

Michaud Capital Management LLC

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ITEM 1. COVER PAGE FOR PART 2A OF FORM ADV: FIRM BROCHURE

DATED APRIL 2012

This brochure provides information about the qualifications and business practices of Michaud Capital Management LLC. If you have any questions about the contents of this brochure, please contact:

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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 Michaud Capital Management LLC also is available on the SEC's website at www.adviserinfo.sec.gov .

Please note registration with the SEC does not mean that the SEC or any other agency of the United States Government has reviewed or approved of the registered investment adviser's abilities or qualifications nor does it imply a certain level of skill or training.

Item 2. Material Changes

Michaud Capital Management LLC is required to advise you of any material changes to our Firm Brochure (“Brochure”) from our last annual update, identify those changes on the cover page of our Brochure or on the page immediately following the cover page, or in a separate communication accompanying our Brochure. We must state clearly that we are discussing only material changes since the last annual update of our Brochure, and we must provide the date of the last annual update of our Brochure.

Please note that we do not have to provide this information to a client or prospective client who has not received a previous version of our brochure. At this time, there are no material changes to report about our Brochure.

Item 3. Table of Contents

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Item 4. Advisory Business

Michaud Capital Management, LLC (“Michaud Capital” or the “Firm”) is a privately held independent investment advisory firm. Michaud Capital provides its clients general asset management consulting services, which include primarily non-discretionary, but also discretionary investment advisory services ranging from comprehensive portfolio oversight to a defined set of services encompassing: investment consulting; investment policy development and review; asset allocation, diversification, and risk management; investment manager research; performance measurement and consolidated reporting; limited administrative and other related services; and investment related educational services.

The Firm is not an investment manager in the traditional sense. We assist our clients in selecting high quality, external investment managers for their portfolio base upon the entity or individual’s unique mission, governance, and investment objectives and policies. Our advice is customized for each individual client, and we do not offer any prepackaged group of investment managers (or portfolios) or other off-the-shelf investment products.

The Firm does not maintain any affiliations with broker/dealers, other investment managers, solicitors, or placement agents. We do not take custody of client funds or securities, or accept authority to vote client securities. Our assets under management are \$158,000,000 as of April 27, 2011.

A. Description of our advisory firm, including how long we have been in business and our principal owner(s)¹.

We are dedicated to providing objective investment consulting services to meet the unique needs of institutional client pools such as Foundations, Endowments, Operating Assets, Family Offices, and High Net Worth Individuals.

Our firm is a limited liability company formed in the State of Colorado and is one hundred percent (100%) owned by Mr. Joseph W. Michaud.

¹ Please note that: (1) For purposes of this item, our principal owners include the persons we list as owning 25% or more of our firm on Schedule A of Part 1A of Form ADV (Ownership Codes C, D or E). (2) If we are a publicly held company without a 25% shareholder, we simply need to disclose that we are publicly held. (3) If an individual or company owns 25% or more of our firm through subsidiaries, we must identify the individual or parent company and intermediate subsidiaries. If we are a state-registered adviser, on Form ADV Part 2A Page 2, we must identify all intermediate subsidiaries. If we are an SEC-registered adviser, we must identify intermediate subsidiaries that are publicly held, but not other intermediate subsidiaries.

B. Description of the types of advisory services we offer.

Investment Policy Development

Develop or review investment guidelines, by considering the entity or individual's mission, governance and investment objectives and policies.

- 1) Draft Investment Policy Statement.
- 2) Develop strategic asset allocation.
- 3) Develop appropriate risk management procedures, including asset allocation ranges, rebalancing procedures, appropriate benchmarks and concentration limits.
- 4) Construct and manage investment portfolio(s) and select managers.

Asset Allocation Diversification and Risk Management

Review asset allocation scenarios and set forth risk factors and return assumptions.

- 1) Incorporate the effects of trends and shifts within the capital markets; examine historical risk / return assumptions.
- 2) Identify risk factors that could potentially impact future returns, including but not limited to volatility, diversification, correlations, interest rates, credit, GDP growth, capital flows, commodity prices, and liquidity.
- 3) Conduct sensitivity analyses as needed.
- 4) Determine permissible concentration of assets in specific market segments, sectors, and other appropriate constraints.
- 5) Review projected spending requirements under various scenarios.
- 6) Provide cash flow and liquidity analyses.

Investment Manager Research

Screen, identify, and interview investment managers.

