

**Item 1 – Cover Page**

**Part 2A of Form ADV  
Brochure for:**

**Social Leverage Advisors, LLC**

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**March 15, 2012**

**This Brochure provides information about the qualifications and business practices of Social Leverage Advisors, LLC (“Social Leverage Advisors” or the “Firm”). If you have any questions about the contents of this Brochure, please contact the Firm at the address listed above. 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.**

**Social Leverage Advisors, LLC is a registered investment adviser with the SEC. Registration of an investment adviser does not imply any certain level of skill or training.**

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

## **Item 2 – Material Changes**

This Brochure was prepared for Social Leverage Advisors' initial registration with the SEC.

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#### Item 4 – Advisory Business

A. Description of the Advisory Firm

Social Leverage Advisors, LLC (Social Leverage Advisors), a Delaware limited liability company, is an privately owned investment advisory firm that was formed in February 2012. Social Leverage Advisors’ principal owners are Barry L. Ritholtz, Howard Andrew Lindzon, and Thomas Grant Peterson.

B. Types of Advisory Services

Social Leverage Advisors provides investment advice to high net worth individuals (the “Clients”).

C. Client Tailored Services and Client Imposed Restrictions

Advisory services are tailored to achieve the Clients’ investment objectives. Generally, Social Leverage Advisors has the authority to select which and how many securities and other instruments to buy or sell without consultation with the Clients.

D. Wrap Fee Programs

Social Leverage Advisors does not participate in wrap fee programs.

E. Amounts Under Management

Social Leverage Advisors manages the assets of the Clients and has the following assets under management:

Discretionary Amounts:	Non-Discretionary Amounts:	Date Calculated:
\$0	\$0	March 7, 2012

## Item 5 – Fees and Compensation

### A. Fee Schedule

The fees and compensation payable to Social Leverage Advisors are negotiable and vary among its Clients. Social Leverage Advisors typically receives a quarterly asset-based management fee calculated as a percentage of each Client's account, payable quarterly in advance.

#### **Fee schedule based on assets managed:**

<b>MARKET VALUE OF ASSETS UNDER SUPERVISION</b>	<b>ANNUAL RATES</b>
Less than \$499,999	2.00%
\$500,000 - \$999,999	1.50%
\$1,000,000 - \$1,999,999	1.25%
\$2,000,000 - \$2,999,999	1.00%
\$3,000,000 - \$5,000,000	0.75%
Greater than \$5,000,000	0.60%

#### **Fee Schedule for Fixed Income Only portfolios:**

<b>MARKET VALUE OF ASSETS UNDER SUPERVISION</b>	<b>ANNUAL RATES</b>
Less than \$1,000,000	0.80%
\$1,000,000 - \$20,000,000	0.70%
\$20,000,001 - \$50,000,000	0.60%
Greater than \$50,000,000	0.50%

### B. Payment of Fees

Management fees are deducted from Client assets. Management fees, which are paid in advance, are withdrawn at the beginning of the quarter. Incentive allocations are allocated as of the last business day of the calendar year and as of any date on which an Investor makes a withdrawal or receives a distribution from such Investor's capital account(s).

### C. Third-Party Fees

Clients will likely incur fees from brokerages, custodians, administrators and other service providers. These fees are incurred as a result of managing a client account and are charged

by the service provider. The amount and nature of these fees is based on the service provider's fee schedule(s) at the provider's sole discretion. These fees are separate and distinct from any fees charged by the Social Leverage Advisors.

Social Leverage Advisors may include mutual funds, variable annuity products, ETFs, and other managed products or partnerships in clients' portfolios. Clients may be charged for the services by the providers/managers of these products in addition to the management fee paid to the Social Leverage Advisors. The fees and expenses are described in each mutual fund's or underlying annuity fund's prospectus or in the offering memorandums of a partnership. These fees will generally include a management fee, other fund expenses and a possible distribution fee. No-load or load waived mutual funds may be used in client portfolios so there would be no initial or deferred sales charges; however, if a fund that imposes sales charges is selected, a client may pay an initial or deferred sales charge.

