

Item 1 – Cover Page

Form ADV, Part 2A

**Disclosure Brochure
of**

**Vivaldi Capital Management, LLC
1622 Willow Road, Suite 101
Northfield, Illinois 60093
(847) 940-0311**

Dated: [Date]

This Disclosure Brochure (the “**Brochure**”) provides information about the qualifications and business practices of Vivaldi Capital Management, LLC (the “**Adviser**”). If you have any questions about the contents of this brochure, please contact us at (847) 940-0311 or rgolden@ameritech.net. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (the “**SEC**”) or by any state securities authority. Registration with the SEC or any state securities authority does not imply a certain level of skill or training.

Additional information about the Adviser also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes Summary

Effective March 31, 2011, the SEC adopted a new form of Disclosure Brochure for registered investment advisers that includes the information previously required in Form ADV, Part II. This Brochure is required to be updated at least annually, or sooner when material changes to our business take place.

As this is the Adviser's initial filing of Form ADV, there are no material changes to the Brochure that need to be disclosed to you.

In the future, this Item will describe specific material changes that have been made to the Brochure and provide clients with a summary of those changes. We will also reference the date of our last annual update of the Brochure.

Each year we will deliver to you, by no later than April 30th, a free updated brochure that includes or is accompanied by a summary of material changes; or a summary of material changes and an offer to provide a copy of the updated brochure and how to obtain it.

We will also provide you with an updated Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our Brochure may be requested by contacting Randal Golden at (847) 940-0311 or rgolden@ameritech.net.

Additional information about the Adviser (including copies of both Part 1A and Part 2A of Form ADV) is also available via the SEC's web site www.adviserinfo.sec.gov. The SEC's web site also provides information about any persons affiliated with the Adviser who are registered, or are required to be registered, as investment adviser representatives of the Adviser.

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Item 4 – Advisory Business

Firm Description

Vivaldi Capital Management, LLC (the “**Adviser**”) was organized as an Illinois limited liability company on November 17, 2011 and became registered with the SEC as an investment adviser on [date].

Principal Owners

The Adviser’s principal owners are David Sternberg and Randal L. Golden.

Types of Advisory Services

The Adviser provides professional investment portfolio management services and occasionally furnishes advice to clients on matters not involving securities. The Adviser's services also include financial planning, consulting with clients about their financial situation, investment objectives and restrictions and tax circumstances; selecting, purchasing and selling securities for clients; monitoring securities and providing appropriate reports as to asset holdings, valuation and performance.

The Adviser primarily offers advice on the following types of investments: equity securities, warrants, corporate debt securities, commercial paper, certificates of deposit, municipal securities, mutual fund shares and other investment company securities, U.S. government securities, options contracts, and partnership and alternative investing.

Assets Under Management

As of [date], the Adviser is a newly registered investment adviser and has no assets under management,

Item 5 – Fees and Compensation

The Adviser charges fees to its clients based on a percentage of the market value of assets under management. Fees will generally be based on the following schedule:

Fixed Income – Fixed income assets under management are charged 0.50% per annum

Alternative Investments – Alternative investment assets under management are charged according to the following fee schedule:

1.00% per annum

Other Asset Classes

All other types of assets under management are charged according to the following fee schedule:

<u>Account Size</u>	<u>Fee (per annum)</u>
\$0 - 999,999	1.50%
\$1,000,000 - 1,999,999	1.25%
\$2,000,000 - 2,999,999	1.00%
\$3,000,000 - 3,499,999	.90%
\$3,500,000 - 3,999,999	.80%
\$4,000,000 - 4,999,999	.70%
\$5,000,000 - 5,999,999	.60%

For the tiered fee schedules, the assets in each applicable tier are charged the relevant fee (*i.e.*, the fee indicated for the highest tier is not applied to the entire account balance)

All fees may be waived or negotiated in the Adviser's discretion.

Fixed and Hourly Fees

Hourly charges, which start at \$400 per hour, and fixed fees are negotiated on a project by project basis in advance.