- 1) Review and monitor existing managers.
- 2) Screen various databases and leverage extensive network across the asset management industry to evaluate existing managers and select potential managers.

- 3) Assess the investment manager's investment philosophy, process, and performance against agreed upon criteria and industry benchmarks, indices, and / or style benchmarks.
- 4) Conduct manager interviews and / or office visits as needed.
- 5) Review manager's operational protocols and risk management procedures.
- 6) Negotiate fees, terms and other services with investment managers.
- 7) Prepare written reports profiling each existing and potential investment manager as needed. The report will cover both investment and operational assessments of the manager. The report will also include key investment performance statistics (a quantitative review) as well as more qualitative data.
- 8) Establish performance objectives and guidelines for each investment manager for purposes of future evaluation.

Consolidated Reporting and Measurement

On a quarterly basis, provide an in-depth performance measurement report.

- 1) The specific nature and timing of the performance reporting will be mutually agreed upon.
- 2) At a minimum, performance reporting shall be presented on a quarterly basis.
- 3) Conduct quarterly meetings with clients to review reports.

Related Services

Provide ancillary services to support clients.

- 1) Assist with cash /treasury management.
- 2) Consult on related investment or portfolio management issues, including cost or fee analyses, private equity cash flow / liquidity analyses, supplemental performance graphics, and custodial / transition management searches.
- 3) Review of a specific topic or sub-asset class (e.g., credit hedge funds).
- 4) Review of direct investments and evaluation of new direct investment opportunities.
- 5) Educate family members on investment related matters as needed.

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

(i) Individual Tailoring of Advice to Clients:

We offer individualized investment advice to clients utilizing our firm's advisory services.

(ii) Ability of Clients to Impose Restrictions on Investing in Certain Securities or Types of Securities:

We allow client imposed restrictions.

D. Participation in wrap fee programs.

We do not offer wrap fee programs.

E. Disclosure of the amount of client assets we manage on a discretionary basis and the amount of client assets we manage on a non-discretionary basis.

We manage² \$156,000,000 on a discretionary basis and \$2,000,000 on a non-discretionary basis as of April 27, 2012.

Item 5. Fees and Compensation

We customize our services based upon each individual client's needs; therefore our fees are dependent on a variety of factors, including the client's total asset size, complexity of a client's investments (e.g., traditional marketable securities versus non-traditional alternative investments, direct private investments versus traditional fund investments, and types of investment vehicles utilized by the client), the client's structure (e.g., single investment pool versus multiple pools), type (e.g., a nonprofit organization, a corporation, a private client etc.), and whether or not the relationship is discretionary. As a result, Michaud Capital does not have a set fee schedule, but may impose a minimum fixed fee of \$50,000.

Our Firm's sole source of income is the consulting fees it charges clients. The consulting fee is generally an annual-based fee which is payable in quarterly installments, billable in advance at the beginning of each quarter. Our consulting fees do not include investment management fees, transaction costs, or custodial fees that are charged by other service providers.

² Please note that our method for computing the amount of "client assets we manage" can be different from the method for computing "assets under management" required for Item 5.F in Part 1A of Form ADV. However, we have chosen to follow the method outlined for Item 5.F in Part 1A of Form ADV. If we decide to use a different method at a later date to compute "client assets we manage," we must keep documentation describing the method we use and inform you of the change. The amount of assets we manage may be disclosed by rounding to the nearest \$100,000. Our "as of" date must not be more than three months before the date we last updated our Brochure in response to Item 4.E of Form ADV Part 2A.

Generally our contracts have an initial one-year term, with automatic renewal for subsequent years assuming no change in services and / or fees. Our clients may terminate their relationship with written advanced notice depending on the notice period specified in their contract.

A. Description of how we are compensated for our advisory services provided to you.

We charge our clients a flat fixed fee for consulting services, and therefore do not accept performance-based fee, which are fees based on a share of capital on, or capital appreciation of, the assets of a client. We do not receive any commissions, soft dollar benefits, or other compensation in connection with our consulting services to our clients.

B. Description of whether we deduct fees from clients' assets or bill clients for fees incurred.

Our Firm will generally bill each client quarterly in advance at the beginning of each quarter. However, a client may elect to have consulting fees deducted from their custodial account depending on the specific terms in their contract.

C. Description of any other types of fees or expenses clients may pay in connection with our advisory services, such as custodian fees or mutual fund expenses.

Our Firm charges our clients a flat fixed fee for consulting services, and does not accept any other form of compensation. Our consulting fees do not include investment management fees, transaction costs, or custodial fees that are charged by other service providers.