A client could invest in a mutual fund or variable annuity or investment partnership directly, without the services of the Social Leverage Advisors. Accordingly, the client should review both the fees charged by the funds and the applicable program fee charged by Social Leverage Advisors to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided. If it is determined that a client portfolio shall contain corporate debt or other types of over the counter securities, the client may pay a mark-up or mark-down or a "spread" to the broker or dealer on the other side of the transaction that is built into the purchase price of the security.

Please see Item 12 of this Brochure regarding brokerage.

**D. Prepayment of Fees**

Social Leverage Advisors will pro rate the management fee for Interests held for less than a full quarter. Prepaid but unearned fees are refunded to the Clients.

**E. Outside Compensation for the Sale of Securities**

Neither Social Leverage Advisors nor its supervised persons accepts compensation for the sale of securities or other investment products outside of its association with Social Leverage Advisors.

**The foregoing discussion in Items 5 represents Social Leverage Advisors' basic compensation arrangements. Fees and other compensation are negotiable in certain circumstances and arrangements with any particular Client may vary. Although Social Leverage Advisors believes its fees are competitive, lower fees for comparable services may be available from other investment advisers.**

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

Social Leverage Advisors does not charge any performance-based fees (i.e., fees based on a share of capital gains on or capital appreciation of the assets of a client).

## Item 7 – Types of Clients

Social Leverage Advisors provides investment advice and management to separate accounts, including high net worth individuals, charitable organizations, and family offices.

Generally, the minimum amount to open and maintain an advisory account is \$250,000. In our sole discretion, we may negotiate to accept a lesser amount to open or maintain an account based upon criteria determined by Social Leverage Advisors at such time, which may include anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account compensation, pre-existing client relationship(s), account retention, pro bono activities and/or other criteria.

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

### A. Methods of Analysis

Social Leverage Advisors' primary methods of analysis are fundamental and technical analysis using financial newspapers and magazines; inspection of corporate activities; research materials prepared by others; corporate rating services; timing services; annual reports, prospectuses, filings with the SEC; and company press releases.

### B. Investment Strategies

Strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies).

Social Leverage Advisors provides investment advisory services to its clients on a discretionary basis. The advisory services include, among other things, providing advice regarding asset allocation and the selection of investments. Account management or supervision is guided by the stated objectives of the client. In addition, Social Leverage Advisors considers the client's risk profile and financial status prior to making any recommendations.

Social Leverage Advisors also offers investment advice regarding private placements in Limited Partnerships.

### C. Risks of Investments and Strategies Utilized

**Investing in securities involves risk of loss that Clients should be prepared to bear.**

Social Leverage Advisors may transact in securities that include, but are not limited to: common stocks, preferred stocks, option and future contracts, corporate bonds, municipal bonds, U.S. government bonds, mutual fund shares and ETFs.

Investment and trading risk factors may include:

**General Investment and Trading Risks.** Clients may invest in securities and other financial instruments using strategies and investment techniques with significant risk

characteristics. The investment program utilizes such investment techniques as option transactions, margin transactions, short sales, forwards, leverage and derivatives trading, the use of which can, in certain circumstances, maximize the adverse impact to which a client may be subject.

**Common Stocks and Equity-Related Securities.** Prices of common stock react to the economic condition company that issued the security, industry and market conditions, and other factors and may fluctuate widely. Investments related to the value of stocks may rise and fall based on an issuer's actual and anticipated earnings, changes in management, the potential for takeovers and acquisitions, and other economic factors. Similarly the value of other equity-related securities, including preferred stock, warrants and options may also vary widely.