Fee Billing

Fees are billed quarterly, in advance. In any partial calendar quarter, the fee will be prorated based on the number of days the client account was open during that quarter. For the purpose of determining the fee, the market value of assets under management shall be measured on the last trading day of the month immediately preceding the end of the billing quarter. Clients typically grant the Adviser authority to deduct quarterly payments directly from the client's account(s) held by an independent custodian. The Adviser will notify the custodian of the amount of advisory fees due for each quarter through the custodian's electronic disbursement system. The custodian will send each client a statement, at least quarterly, indicating all the amounts disbursed from each account, including the amount of advisory fees paid directly to the Adviser. It is the client's responsibility to verify the accuracy of the fee calculation, as the custodian will not.

Other Fees and Expenses

The Adviser's fees do not include custodial fees or brokerage commissions or other transaction costs, if any, charged by client's custodian and broker. Mutual funds in which client's assets may be invested charge additional advisory fees and other fees and expenses, as described in the applicable fund's prospectus.

Item 12 further describes the factors that the Adviser considers in selecting or recommending broker-dealers for client transactions and determining the reasonableness of their compensation (e.g., commissions).

Termination of Advisory Agreement

Adviser's Investment Management Agreement provides for termination of the investment management relationship between Adviser and the client upon written notice. In the event a client terminates their account or otherwise withdraws assets prior to the end of the quarter, the client will be reimbursed a pro rata portion of their fee.

Item 6 – Performance Based Fees and Side by Side Management

In some cases, the Adviser has entered into incentive compensation arrangements with qualified clients. Such fees are subject to individualized negotiation with each such client. The Adviser will structure any performance or incentive compensation arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940, as amended (the “**Advisors Act**”) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3 (specifically, each client that is charged performance or incentive fees will be a “qualified client” under Rule 205-3 meaning that such client will (i) have at least a \$2 million net worth, (ii) have at least \$1 million managed by the Adviser or (iii) be a “qualified purchaser” as that term is defined in Section 2(a)(51) of the Investment Company Act of 1940, as amended). In measuring clients’ assets for the calculation of performance-based fees, the Adviser shall include realized and unrealized capital gains and losses. Performance-based fee arrangements may create an incentive for the Adviser to recommend investments that may be riskier or more speculative than those that would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. The Adviser has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

Item 7 – Types of Clients and Minimum Requirements

The Adviser generally provides investment advice to individuals, high net worth individuals, pension and profit sharing plans, trusts, estates, corporations and other business entities. The Adviser typically requires a minimum initial account size of \$1,000,000, but the Adviser reserves the right to accept client accounts that do not meet minimum conditions.

Item 8 – Method of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

The Adviser's methods of security analysis include, without limitation: charting, fundamental, technical and cyclical based on sources of information including, but not limited to earnings, balance sheet variables and management quality which are used to target the future value of an investment. The data the Adviser reviews is generally considered reliable, but we cannot guarantee nor have we verified its accuracy. In addition, the data that the Advisor reviews is sometimes subjective in nature and open to interpretation. Even if the data and interpretation of the data is correct, there may be other factors that determine the value of securities other than those considered in fundamental analysis., research materials, corporate rating services, financial newspapers and magazines, annual reports, prospectuses, filings with the SEC and company press releases.

When using fundamental analysis, the Adviser generally relies on, among other things, company

When using technical analysis, the Advisor reviews statistics to determine trends in security prices and makes investment recommendations and decisions based on those trends. This analysis may useful only with respect to short-term price movements for the target securities. In addition, technical analysis does not take into account the more fundamental properties of what an investment may be worth such as company performance and balance sheet variables, which may play a part in determining the value of an investment.

Principal Investment Strategies

The investment strategies used to implement investment advice given to clients include long-term purchases, short-term purchases, trading, short sales and margin transactions.

A long-term purchase strategy generally assumes the financial markets will go up in the long-term, which may not be the case. There is also the risk that the segment of the market that you are invested in or perhaps just your particular investment will go down over time, even if the overall financial markets advance. Purchasing investments long-term may involve an opportunity cost – that of “locking-up” assets that may be better utilized in the short-term for other investments.

A short-term purchase strategy generally assumes that an adviser can predict how financial markets will perform in the short-term, which may be very difficult. There are many factors that can effect financial market performance in the short-term (such as short-term interest rate changes, cyclical earnings announcements, *etc.*) but may have a smaller impact over longer periods of times.

Principal Investment Risks

Investing in securities involves risk of loss that clients should be prepared to bear. You may lose money (both principal and any earnings) or fail to make money on an investment. The Adviser cannot guarantee that it will achieve a client's investment objective.