D. We must disclose if client's advisory fees are due quarterly in advance. 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.

We charge our advisory fees quarterly in advance. Our clients may terminate their relationship with advanced written notice depending on the notice period specified in their contract. In the event that a client wishes to terminate our services, Michaud Capital will prorate any pre-paid consulting fees and refund the outstanding amount.

E. Commissionable securities sales.

We do not sell securities for a commission.

Item 6. Performance-Based Fees and Side-By-Side Management

We do not charge performance fees to our clients.

Item 7. Types of Clients and Account Requirements

Michaud Capital provides asset management consulting services to a wide variety of clients, including Foundations, Endowments, Operating Assets, Corporations, Trusts, Family Offices and High Net-Worth Individuals.

Item 8. Methods of Analysis, Investment Strategies and Risk of Loss

- A. Description of the methods of analysis and investment strategies we use in formulating investment advice or managing assets.

Methods of Analysis:

We recommend investment managers to our clients, and generally do not recommend direct investments in individual securities. We focus on asset allocation, the strategies of the investment managers, and the funds we recommend to our clients. The universe of investment managers we select from offers numerous types of investments strategies, including traditional and non-traditional (i.e., alternative investments, such as hedge funds and private equity funds). When evaluating an investment manager, we utilize both quantitative and qualitative analyses to assess the appropriateness of an investment. In addition, we meet with nearly all of the managers we recommend and in many cases have visited their offices.

There are numerous factors we consider when making an asset allocation or investment manager recommendation, including but not limited to 1) global macro economic trends or events (both secular and cyclical) 2) major capital markets trends or events 3) fundamental and technical analyses and 4) fit with a specific client's investment objectives, risk parameters, and spending needs etc.

We favor strategies where investment managers have a history of exploiting market inefficiencies, and exhibit a degree of transparency that enables us to understand the nuances of the investment philosophy, process, and results under different market conditions. In addition, we must be able to understand the depth of the investment manager's fundamental analysis, and risk management. We look for investment managers with a history of capital preservation, and attractive risk-adjusted performance returns.

In addition to investment related due diligence, we evaluate an investment manager's operational capabilities, including onsite visits; reviewing audited financial statement, third party service providers, due diligence questionnaires, regulatory disclosure documents, pricing policies, and offering memoranda; conducting reference checks.

On occasion we will recommend specific exchange-traded funds or exchange-traded notes.

Please note:

Investing in securities involves risk of loss that clients should be prepared to bear. While the stock market may increase and your account(s) could enjoy a gain, it is also possible that the stock market may decrease and your account(s) could suffer a loss. It is important that you understand the risks associated with investing in the stock market, are appropriately diversified in your investments, and ask us any questions you may have.

B. Our practices regarding cash balances in client accounts, including whether we invest cash balances for temporary purposes and, if so, how.

We generally invest client's cash balances in money market funds, FDIC Insured Certificates of Deposit, high-grade commercial paper and/or government backed debt instruments. Ultimately, we try to achieve the highest return on our client's cash balances through relatively low-risk conservative investments. In those cases where a client has authorized our firm to debit our fee from their custodial account(s), a partial cash balance may be maintained in a money market account so that our firm may debit our fee for our services related to portfolio management services.

Item 9. Disciplinary Information

We are required to disclose whether there are legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management. There are a number of specific legal and disciplinary events that we must presume are material for this Item. If our advisory firm or a management person has been involved in one of these events, we must disclose it under this Item for ten years following the date of the event, unless (1) the event was resolved in our or the management person's favor, or was reversed, suspended or vacated, or (2) the event is not material. For purposes of calculating this ten-year period, the "date" of an event is the date that the final order, judgment, or decree was entered, or the date that any rights of appeal from preliminary orders, judgments or decrees lapsed.

The SEC and/or State Regulators have not provided us with an exclusive list of material disciplinary events, which need to be disclosed. If our advisory firm or a management person has been involved in a legal or disciplinary event that is not specifically required to be disclosed, but nonetheless is material to a client's or prospective client's evaluation of our advisory business or the integrity of our management, we must disclose the event. Similarly, even if more than ten years has passed since the date of the event, we must disclose the event if it is so serious that it remains currently material to a client's or prospective client's evaluation of our firm or management.

We have determined that our firm and management have nothing to disclose under the aforementioned standard.

Item 10. Other Financial Industry Activities and Affiliations

We have no other financial industry activities and affiliations to disclose.