**Small- and Mid-Cap Risks.** Securities of small-cap issuers may present greater risks than those of large-cap issuers. For example, some small- and mid-cap issuers often have limited product lines, markets, or financial resources. They may be subject to high volatility in revenues, expenses and earnings. Their securities may be thinly traded, may be followed by fewer investment research analysts and may be subject to wider price swings and thus may create a greater chance of loss than when investing in securities of larger-cap issuers. The market prices of securities of small- and mid-cap issuers generally are more sensitive to changes in earnings expectations, to corporate developments and to market rumors than are the market prices of large-cap issuers.

**Risks Associated with Investments in Distressed Securities.** A client may invest in "below investment grade" securities and obligations of domestic and non-U.S. issuers in weak financial condition, experiencing poor operating results, having substantial capital needs or negative net worth, facing special competitive or product obsolescence problems, including companies involved in bankruptcy or other reorganization and liquidation proceedings. These securities are likely to be particularly risky investments although they also may offer the potential for correspondingly high returns. Some of these securities may not be publicly traded, and it therefore may be difficult to obtain information as to the true condition of such issuers. Additionally, in certain periods, there may be little or no liquidity in markets for these securities. Such investments also may be affected adversely by laws relating to, among other things, fraudulent transfers and other voidable transfers or payments, lender liability and the bankruptcy court's power to disallow, reduce, subordinate or disenfranchise particular claims. Such companies' securities may be considered speculative, and the ability of such companies to pay their debts on schedule could be affected by adverse interest rate movements, changes in the general economic climate, economic factors affecting a particular industry or specific developments within such companies.

**Investing in High Yield Securities.** High-yield securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. High-yield securities face ongoing

uncertainties and exposure to adverse business, financial or economic conditions which could lead to the issuer's inability to meet timely interest and principal payments.

**Convertible Securities.** The investment value of a convertible security is influenced by changes in interest rates, with investment value declining as interest rates increase and increasing as interest rates decline. The credit standing of the issuer and other factors may also have an effect on the investment value of convertible securities. The conversion value of a convertible security is determined by the market price of the underlying common stock. To the extent the market price of the underlying common stock approaches or exceeds the conversion price, the price of the convertible security will be increasingly influenced by its conversion value. A convertible security may be subject to redemption at the option of the issuer at a price established in the convertible security's governing instrument. If a convertible security is called for redemption, a client will be required to permit the issuer to redeem the security, convert it into the underlying common stock or sell it to a third-party. Any of these actions could have an adverse effect on the client's ability to achieve its investment objective.

**Exchange Traded Funds.** Exchange-traded funds ("ETFs") are a type of index fund bought and sold on a securities exchange. The risks of owning an ETF generally reflect the risks of owning the underlying securities they are designed to track, although lack of liquidity in an ETF could result in it being more volatile and ETFs have management fees that increase their costs. ETFs are also subject to other risks, including: (i) the risk that their prices may not correlate perfectly with changes in the underlying index; and (ii) the risk of possible trading halts due to market conditions or other reasons that, in the view of the exchange upon which an ETF trades, would make trading in the ETF inadvisable.

**Investments in Private Funds.** If a client invests in private funds, the client is subject to the risks of the underlying funds' investments and subject to the underlying funds' expenses. There can be no assurance that the other funds will achieve their objectives or avoid substantial losses.

**Competition.** The securities industry and the varied strategies and techniques to be engaged in by Social Leverage Advisors are extremely competitive and each involves a degree of risk. Social Leverage Advisors will compete with firms, including many of the larger securities and investment banking firms, which have substantially greater financial resources and research staffs.

**Material Non-Public Information.** By reason of their responsibilities in connection with other activities of Social Leverage Advisors and/or its affiliates, certain principals or employees of Social Leverage Advisors and/or its affiliates may acquire confidential or material non-public information or be restricted from initiating transactions in certain securities. Social Leverage Advisors will not be free to act upon any such information. Due to these restrictions, Social Leverage Advisors may not be able to initiate a transaction that it otherwise might have initiated and may not be able to sell an investment that it otherwise might have sold.

