-traded funds.

As an aggressive growth fund, the Fund will utilize a mix of relatively conservative and relatively aggressive options strategies. BCRAM intends to reduce the volatility present in options strategies by remaining well-hedged for the majority of the calendar year. By using vertical call-spreads instead of unhedged call-options, the Fund will both gain the advantage of extra leverage and reduced volatility. The Managed Accounts are managed in the same way.

BCRAM believes in opportunistic investing, which involves closely monitoring the global-macro economic environment, sentiment indicators, market internals, support & resistance levels on the S&P, money flows and advance technical analysis. Using proprietary earnings analysis, valuation analysis and price-target expectations, BCRAM will seek to produce attractive returns for the Clients through selecting the right assets at the right time. BCRAM will use financial models produced by Bullish Cross Research, LLC, an affiliate of BCRAM, to set its price target expectations for the underlying assets in which the Clients plan to be invested.

The above description is a simplified summary of the strategies BCRAM employs. Fund investors and prospective investors can find further detail about the strategies in the Fund's confidential offering memorandum, and should only make an investment decision after careful review of all those details and the related risks.

All investing involves a risk of loss and investors should be prepared to bear losses on their Fund or managed account investments. Past results are not necessarily indicative of future results. The Fund and Managed Accounts may produce gains and losses due to broader changes in the financial markets; however, gains and losses are also based on BCRAM's investment acumen and options selections, and may be impacted by other factors including market volatility, corporate activity, regulatory oversight, trading volume and money flows. The Fund and the Managed Accounts have significant fees and expenses that will reduce returns. BCRAM may implement a variety of investment strategies and techniques, in addition to those described above, and the Clients may invest in a wide array of investments, each of which may have diverse associated risks, including counterparty risk, credit risk and liquidity risk. The Fund may be leveraged, which increases the risk of investment loss, and the performance may be volatile. The Fund is not subject to the same regulatory and reporting requirements as SEC-registered funds (e.g., mutual funds).

**The risks described above are not a complete list of risks involved with investing in the Fund – specific risks and conflicts of interest associated with an investment in the Fund are described in detail in the Fund's confidential offering memorandum. Investors and prospective investors should carefully review the Fund's confidential offering memorandum for further information.**

## **Item 9 - Disciplinary Information**

None of BCRAM, its affiliates or their respective owners, officers, managers, agents or employees have been involved in any legal or disciplinary events that would be material to a client's evaluation of the company or its personnel.

## **Item 10 - Other Financial Industry Activities and Affiliations**

BCRAM, its affiliates and their respective owners, officers, managers, agents or employees are not registered (and do not have any application pending to register) as a broker-dealer, registered representative of a broker-dealer, futures commission merchant, commodity pool operator, commodity trading advisor, or an associated person of any of the foregoing entities. In addition, BCRAM, its affiliates and their respective owners, officers, managers, agents or employees do not have any relationships or arrangements with other financial services companies that pose material conflicts of interest. Finally, BCRAM does not recommend or select for its investors, or have other business relationships with, other investment advisers.

BCRAM and its agents and affiliates may organize and manage and/or advise other funds with investment objectives similar to or different from the investment objectives of the Fund and/or the separately managed accounts. BCRAM may seek to buy or sell the same securities for the Fund and/or separately managed accounts and any of these other funds or separately managed accounts at the same time and, in effecting those purchases or sales, might exercise its discretion in a way that may not be as advantageous to the Fund and/or separately managed accounts as might be the case if BCRAM did not manage other funds or separately managed accounts. BCRAM and its agents and affiliates may invest in or have an interest in other funds or separately managed accounts and also may invest directly in securities and other instruments, including without limitation, those in which the Fund and separately managed accounts invest. These and other conflicts of interests are disclosed to investors prior to accepting their capital for investment.

## **Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading**

BCRAM intends to adopt a Code of Ethics (the "*Code*") that obligates all officers, members or employees (collectively, "*Covered Persons*") to put the interests of BCRAM's clients before their own personal interests and to act honestly and fairly in all respects in their dealings with clients. All of BCRAM's personnel are also required to comply with all applicable federal securities laws. Currently, Mr. Zaky is the only Covered Persons at BCRAM.

A copy of BCRAM's code of ethics will be available to any existing or prospective Client or Fund investor upon request.

BCRAM or an affiliate has a financial interest in the Fund (through the management fee and incentive fee described under "Fees and Compensation" above, as well as by way of an investment in the Fund) and, therefore, BCRAM has an incentive to recommend that investors, prospective investors and clients invest in the Fund.