Item 11. Code of Ethics, Participation or Interest In Client Transactions And Personal Trading

A. Brief description of our Code of Ethics adopted pursuant to SEC rule 204A-1 and offer to provide a copy of our Code of Ethics to any client or prospective client upon request.

We recognize that the personal investment transactions of members and employees of our firm demand the application of a high Code of Ethics and require that all such transactions be carried out in a way that does not endanger the interest of any client. At the same time, we believe that if investment goals are similar for clients and for members and employees of our firm, it is logical and even desirable that there be common ownership of some securities.

Therefore, in order to prevent conflicts of interest, we have in place a set of procedures (including a pre-clearing procedure) with respect to transactions effected by our members, officers and employees for their personal accounts³. In order to monitor compliance with our personal trading policy, we have a quarterly securities transaction reporting system for all of our associates.

Furthermore, our firm has established a Code of Ethics which applies to all of our associated persons. An investment adviser is considered a fiduciary. As a fiduciary, it is an investment adviser's responsibility to provide fair and full disclosure of all material facts and to act solely in the best interest of each of our clients at all times. We have a fiduciary duty to all clients. Our fiduciary duty is considered the core underlying principle for our Code of Ethics which also includes Insider Trading and Personal Securities Transactions Policies and Procedures. We require all of our supervised persons to conduct business with the highest level of ethical standards and to comply with all federal and state securities laws at all times. Upon employment or affiliation and at least annually thereafter, all supervised persons will sign an acknowledgement that they have read, understand, and agree to comply with our Code of Ethics. Our firm and supervised persons must conduct business in an honest, ethical, and fair manner and avoid all circumstances that might negatively affect or appear to affect our duty of complete loyalty to all clients. This disclosure is provided to give all clients a summary of our Code of Ethics. However, if a client or a potential client wishes to review our Code of Ethics in its entirety, a copy will be provided promptly upon request.

³ For purposes of the policy, our associate's personal account generally includes any account (a) in the name of our associate, his/her spouse, his/her minor children or other dependents residing in the same household, (b) for which our associate is a trustee or executor, or (c) which our associate controls, including our client accounts which our associate controls and/or a member of his/her household has a direct or indirect beneficial interest in.

- B. If our firm or a related person recommends to clients, or buys or sells for client accounts, securities in which our firm or a related person has a material financial interest (excluding an interest as a shareholder of an SEC-registered, open-end investment company), we must describe our practice and discuss the conflicts of interest it presents.

We have nothing to disclose in this regard.

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

See Item 11A of this Brochure. Related persons of our firm may buy or sell securities and other investments that are also recommended to clients. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request.

- D. If our firm 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 our firm's (or the related person's own) account, we are required to describe our practice and discuss the conflicts of interest it presents. We are also required to describe generally how we address conflicts that arise.

See Item 11A of this brochure. Related persons of our firm may buy or sell securities for themselves at or about the same time they buy or sell the same securities for client accounts. In order to minimize this conflict of interest, our related persons will place client interests ahead of their own interests and adhere to our firm's Code of Ethics, a copy of which is available upon request. Further, our related persons will refrain from buying or selling the same securities within 48 hours of buying or selling for our clients. If related persons' accounts are included in a block trade, our related persons will always trade personal accounts last.

Item 12. Brokerage Practices

- A. Description of the factors that we 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 we 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"), we are required to disclose our practices and discuss the conflicts of interest they create. Please note that we must disclose all soft dollar benefits we receive, including, in the case of research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

Our clients are free to work with any brokerage or custodian firm that best serves their needs. However, our Firm has established an enterprise-level relationship with Fidelity Brokerage Services LLC (“Fidelity”) to facilitate discretionary and non-discretionary investment advisory services. Prior to engaging our Firm, a client will be required to enter into a formal Investment Advisory Agreement setting forth the terms and conditions under which our Firm shall manage the Client’s assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors considered in recommending Fidelity, historical relationship, financial strength, reputation, execution capabilities, pricing, and service.

- a. Explanation of when we use client brokerage commissions (or markups or markdowns) to obtain research or other products or services, and how we receive a benefit because our firm does not have to produce or pay for the research, products or services.