**Accuracy of Public Information.** Social Leverage Advisors selects investments, in part, on the basis of information and data filed by issuers with various government regulators or made directly available to Social Leverage Advisors by the issuers or through sources other than the issuers. Although Social Leverage Advisors evaluates all such information and data and sometimes seeks independent corroboration when it's considered appropriate and reasonably available, Social Leverage Advisors is not in a position to confirm the completeness, genuineness or accuracy of such information and data, and in some cases, complete and accurate information is not available.

**Investments in Undervalued Securities.** Social Leverage Advisors intends to invest in undervalued securities. The identification of investment opportunities in undervalued securities is a difficult task, and there are no assurances that such opportunities will be successfully recognized or acquired. While investments in undervalued securities offer the opportunities for above-average capital appreciation, these investments involve a high degree of financial risk and can result in substantial losses. Returns generated from Social Leverage Advisor's investments may not adequately compensate for the business and financial risks assumed.

**Highly Volatile Markets.** The prices of financial instruments can be highly volatile. Price movements of forward and other derivative contracts are influenced by, among other things, interest rates, changing supply and demand relationships, trade, fiscal, monetary and exchange control programs and policies of governments, and national and international political and economic events and policies. Clients are also subject to the risk of failure of any of the exchanges on which their positions trade or of its clearinghouses.

**Use of Leverage and Financing.** A client may pledge its securities in order to borrow additional funds for investment purposes. Any event which adversely affects the value of an investment by the client would be magnified to the extent the client is leveraged. The cumulative effect of the use of leverage by a client in a market that moves adversely to the client's investments could result in a substantial loss that would be greater than if the client were not leveraged.

**Derivatives and Hedging.** Derivatives are financial instruments or arrangements in which the risk and return are related to changes in the value of other assets, reference rates or indices. A client's ability to profit or avoid risk through investment or trading in derivatives will depend on Social Leverage Advisors' ability to anticipate changes in the underlying assets, reference rates or indices.

**Market or Interest Rate Risk.** The price of most fixed income securities move in the opposite direction of the change in interest rates. For example, as interest rates rise, the price of fixed income securities falls. If Social Leverage Advisors holds a fixed income security to maturity, the change in its price before maturity may have little impact on Social Leverage Advisors' performance; however, if Social Leverage Advisors has to sell the fixed income security before the maturity date, an increase in interest rates could result in a loss to Social Leverage Advisors.

**Fixed Income Call Option Risk.** Many bonds, including agency, corporate and municipal bonds, and all mortgage-backed securities, contain a provision that allows the issuer to “call” all or part of the issue before the bond’s maturity date. The issuer usually retains this right to refinance the bond in the future if market interest rates decline below the coupon rate. There are three disadvantages to the call provision. First, the cash flow pattern of a callable bond is not known with certainty. Second, because the issuer will call the bonds when interest rates have dropped, Social Leverage Advisors is exposed to reinvestment rate risk – Social Leverage Advisors will have to reinvest the proceeds

received when the bond is called at lower interest rates. Finally, the capital appreciation potential of a bond will be reduced because the price of a callable bond may not rise much above the price at which the issuer may call the bond.

**Inflation Risk.** Inflation risk results from the variation in the value of cash flows from a security due to inflation, as measured in terms of purchasing power. For example, if Social Leverage Advisors purchases a 5-year bond in which it can realize a coupon rate of 5%, but the rate of inflation is 6%, then the purchasing power of the cash flow has declined. For all but inflation-linked bonds, adjustable bonds or floating rate bonds, Social Leverage Advisors is exposed to inflation risk because the interest rate the issuer promises to make is fixed for the life of the security.