Below are some of the more specific risks of investments which the Adviser may recommend to clients:

Fixed Income Risk. The issuer of a fixed income security may not be able to make interest and principal payments when due. Generally, the lower the credit rating of a security, the greater the risk that the issuer will default on its obligation. If a rating agency gives a debt security a lower rating, the value of the debt security will decline because investors will demand a higher rate of return. As nominal interest rates rise, the value of fixed income securities is likely to decrease. A nominal interest rate is the sum of a real interest rate and an expected inflation rate.

Alternative Investments Risk. The Adviser recommends to qualified clients the use of alternative investments such as investments in real estate, private equity investments or hedge funds. Investments in such “alternative assets” may be illiquid, which may impair the ability of the client to exit such investments in times of adversity. The underlying investment funds may utilize highly speculative investment techniques, including leverage, highly concentrated portfolios, senior securities positions, control positions and illiquid investments. The underlying investment funds may also utilize derivative instruments to attempt to hedge the risks associated with certain of their investments. Such derivative transactions may expose the assets of such investment funds to the risks of material financial loss, which may in turn adversely affect the financial results of the client. Clients who invest in such investment funds will pay the advisory fees of the Adviser and underlying investment managers, and certain other fees and expenses of underlying investment funds in which the client invests. Investors in such investment funds may also pay carried interest, performance or incentive allocations to an underlying manager or sponsor of an underlying investment fund in which they invest.

Clients should carefully review the offering materials of any investment funds recommended by the Adviser to ensure that they are aware of and understand the risks and costs involved in such investments.

Item 9 – Disciplinary Information

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of the Adviser or the integrity of the Adviser's management personnel. The Adviser has no information applicable to this Item.

Item 10 – Other Financial Industry Activities and Affiliations

Randal L. Golden, a principal of the Adviser, is also a managing member of Beemers, LLC, which is engaged in investment activities outside of securities portfolios. Mr. Golden spends approximately 5% of his time on this business activity.

David Sternberg, a principal of the Adviser, is an indirect owner of the general partner to various private investment funds. The Adviser may recommend investments into one or more of these private investment funds to eligible clients. Mr. Sternberg receives a portion of the fees paid in respect of these private investment funds.

Item 11 – Code of Ethics, Interest in Client Transactions and Personal Trading

The Adviser has adopted a Code of Ethics for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, a prohibition of rumor mongering, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items and personal securities trading procedures, among other things. All supervised persons of the Adviser must acknowledge the terms of the Code of Ethics annually, or as amended.

The Adviser anticipates that, in appropriate circumstances, consistent with clients' investment objectives, it will cause accounts over which the Adviser has management authority to effect, and will recommend to investment advisory clients or prospective clients, the purchase or sale of securities in which the Adviser, its affiliates and/or clients, directly or indirectly, have a position of interest, such as the private investment funds for which Mr. Sternberg is an indirect member of the general partner. The Adviser's employees and persons associated with the Adviser are required to follow the Adviser's Code of Ethics. Subject to satisfying this policy and applicable laws, officers, directors and employees of the Adviser and its affiliates may trade for their own accounts in securities which are recommended to and/or purchased for the Adviser's clients. The Code of Ethics is designed to assure that the personal securities transactions, activities and interests of the employees of the Adviser will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts. Under the Adviser's Code of Ethics certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of the Adviser's clients. In addition, the Adviser's Code of Ethics requires pre-clearance of certain transactions and restricts trading in close proximity to client trading activity. Nonetheless, because the Adviser's Code of Ethics in some circumstances permits employees to invest in the same securities as clients, there is a possibility that employees might benefit from market activity by a client in a security held by an employee. Employee trading is monitored under the Adviser's Code of Ethics to reasonably prevent conflicts of interest between the Adviser and its clients.

Certain affiliated accounts may trade in the same securities with client accounts on an aggregated basis when consistent with the Adviser's obligation of best execution. In such circumstances, the affiliated and client accounts will share commission costs equally and receive securities at a total average price. The Adviser will retain records of the trade order (specifying each participating account) and its allocation, which will be completed prior to the entry of the aggregated order. Completed orders will be allocated as specified in the initial trade order. Partially filled orders generally will be allocated on a pro rata basis. Any exceptions will be explained on the relevant trade order.