As part of the arrangement described in Item 12A1, Fidelity also makes certain non soft dollar research and brokerage services available at no additional cost to our firm. These services include certain research and brokerage services, including research services obtained by Fidelity directly from independent research companies, as selected by our firm (within specific parameters). Research products and services provided by Fidelity to our firm may include research reports on recommendations or other information about, particular companies or industries; economic surveys, data and analyses; financial publications; portfolio evaluation services; financial database software and services; computerized news and pricing services; quotation equipment for use in running software used in investment decision-making; and other products or services that provide lawful and appropriate assistance by Fidelity to our firm in the performance of our investment decision-making responsibilities. The aforementioned research and brokerage services are used by our firm to manage accounts for which we have investment discretion. Without this arrangement, our firm might be compelled to purchase the same or similar services at our own expense.

- b. Incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients’ interest in receiving best execution.

As a result of receiving the services discussed in 12A(1)a of this Firm Brochure, we may have an incentive to continue to use or expand the use of Fidelity’s services. Our firm examined this potential conflict of interest when we chose to enter into the relationship with Fidelity and we have determined that the relationship is in the best interest of our firm’s clients and satisfies our client obligations, including our duty to seek best execution.

Fidelity charges brokerage commissions and transaction fees for effecting certain securities transactions (i.e., transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and debt securities transactions). Fidelity enables us to obtain many no-load mutual funds without

transaction charges and other no-load funds at nominal transaction charges. Fidelity's commission rates are generally discounted from customary retail commission rates. However, the commission and transaction fees charged by Fidelity may be higher or lower than those charged by other custodians and broker-dealers.

- c. Causing 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).

Our clients may pay a commission to Fidelity that is higher than another qualified broker dealer might charge to effect the same transaction where we determine in good faith that the commission is reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although we will seek competitive rates, to the benefit or all clients, we may not necessarily obtain the lowest possible commission rates for specific client account transactions.

- d. Disclosure of whether we use soft dollar benefits to service all of our clients' accounts or only those that paid for the benefits, as well as whether we seek to allocate soft dollar benefits to client accounts proportionately to the soft dollar credits the accounts generate.

As indicated above, certain support services and/or products that may be received may assist our Firm in managing and administering client accounts whether or not the client has a relationship with Fidelity.

- e. Description of the types of products and services our firm or any of our related persons acquired with client brokerage commissions (or markups or markdowns within our last fiscal year.

We do not acquire client brokerage commissions (or markups or markdowns).

- f. Explanation of the procedures we used during our last fiscal year to direct client transactions to a particular broker-dealer in return for soft dollar benefits we received.

We do not direct client transactions to a particular broker-dealer in return for soft dollar benefits.

2. Brokerage for Client Referrals. If we use client brokerage to compensate or otherwise reward brokers for client referrals, we must disclose this practice, the conflicts of interest it creates, and any procedures we used to direct client brokerage to referring brokers during the last fiscal year (i.e., the system of controls used by us when allocating brokerage).

Our firm does not receive brokerage for client referrals.

3. Directed Brokerage.

- a. If we routinely recommend, request or require that a client directs us to execute transactions through a specified broker-dealer, we are required to describe our practice or policy. Further, we must explain that not all advisers require their clients to direct brokerage. If our firm and the broker-dealer are affiliates or have another economic relationship that creates a material conflict of interest, we are further required to describe the relationship and discuss the conflicts of interest it presents by explaining that through the direction of brokerage we may be unable to achieve best execution of client transactions, and that this practice may cost our clients more money.

Neither we nor any of our firm's related persons have discretionary authority in making the determination of the brokers with whom orders for the purchase or sale of securities are placed for execution, and the commission rates at which such securities transactions are effected.

- b. If we permit a client to direct brokerage, we are required to describe our practice. If applicable, we must also explain that we may be unable to achieve best execution of your transactions. Directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices on transactions.

We allow clients to direct brokerage. However, we may be unable to achieve the most favorable execution of client transactions. Client directed brokerage may cost clients more money. For example, in a directed brokerage account, you may pay higher brokerage commissions because we may not be able to aggregate orders to reduce transaction costs, or you may receive less favorable prices.

- B. Discussion of whether, and under what conditions, we aggregate the purchase or sale of securities for various client accounts in quantities sufficient to obtain reduced transaction costs (known as bunching). If we do not bunch orders when we have the opportunity to do so, we are required to explain our practice and describe the costs to clients of not bunching.