**Non-U.S. Securities.** Investments in securities of non-U.S. issuers pose a range of potential risks which could include expropriation, confiscatory taxation, imposition of withholding or other taxes on dividends, interest, capital gains or other income, political or social instability, illiquidity, price volatility and market manipulation. In addition, less information may be available regarding securities of non-U.S. issuers, and non-U.S. issuers may not be subject to accounting, auditing and financial reporting standards and requirements comparable to or as uniform as those of U.S. issuers.

**Illiquid Investments.** Securities and other assets, may be subject to legal or other restrictions on transfer or for which no liquid market exists. The market prices, if any, for such investments tend to be volatile and may not be readily ascertainable, and a client may not be able to sell them when it desires to do so or to realize what it perceives to be their fair value in the event of a sale.

**Counterparty Risk.** Transactions are may be affected in “over-the-counter” or “interdealer” markets. The participants in such markets are typically not subject to credit evaluation and regulatory oversight as are members of “exchange-based” markets. This exposes clients to the risk that a counterparty will not settle a transaction in accordance with its terms and conditions because of a dispute over the terms of the contract (whether or not bona fide) or because of a credit or liquidity problem, thus causing clients to suffer a loss.

**Liquidity.** Liquidity is the ability to readily convert an investment into cash. Securities where there is a ready market that is traded through an exchange are generally more liquid.

Securities traded over the counter or that do not have a ready market or are thinly traded are less liquid and may face material discounts in price level in a liquidation situation.

**Currency.** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

**Lack of Registration** Private funds or Limited Partnership interests have neither been registered under the Securities Act nor under the securities or "blue sky" laws of any state and, therefore, are subject to transfer restrictions.

**Withdrawal of Capital.** The ability to withdraw funds from the funds or LP interests is usually restricted in accordance with the withdrawal provisions contained in an Offering Memorandum. In addition, substantial withdrawals by investors within a short period of time could require a fund to liquidate securities positions and other investments more rapidly than would otherwise be desirable, possibly reducing the value of the fund's assets and/or disrupting the fund's investment strategy.

**Strategy Restrictions.** Certain institutions may be restricted from directly utilizing investment strategies of the type in which Social Leverage Advisors may engage. Such institutions, including entities subject to ERISA, should consult their own advisors, counsel and accountants to determine what restrictions may apply and whether an investment in Social Leverage Advisors is appropriate.

**Trading Limitations.** For all securities, instruments and/or assets listed on an exchange, including options listed on a public exchange, the exchange generally has the right to suspend or limit trading under certain circumstances. Such suspensions or limits could render certain strategies difficult to complete or continue and subject Social Leverage Advisors to loss. Also, such a suspension could render it impossible for Social Leverage Advisors to liquidate positions and thereby expose Social Leverage Advisors to potential losses.

**Conflicts of Interest:** In the administration of client accounts, portfolios and financial reporting, Social Leverage Advisors faces inherent conflicts of interest which are described in this brochure. Generally, Social Leverage Advisors mitigates these conflicts through its Code of Ethics which provides that the client's interest is always held above that of the Firm and its associated persons.

**Supervision of Trading Operations.** Social Leverage Advisors, with assistance from its brokerage and clearing firms, intends to supervise and monitor trading activity in the portfolio accounts to ensure compliance with firm and client objectives. Despite Social Leverage Advisors's efforts, however, there is a risk that unauthorized or otherwise inappropriate trading activity may occur in portfolio accounts. Depending on the nature of the investment management service selected by a client and the securities used to implement the investment strategy, clients will be exposed to risks that are specific to the securities in their particular investment portfolio.

**The foregoing list of risk factors does not purport to be a complete enumeration or explanation of the risks involved with recommendations from Social Leverage Advisors. Prospective Clients should read the entire Brochure other materials that may be provided by Social Leverage Advisors and consult with their own advisers prior to engaging Social Leverage Advisors' services.**

### **Item 9 – Disciplinary Information**

Social Leverage Advisors and its management persons have not been a party to any legal or disciplinary events that would be material to a client's or prospective client's evaluation of its investment advisory business or the integrity of its management.