The Adviser's clients or prospective clients may request a copy of the firm's Code of Ethics by contacting Randal Golden.

It is the Adviser's policy that the firm will not affect any principal or agency cross securities transactions for client accounts. The Adviser will also not cross trades between client accounts. Principal transactions are generally defined as transactions where an adviser, acting as principal

for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any advisory client. A principal transaction may also be deemed to have occurred if a security is crossed between an affiliated hedge fund and another client account.

Item 12 – Brokerage Practices

Recommending Brokerage Firms

The Adviser typically recommends that clients establish brokerage accounts with the Schwab Institutional division of Charles Schwab & Company, Inc. (Schwab) or TD Ameritrade, each a registered broker/dealer, member FINRA/SIPC, to maintain custody of clients' assets and to effect trades for their accounts. The Adviser is independently owned and operated and not affiliated with these brokers. Each of these brokers provide the Adviser with access to its institutional trading and custody services, which are typically not available to their retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them, so long as a total of at least \$10 million of the Adviser's clients' assets are maintained in accounts at these brokers, and are not otherwise contingent upon the Adviser committing to Schwab any specific amount of business (assets in custody or trading). TD Ameritrade and Schwab's services include brokerage, custody, research and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

Commission rates and securities transaction fees charged to effect a client's transactions are established by the executing broker-dealer. The Adviser has the authority to negotiate commission rates charged by certain broker-dealers, such as TD Ameritrade. Although the Adviser believes that the commission rates negotiated by the Adviser are competitive, they may not be the lowest commission rates charged by TD Ameritrade.

For the Adviser's client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into Schwab accounts. TD Ameritrade charges separately for custody.

Best Execution

The Adviser will arrange for the execution of securities transactions for each client account through brokers or dealers that the Adviser reasonably believes will provide "best execution." The Adviser seeks to execute client transactions in such a manner that the client's total cost or proceeds in each transaction is the most favorable under the circumstances. The Adviser has evaluated the full range of brokerage services offered by TD Ameritrade and Schwab and considers these brokers to have reliable execution capabilities, compared to other comparable brokers. Based on these factors, the Adviser believes that TD Ameritrade and Schwab provide the best price and execution to its clients compared to other broker-dealers that offer institutional advisory platforms. If a client establishes a brokerage/custodial account with one of these brokers, then the Adviser will place all orders pursuant to its investment determinations on behalf of client's portfolio through the custodial broker, even though the client potentially could obtain a more favorable net price and execution from another broker-dealer in particular transactions or from a discount broker in general. While the Adviser believes TD Ameritrade and Schwab's transaction rates to be competitive, transactions may not always be executed at the lowest available commission rate.

In selecting a broker or dealer, the Adviser may consider, among other things, the broker or dealers execution capabilities, reputation and access to the markets for the securities being traded. The Adviser generally will seek competitive commission rates but will not necessarily attempt to obtain the lowest possible commission for transactions for a client account.

Soft Dollars

TD Ameritrade and Schwab offer an institutional trading platform to advisers. Through participation in this program, these brokers make available to the Adviser other products and services that benefit the Adviser but may not benefit its clients' accounts. Some of these other products and services assist the Adviser in managing and administering clients' accounts. These include software and other technology that provide access to client account data (such as trade confirmations and account statements); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); facilitate trade execution (and allocation of aggregated trade orders for multiple client accounts); provide research, pricing information and other market data; facilitate payment of the Adviser's fees from client accounts; and assist with back-office functions, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of the Adviser's accounts. These brokers also make available to the Adviser other services intended to help the Adviser manage and further develop its business enterprise. These services may include consulting, publications and conferences on practice management, information technology, business succession, regulatory compliance and marketing. In addition, they may make available, arrange and/or pay for these types of services rendered to the Adviser by independent third parties. TD Ameritrade and Schwab may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to the Adviser. In its capacity as a fiduciary, the Adviser endeavors to act in its clients' best interests, however, the Adviser's recommendation that clients maintain their assets in accounts at these brokers may be based in part on the benefit of the Adviser of the availability of some of the foregoing products and services and not solely on the nature, cost or quality of custody and brokerage services provided by the brokers, which may create a potential conflict of interest.