## **Item 12 - Brokerage Practices**

In choosing broker-dealers to execute client transactions, BCRAM seeks “best execution.” What constitutes “best execution” and determining how to achieve it are inherently uncertain. In evaluating whether a broker-dealer will provide best execution, BCRAM considers a range of factors. These include, among others, historical net prices (after markups, markdowns or other transaction-related compensation) on other transactions; the execution, clearance and settlement and error correction capabilities of the broker-dealer generally and in connection with securities of the type and in the amounts to be bought or sold; the broker-dealer’s willingness to commit capital; the broker-dealer’s reliability and financial stability; the size of the transaction; the availability of securities to borrow for short sales; the nature, quantity and quality of research provided by the broker-dealer; and the market for the security. As discussed below, BCRAM is not required to select the broker-dealer that charges the lowest transaction cost, even if that broker-dealer provides execution quality comparable to other broker-dealers, and clients at times will pay more than the lowest transaction cost available in order to obtain services and products other than securities execution.

BCRAM may select broker-dealers in recognition of the value of various services or products, beyond transaction execution, that they provide to BCRAM or its clients. Selecting a broker-dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with “soft dollars.” This is common in the professional management of securities portfolios. BCRAM acquires services or products with clients’ soft dollars.

A federal statute, Section 28(e) of the Securities Exchange Act of 1934, as amended, recognizes the potential conflict of interest involved in the use by an investment manager (such as BCRAM) of soft dollars generated by securities transactions to pay for various expenses but provides a safe harbor from breach of fiduciary duty claims if certain conditions and requirements are met. Under the safe harbor, soft dollars may be used to acquire “research” and “brokerage” services and products for which clients would otherwise be required to pay. Using soft dollars to pay for services and products other than research and brokerage is not protected by the safe harbor, but does not necessarily constitute a violation of any law or fiduciary duty. Similarly, use of non-commission soft dollars or otherwise failing to satisfy procedural elements of the Section 28(e) safe harbor are not protected but are not necessarily prohibited. To the extent BCRAM uses soft dollars, it will stay within the Section 28(e) safe harbor.

## **Item 13 - Review of Accounts**

BCRAM’s portfolio manager monitors and reviews the Clients on an ongoing basis for overall adherence to the Clients’ respective investment objective and strategies, as well as any guidelines or restrictions.

Fund investors receive account statements directly from the Fund’s administrator, BCRAM or Bullish Cross GP on at least a quarterly basis. BCRAM may supplement these statements with reports, letters or other communications. All Fund investors also receive annual reports that will include audited financial statements of the Fund as of the end of each fiscal year.

## **Item 14 - Client Referrals and Other Compensation**

At this time, BCRAM does not receive any benefits from third parties for providing investment advice or other advisory services to its clients, nor does BCRAM or any of its related persons directly or indirectly compensate any third party for client referrals.

## **Item 15 - Custody**

The Fund's assets (cash, securities and other assets) are held in the custody of unaffiliated broker/dealers or banks, currently, Merlin Securities (the "Prime Broker"). However, Bullish Cross GP, as the general partner of Fund, is deemed to have custody over the assets of the Fund. That is because the general partner of a partnership has broad authority to take possession of the partnership's assets. Bullish Cross GP also has the ability to instruct the custodians to deduct fees directly from the Fund's account. That ability is also a form of "custody."

As a safekeeping measure and to facilitate BCRAM and Bullish Cross GP's compliance with certain investment adviser regulations, the Fund has agreed with the Prime Broker to follow specific procedures when BCRAM is paid its management fee, or when BCRAM or Bullish Cross GP withdraws capital from its capital account or is reimbursed for expenses it has paid on behalf of the Fund. Under that agreement, the Prime Broker is not permitted to transfer any Fund assets to BCRAM, Bullish Cross GP or their affiliates for any reason until an "independent representative" has provided a letter directly to the Prime Broker confirming that it has performed certain procedures to verify, among other things, that the calculation of the management fee conforms to the Fund's Partnership Agreement and is mathematically accurate and, for proposed withdrawals of capital, that the amount to be withdrawn is less than the withdrawing limited partner's capital account balance. An independent certified public accountant serves as the independent representative. The Fund, through Bullish Cross GP, may change the independent representative at any time by written notice to the Prime Broker. This arrangement does not confer on any limited partner or any third party any rights or benefits, nor has the Prime Broker, by entering into this arrangement with the Fund, assumed any duty or obligation to any limited partner or other third party.

Fund investors also receive performance updates prepared by an independent third-party administrator. The administrator also calculates management fees and the Incentive Allocation.

## **Item 16 - Investment Discretion**

BCRAM has full investment discretion over all Client accounts. The general partner granted BCRAM that discretion through the execution of an investment management agreement or similar contract.

Fund investors have no ability to modify a Fund's investment strategy. They must, therefore, carefully read the Fund's confidential offering memorandum to understand the investment strategy and risks involved.

## Item 17 - Voting Client Securities

The investment strategy that BCRAM implements for its Clients involves options trading, which does not result in its Clients acquiring an equity interest in any company. As the options acquired for and on behalf of the Clients do not entitle them to vote as shareholders of a company, BCRAM does not have a voting policy.