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

A. Registration as a Broker-Dealer or Broker-Dealer Representative

Neither Social Leverage Advisors nor its management persons are registered as a broker-dealer or broker-dealer representative.

B. Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither Social Leverage Advisors nor its management persons are registered as futures commission merchant, commodity pool operator, or a commodity trading advisor.

C. Relationships Material to this Advisory Business and Possible Conflicts of Interest

Howard Lindzon is the principal owner and a registered representative of Lindzon & Associates, LLC, which is the investment manager for Lindzon Capital Partners, LP, a private investment fund. More information regarding Lindzon & Associates, LLC is available at [adviserinfo.sec.gov](http://adviserinfo.sec.gov). Mr. Lindzon is also the Chief Executive Officer of Stocktwits, Inc. and the Co-Managing Member of Social Leverage, LLC ("Social Leverage"). More information about Social Leverage and potential conflicts of interest are discussed below in Item 11.B.

Barry Ritholtz is the author of a finance-related blog, "The Big Picture" ([www.ritholtz.com/blog](http://www.ritholtz.com/blog)).

Thomas Peterson is Chief Executive Officer of Social Leverage, LLC and Managing Member of Social Leverage Group, LLC and Co-managing member of Social Leverage, LLC.

D. Selection of Other Advisors or Managers

Social Leverage Advisors does not utilize nor select other advisors or third party managers. All assets are managed by Social Leverage Advisors.

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

### **A. Code of Ethics**

Social Leverage Advisors has adopted a Code of Ethics (the “Code”) pursuant to Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code governs the activities of each member, officer, director and employee of Social Leverage Advisors (collectively, “Employees”). Social Leverage Advisors holds its Employees to a high standard of integrity and business practices that reflects its fiduciary duty to the Client. In serving its Client, Social Leverage Advisors strives to avoid conflicts of interest or the appearance of conflicts of interest in connection with the personal trading activities of its Employees and Client securities transactions. When persons covered by the Code engage in personal securities transactions, they must adhere to the following general principles as well as to the Code’s specific provisions: (a) at all times the interests of Client must be paramount; (b) personal transactions must be conducted consistent with the Code in manner that avoids any actual or potential conflict of interest; and (c) no inappropriate advantage should be taken of any position of trust and responsibility. Employees covered by the Code have certain trading restrictions and reporting obligations of their personal securities transactions. Each Employee is provided with a copy of the Code and must annually certify that they have received it and have complied with its provisions. In addition, any Employee who becomes aware of any potential violation of the Code is obligated to report the potential violation to the Chief Compliance Officer.

Social Leverage Advisors will provide a copy of its Code of Ethics to Clients and prospective Clients upon request.

### **B. Recommendations Involving Material Financial Interests**

Social Leverage Advisors is affiliated with Social Leverage, LLC (“Social Leverage”) a partnership that invests in entrepreneurs in the technology space. Social Leverage partners with emerging companies, offering its own entrepreneurial expertise, relationships, and marketing experience. Certain conflicts may result from Social Leverage’s investments. In general, Social Leverage Advisors will seek to resolve any such conflicts of interest equitably over time. However, Social Leverage Advisors cannot assure Clients that the existence of such conflicts and other businesses and clients will not adversely affect the Client. A Client may be precluded from investing in issuers that are a Social Leverage portfolio company or for which a principal or employee of Social Leverage Advisors serves on the board of directors or due to exposure to material nonpublic information through the Social Leverage activities. If a Client invests in issuers that Social Leverage or its affiliates have purchased or otherwise acquired, Social Leverage or its affiliates may have acquired the securities of those issuers on terms different from, and more favorable than, those on which a Client may purchase them.