We perform investment management services for various clients. There are occasions on which portfolio transactions may be executed as part of concurrent authorizations to purchase or sell the same security for numerous accounts served by our firm, which involve accounts with similar investment objectives. Although such concurrent authorizations potentially could be

either advantageous or disadvantageous to any one or more particular accounts, they are affected only when we believe that to do so will be in the best interest of the effected accounts. When such concurrent authorizations occur, the objective is to allocate the executions in a manner which is deemed equitable to the accounts involved. In any given situation, we attempt to allocate trade executions in the most equitable manner possible, taking into consideration client objectives, current asset allocation and availability of funds using price averaging, proration and consistently non-arbitrary methods of allocation.

Item 13. Review of Accounts or Financial Plans

- A. Review of client accounts or financial plans, along with a description of the frequency and nature of our review, and the titles of our employees who conduct the review.

We review accounts on an ongoing basis for our clients subscribing to our firm's discretionary or non-discretionary advisory services by our Firm's managing member and/or representatives. The nature of these reviews is to learn whether clients' accounts are in line with their investment objectives, appropriately positioned based on market conditions, and investment policies, if applicable.

- B. Review of client accounts on other than a periodic basis, along with a description of the factors that trigger a review.

We may review client accounts more frequently than described above. Among the factors which may trigger a review, a change in a client's investment objectives and/or financial situation, major market or economic events, or a request by the client, etc. All clients are required to advise us of material changes in their investment objectives and/or financial situation.

- C. Description of the content and indication of the frequency of written or verbal regular reports we provide to clients regarding their accounts.

Clients are provided, at least quarterly, with a performance report that will include a report summarizing account activity. Clients will also receive regular written account statements from their broker-dealer/custodian(s).

Item 14. Client Referrals and Other Compensation

- A. If someone who is not a client provides an economic benefit to our firm for providing investment advice or other advisory services to our clients, we must generally describe the arrangement. For purposes of this Item, economic benefits include any sales awards or other prizes.

Except for the arrangements outlined in Item 12 of this brochure, we have no additional arrangements to disclose.

- B. If our firm or a related person directly or indirectly compensates any person who is not our employee for client referrals, we are required to describe the arrangement and the compensation.

We do not pay referral fees (non-commission based) to independent solicitors (non-registered representatives) for the referral of their clients to our firm in accordance with Rule 206 (4)-3 of the Investment Advisers Act of 1940.

Item 15. Custody

- A. If we have custody of client funds or securities and a qualified custodian as defined in SEC rule 206(4)-2 or similar state rules (for example, a broker-dealer or bank) does not send account statements with respect to those funds or securities directly to our clients, we must disclose that we have custody and explain the risks that you will face because of this.

All of our clients receive at least quarterly account statements directly from their custodians. Upon opening an account with a qualified custodian on a client's behalf, we promptly notify the client in writing of the qualified custodian's contact information. If we decide to also send account statements to clients, such notice and account statements include a legend that recommends that the client compare the account statements received from the qualified custodian with those received from our firm.

- B. If we have custody of client funds or securities and a qualified custodian sends quarterly, or more frequent, account statements directly to our clients, we are required to explain that you will receive account statements from the broker-dealer, bank, or other qualified custodian and that you should carefully review those statements.

We encourage our clients to raise any questions with us about the custody, safety or security of their assets. The custodians we do business with will send you independent account statements listing your account balance(s), transaction history and any fee debits or other fees taken out of your account.

Item 16. Investment Discretion

If we accept discretionary authority to manage securities accounts on behalf of clients, we are required to disclose this fact and describe any limitations our clients may place on our authority. The following procedures are followed before we assume this authority:

Our clients may elect to sign a discretionary investment advisory agreement with our firm for the management of their account. This type of agreement only applies to those clients. We do not take or exercise discretion with respect to our other clients.

Item 17. Voting Client Securities

- A. If we have, or will accept, proxy authority to vote client securities, we must briefly describe our voting policies and procedures, including those adopted pursuant to SEC Rule 206(4)-6.

We do not and will not accept the proxy authority to vote client securities. Clients will receive proxies or other solicitations directly from their custodian or a transfer agent. In the event that proxies are sent to our firm, we will forward them on to you and ask the party who sent them to mail them directly to you in the future. Clients may call, write or email us to discuss questions they may have about particular proxy votes or other solicitations.

Item 18. Financial Information

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

We do not require nor do we solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore we have not included a balance sheet for our most recent fiscal year.

- B. If we are an SEC registered adviser and have discretionary authority or custody of client funds or securities, or we require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, we must disclose any financial condition that is reasonably likely to impair our ability to meet contractual commitments to clients.

We have nothing to disclose in this regard.

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

We have nothing to disclose in this regard.