## Item 18 - Financial Information

BCRAM does not require or solicit prepayment of more than \$500 in fees per client, six month or more in advance. BCRAM is not aware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments to its Clients. BCRAM has not been the subject of a bankruptcy petition.

## Item 19 – Requirements for State-Registered Advisers

### A. Formal Education and Business Background

**Andy M. Zaky**, born in 1979.

Andy Zaky is the editor of Bullish Cross, a subscription-based, online financial newsletter with over 400 subscribers. In addition to publishing his research and analysis on Bullish Cross, Mr. Zaky has authored a few hundred financial articles for third party publications, including Fortune, and has been interviewed and/or quoted by CNBC, Bloomberg, the Wall Street Journal, Fortune, Business Insider, MSN Money, Daring Fireball and several other national and international financial media outlets. Mr. Zaky has approximately ten years of investment experience and his research and analysis primarily focuses on global macroeconomics, fundamental analysis, technical analysis, financial statement analysis, market analysis and legal/accounting issues.

Mr. Zaky received his Bachelor of Arts in Philosophy from UCLA and his Juris Doctorate from the UCLA School of Law.

### B. Other Business Activity

See Item 10 above.

### C. Performance-Based Compensation

See Items 5 and 6 above for a description of the Incentive Allocation.

The Incentive Allocation may create an incentive for BCRAM or its affiliates to engage in activities that are riskier or more speculative than would be the case if it could not receive an Incentive Allocation. This is partly because BCRAM need not return any amounts allocated as Incentive Allocations if investors experience a net loss in later periods. It is also partly because, if the Client experiences a net loss, the investors who were allocated that net loss must later be allocated enough

net profit to recover those amounts before BCRAM may again receive an Incentive Allocation as to them.

D. Disciplinary Information

*See* Item 9 above.

E. Other Relationship or Arrangement with Issuer of Securities Not Listed on Item 10

BCRAM, its affiliates and representatives do not have a relationship or arrangement with any issuer of securities other than the Fund.

**Conflicts Disclosure**

Consistent with Section 260.238(k) of the California Code of Regulations, this Brochure, together with the Fund's confidential offering memorandum, discloses all material conflicts of interest regarding BCRAM, its representatives or any of its employees, which could be reasonably expected to impair BCRAM's rendering of unbiased and objective advice.

# Bullish Cross Asset Management, LLC

## Part 2B of Form ADV

### The Brochure Supplement

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Huntington Beach, CA 92649  
310.709.4847

March 2012

This brochure supplement provides information about Andy Zaky. It supplements the accompanying Form ADV brochure of Bullish Cross Asset Management, LLC. (“*BCRAM*”). Please contact BCRAM at 310.709.4847 if you have any questions about the Form ADV brochure or this supplement, or if you would like to request additional or updated copies of either document.

Additional information about Mr. Zaky is available on the SEC’s website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

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

*Andy Zaky, born in 1979*

Andy Zaky is the editor of Bullish Cross, a subscription-based, online financial newsletter with over 400 subscribers. In addition to publishing his research and analysis on Bullish Cross, Mr. Zaky has authored a few hundred financial articles for third party publications, including Fortune, and has been interviewed and/or quoted by CNBC, Bloomberg, the Wall Street Journal, Fortune, Business Insider, MSN Money, Daring Fireball and several other national and international financial media outlets. Mr. Zaky has approximately ten years of investment experience and his research and analysis primarily focuses on global macroeconomics, fundamental analysis, technical analysis, financial statement analysis, market analysis and legal/accounting issues.

Mr. Zaky received his Bachelor of Arts in Philosophy from UCLA and his Juris Doctorate from the UCLA School of Law.

## **Item 3 - Disciplinary Information**

Mr. Zaky has not been involved in any legal or disciplinary events that would be material to a client's evaluation of him or of BCRAM.

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

Other than with Bullish Cross as described in Item 2 above and in Part 2A, Mr. Zaky is not engaged in any other investment related business.

## **Item 5 - Additional Compensation**

Mr. Zaky does not receive economic benefits from any person or entity other than BCRAM in connection with the provision of investment advice to clients.

## **Item 6 - Supervision**

As BCRAM's founder, Mr. Zaky maintains ultimate responsibility for the activities of the company. He can be reached directly by calling the telephone number on the cover of this brochure supplement.

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

A. Mr. Zaky has not been involved in any legal or disciplinary events that would be material to a client's evaluation of him or of BCRAM.

1. Mr. Zaky has not been involved in an arbitration claim alleging damages in excess of \$2,500, *involving* any of the following:

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- (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.

2. Mr. Zaky has not been involved 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.

B. Mr. Zaky has not been the subject of a bankruptcy petition.