Social Leverage Advisors and its directors, members, partners, officers, employees, agents and affiliates (“Affiliated Parties”) may have conflicts of interest in allocating their time and

activity between the Clients and other entities, in allocating investments among Clients and other entities and in effecting transactions for the Clients and other entities, including ones in which the Affiliated Parties may have a greater financial interest.

It is Social Leverage Advisors' policy to monitor for conflicts of interest. As they arise, Social Leverage Advisors performs an analysis of the facts and circumstances and make a determination as to the most appropriate actions to take to address the conflict or appearance of a conflict. The analysis is always based on an underlying concern that the interest of Clients is placed first. In the event that circumstances arise that create any additional material conflicts of interest relating to Social Leverage Advisors, our representatives or any of our employees, which could reasonably be expected to materially impair our rendering of unbiased and objective advice, Social Leverage Advisors will disclose such circumstances to the Client at that time.

C. Investing Personal Money in the Same Securities as Clients

Although Social Leverage Advisors' policies and procedures generally prohibit its Employees and related persons from trading in the same instruments that Social Leverage Advisors buys or sells for Client accounts, there may be limited circumstances in which Social Leverage Advisors and/or its Affiliated Persons may also personally buy or sell the same instruments that Social Leverage Advisors buys or sells for Client accounts, and it or they may own securities, or options on securities, of issuers whose securities are subsequently bought for Client accounts because of Social Leverage Advisors' recommendations regarding a particular security. Social Leverage Advisors' policy as to such transactions is that neither Social Leverage Advisors nor any of its Employees or related persons are to benefit from price movements that may be caused by transactions for Client accounts or otherwise Social Leverage Advisors addresses this conflict by requiring employees to sign and adhere to Social Leverage Advisors' Code of Ethics and to report personal securities holdings and transactions to Social Leverage Advisors.

D. Trading Securities At/Around the Same Time as Clients' Securities

As discussed above, from time to time, Social Leverage Advisors, its Employees, or related persons of Social Leverage Advisors may buy or sell securities for themselves that Social Leverage Advisors also recommends to the Client. Social Leverage Advisors will always document any transactions that could be construed as conflicts of interest and will always transact Client business before the business of its Employees and/or related persons when similar securities are being bought or sold.

## **Item 12 – Brokerage Practices**

A. Factors Used to Select or Recommending Broker-Dealers

Social Leverage Advisors generally has discretion as to the placement of brokerage (and accordingly, the commission rates paid). In selecting brokers to effect portfolio transactions, the Social Leverage Advisors considers such factors as price, quality of

execution, expertise in particular markets, the ability of the brokers to effect the transactions, the brokers' facilities, reliability, reputation, experience, financial responsibility in particular markets, familiarity both with investment practices generally and techniques employed by clients and certain brokerage or research services ("soft dollar items") provided by such brokers and clearing and settlement capabilities, subject at all times to principles of best execution, in accordance with the Social Leverage Advisors' policies and procedures. In selecting broker/dealers to execute transactions, the Social Leverage Advisors need not solicit competitive bids and does not have an obligation to seek the lowest available commission cost. Social Leverage Advisors believes that the broker-dealers that it recommends provide competitive transaction and custody costs, helping clients to eliminate or control costs and optimize the custodial structure to the benefit of account holders. When possible, Social Leverage Advisors seeks to pre-negotiate preferred terms for its clients providing clients with the benefits associated with the economy of scale and custodial knowledge of the firm.

Social Leverage Advisors does not receive research or other products or services from the broker-dealers that it recommends to clients in connection with any recommendation.

Social Leverage Advisors does not consider, in selecting or recommending broker-dealers, client referrals from a broker-dealer. Social Leverage Advisors may receive referrals in the future and if it does it will appropriately amend this Brochure.