Consistent with obtaining best execution, transactions for a client's account may be directed to brokers in return for research services furnished by them to the Adviser. Such research generally will be used to service all of the Adviser's clients, but brokerage commissions paid by any particular client may be used to pay for research that is not used in managing that client's account. The Adviser may, in its discretion, cause such account to pay one or more brokers a commission greater than another qualified broker might charge to effect the same transaction where the Adviser determines in good faith that the commission is reasonable in relation to the value of the brokerage and research services received.

Order Aggregation

As a matter of general policy and practice, the Adviser will aggregate transactions for its advisory clients where practicable. Aggregating transactions allows the trading of aggregate blocks of securities of assets from multiple client accounts. Generally, aggregating client transactions allows the Adviser to execute transactions in a more timely, efficient and equitable manner and to seek best execution and/or to reduce commission charges for clients. The Adviser

may not apportion shares to participating clients in equal percentage amounts. The Adviser may aggregate trades of its advisory personnel with those of clients so that personnel of the Adviser participate alongside clients in such trades. All participants in an aggregated trade generally will be allocated securities on a pro rata, average price per share basis.

When and where possible, the Adviser will aggregate transactions for all clients including directed and non-directed brokerage transactions for individual client portfolios. Where a client has directed the Adviser to use a particular firm for its portfolio transactions, their transactions cannot be aggregated with other non-directed client transactions. However, the Adviser will generally aggregate client transactions in directed brokerage arrangements when clients have directed the Adviser to use the same firm.

Item 13 – Review of Accounts

The Adviser will review each client account at least quarterly, or more often if investment conditions require.

Accounts will be reviewed by Randal L Golden, David Sternberg or their designees, who will also monitor economic, investment and market conditions that might dictate changes in strategy or portfolio holdings.

The Adviser will attempt to contact each client at least annually and will meet with each client as needed to review investment needs and to provide economic analysis, performance review and other pertinent information. Clients can receive copies of confirmations from the custodian for all transactions. Clients will also receive monthly custodial statements providing a summary of account transactions, with the exception of qualified accounts, such as IRAs with no activity, which will receive quarterly statements from the custodian.

Item 14 – Client Referrals and Other Compensation

Incoming Referrals

In certain circumstances, Adviser pays to third parties a portion of the fee received from clients.

Such payments may be made in connection with the third party's referral of new clients to the Adviser, and in all events, such payments are fully disclosed and approved by the relevant client in compliance with Rule 206(4)-3 of the Advisers Act. The cost of this referral fee is borne entirely by the Adviser.

Item 15 – Custody

Adviser does not maintain physical custody of client assets, which are held by the independent qualified custodian selected by the client. All checks deposited into client's custodial accounts must be made payable either to the custodian or for the benefit of the account name. The Adviser is deemed to have custody of private investment funds for which it serves as general partner or manager. In compliance with the applicable regulations, each of these investment funds is audited by an independent public accountant and financial statements are distributed to fund investors annually. The Adviser may be deemed to have custody of client assets if it has the authority to deduct its fees from the client's custodial account (however, such accounts are generally not subject to any additional compliance obligations provided the relevant clients receive statements directly from the custodians holding such accounts). Clients will receive account statements from their custodian at least quarterly. Clients should review their account statements carefully. Clients are encouraged to compare the account statements received from their qualified custodian with any reports received from the Adviser.

Item 16 – Investment Discretion

Discretionary Trading Authority

The Adviser generally will be retained on a fully discretionary basis and will be authorized to determine and direct execution of portfolio transactions, pursuant to the terms of the Investment Management Agreement.

Limited Power of Attorney

Clients who have granted discretionary trading authority to the Adviser are required to grant a “limited power of attorney” to the Adviser over client’s custodial account for purposes of trading and fee deduction.

Item 17 – Voting Client Securities

It is currently the Adviser's policy not to exercise proxy voting authority over client securities. The Adviser does not have authority to vote proxies for its clients on any matters regardless of whether the Adviser's investment authority is discretionary or non-discretionary. Each client retains sole and absolute authority and responsibility to vote proxies at client's own expense with respect to investments owned by the client.

Clients will receive their proxies or other solicitations directly from their custodian. Clients are free to contact the Adviser about a particular solicitation and the Adviser's personnel may provide them with assistance.

Item 18 – Financial Information

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about the Adviser's financial condition. The Adviser has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

Item 19 – Requirements for State Registered Advisers

Because the Adviser is a federally registered investment adviser, this Item is not applicable.