**B. Aggregating Trading for Multiple Client Accounts**

Social Leverage Advisors may (but is not required to) combine orders on behalf of one Client account with orders for other Client accounts for which it or its principals have trading authority, or in which it or its principals have an economic interest. When it does, Social Leverage Advisors will generally allocate the securities or proceeds arising out of those transactions (and the related transaction expenses) on an average price basis among the various participants. Social Leverage Advisors believes combining orders in this way will, over time, be advantageous to all participants. However, the average price could be less advantageous to a Client than if that Client had been the only account effecting the transaction or had completed its transaction before the other participants. Because of Social Leverage Advisors' relationship to the Clients it manages by virtue of its position as an investment manager, there may be circumstances in which transactions for those entities may not, under certain laws, regulations and internal policies, be combined with those of some of Social Leverage Advisors' and its affiliates' other Clients, which may result in less advantageous execution for those Clients.

Social Leverage Advisors may place orders for the same security for different Clients at different times and in different relative amounts due to differences in investment objectives, cash availability, size of order and practicability of participating in "block" transactions. The level of participation by different Clients in the same security may also be dependent upon other factors relating to the suitability of the security for the particular Client.

In addition, Social Leverage Advisors and/or its Affiliated Persons or Clients may buy or sell specific securities for its or their own account that are not deemed appropriate for Client

accounts at the time, based on personal investment considerations that differ from the considerations on which decisions as to investments in client accounts are made. Where execution opportunities for a particular security are limited, Social Leverage Advisors attempts in good faith to allocate such opportunities among Clients in a manner that, over time, is equitable to all clients.

### **Item 13 – Review of Accounts**

A. Frequency and Nature of Periodic Review and Who Makes Those Reviews

Social Leverage Advisors reviews Client accounts on a monthly basis to ensure consistency with the Client's strategy and performance objectives. Asset allocation, cash management, market prospects and individual issue prospects are considered. The reviews are conducted by Barry Ritholtz, the Chief Investment Officer.

B. Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may take place more frequently if triggered by economic, market, or political conditions.

C. Content and Frequency of Regular Reports

Clients will generally receive reports of performance quarterly.

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

A. Economic Benefits Provided by Third Parties

Social Leverage Advisors does not receive any economic benefit, directly or indirectly from any third party for advice rendered to the Client.

B. Compensation to Non-Advisory Personnel for Client Referrals

Currently, neither Social Leverage Advisors nor its related persons directly or indirectly compensates any person who is not advisory personnel for Client referrals. If in the future Social Leverage Advisors enters into such arrangements, this Brochure will be appropriately amended.

### **Item 15 – Custody**

Each Client's custodian provide quarterly reports to the Client showing the assets in each Client account, the market value, and each account's performance for the quarter. Clients should carefully review those statements and compare them with the statements that Clients receive from us.

### **Item 16 – Investment Discretion**

Clients generally authorize Social Leverage Advisors to invest and trade the Clients' assets in a broad range of investments, to be selected at Social Leverage Advisors' sole discretion, with no specific limitations as to type, amount, or concentration.

### **Item 17 – Voting Client Securities**

Social Leverage Advisors will not have authority to vote proxies on behalf of the Client. If in the future Social Leverage Advisors obtains authority to vote proxies, this Brochure will be appropriately amended.

It is the policy of Social Leverage Advisors that the exercise of proxy voting authority in respect to Client securities shall be the responsibility of its Clients. As part of their agreements with custodians, Clients will direct custodians to send all necessary proxy voting materials and notices directly to the Clients from the custodians holding such securities. Social Leverage Advisors believes that Clients, after reviewing such proxy materials, can then decide and vote proxy voting issues in their own best interest.

Social Leverage Advisors does not give specific advice to Clients whether to participate or refrain from participation in investor class action suites. Clients will receive in the normal course of business all brokerage statements and confirmations necessary to complete such materials for securities traded while under Social Leverage Advisors' management.

### **Item 18 – Financial Information**

Social Leverage Advisors 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 petition.

### **Item 19 – Requirements for State-Registered Advisors**

Not applicable.