

REDDING CAPITAL ADVISORS, LLC

Form ADV Part 2 Brochure July 13, 2012

This brochure provides information about the qualifications and business practices of Redding Capital Advisors LLC. If you have any questions about the contents of this Brochure, please contact us at (248) 239-1419. 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.

Redding Capital Advisors is a Registered Investment Advisor. Registration with the Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

Additional information about Redding Capital Advisors LLC is available on the SEC's website at www.advisorinfo.sec.gov. If you have any further questions about the contents of this Brochure, please contact our Chief Compliance Officer and General Counsel, Joseph Thomas at (248) 239-1419 or jthomas@reddingcapitaladvisors.com.

Redding Capital Advisors, LLC

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Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisers to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization.

Full Brochure Available

Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at: (248) 239-1419 or by email at:

jthomas@reddingcapitaladvisors.com.

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Advisory Business

Firm Description

Founded in 2012, Redding Capital Advisors LLC provides investment management and consulting services to qualified pension, profit sharing plans and institutional Clients. Redding Capital Advisors LLC main investment objective focuses on making opportunistic investments in real estate, private equity, venture capital and mezzanine debt financing.

Redding Capital Advisors consulting services are fee based. Redding Capital Advisors investment services are fee and performance based. The Firm is not affiliated with entities that sell financial products or securities.

Other professionals (e.g., lawyers, accountants, insurance agents, etc.) may be engaged directly by the Client or by Redding Capital Advisors. Conflicts of interest will be disclosed to the Client.

Principal Owners

Quantum Ventures of Michigan LLC located in Auburn Hills, is a majority (100%) shareholder of Redding Capital Advisors LLC. Management and select employees will hold stock equivalents and therefore may be deemed owners.

Types of Advisory Services

Redding Capital Advisors provides investment advisory services. These services include asset management and due-diligence.

Redding Capital Advisors may also provide advice to Clients on matters not involving specific asset or investment selection, but may also include overall risk management items such as operating investment risk, and overall market exposure risk.

As of July 13, 2012, Redding Capital Advisors does not currently have any assets under management.

Types of Agreements

The following agreements define the typical Client relationships.

Hourly Planning Engagements

- Redding Capital Advisors provides hourly planning services for Clients who need advisory and consulting services on a limited scope of work or for a specific project.

Asset Management

- Assets are invested primarily in real estate, private equity, buy-outs, mergers & acquisitions, venture capital and mezzanine debt financing. The Redding Capital Advisor's team focuses on the overall management of the fund's assets.

Fees and Compensation

Fee Billing

Redding Capital Advisors investment management fees for Client accounts are to be assessed at a 2% of committed funding per year, and are billed quarterly. The investment management fees will be directly billed to Client.

Hourly fees for Redding Capital Advisors consulting services are billed monthly.

Performance-Based Fees

A portion of the fees generated by Redding Capital Advisors are based on a share of the profit, determined after an 8% preferred return is paid on invested capital, produced by investments under management at the time of disposition. Profits are split on an 80/20 basis, with 80% of profit being distributed to the Client and a 20% distribution to Redding Capital Advisors.

Disclosure: Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the Client.

Types of Clients

Description

Redding Capital Advisors generally intends to provide investment management and advisory services to qualified pension, profit sharing plans, and institutional Clients. Client relationships vary in scope and length of service.

Methods of Analysis, Investment Strategies and Risk of Loss

Methods of Analysis

Redding Capital Advisors will use several investment strategies. Each strategy uses its database, valuation analytics/metrics, and diligence to identify investment opportunities and risk.

Investment Strategies

Redding Capital Advisor's underlying investment goal is to generate consistent investment returns exceeding the relative to the rate of return on similar asset classes of investments being made. The advisor will pursue, on behalf of its Clients investments in the follow four categories:

- 1. Private Equity**
- 2. Venture Capital**
- 3. Real Estate**
- 4. Mezzanine Lending**

Risk of Loss

The investment program for each of the Clients involves a substantial degree of risk. Redding Capital Advisors has listed certain risks below; however, these risks are not comprehensive. Clients are strongly encouraged to review the risks of their investment program set forth in our Client's organizational documents and/or as set forth in our investment management agreement with such Clients. In addition, while certain risks may be more important for certain investment strategies, certain risks may overlap investment strategies.

- **Interest-rate Risk:** The risk borne by an interest bearing asset due to the variability of interest rates.
- **Market Risk:** Involves the analysis and forecasting of public, private and venture capital markets as well as macro-economic analysis and sector specific environment conditions that serve to guide the timing and valuation of potential investment exits.
- **Operational Risk:** Concerns the analysis that is conducted to assess the performance of an underlying asset. These include company compliance, timely and accurate reporting, liquidity management,
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if overall macro-economic conditions are fitting.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

- **Inflation Risk:** When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.
- **Currency Risk:** 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.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Financial Risk:** Borrowing's to finance a business's operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

Legal and Disciplinary

Redding Capital Advisors and its employees have not been involved in legal or disciplinary events related to past or present investment Clients.

Code of Ethics and Participation or Interest in Client Transactions

Code of Ethics

Redding Capital Advisors and the employees of have committed to a Code of Ethics that is available for review by Clients and prospective Clients upon request. The Firm will provide a copy of the Code of Ethics to any Client or prospective Client upon request.

Participation or Interest in Client Transactions

Redding Capital Advisors may buy or sell securities that are also held by Clients.

Review of Accounts

Periodic Reviews

Account reviews are performed quarterly by Redding Capital Advisors.

Review Triggers

Other conditions that may trigger a review are changes in new investment information.

Client Referrals and Other Compensation

Incoming Referrals

The Firm has not compensated referring parties. Redding Capital Advisors plans to enter into a marketing services agreement with Touchstone Marketing LLC

Referrals Out

Redding Capital Advisors does not accept referral fees or any other form of remuneration from other professionals when a prospect or Client is referred to them, without disclosing such remuneration to the Client.

Custody

SEC "Custody"

From time to time, Redding Capital Advisors may be considered to have custody of certain types of accounts. When The Firm has such custody, an annual surprise audit of those custodial accounts is performed by an independent CPA firm in compliance with SEC requirements.

Account Statements

Account statements will be provided directly to Clients at their address of record at least quarterly.

Investment Discretion

Discretionary Authority for Investment

The Advisor appointed as the investment manager, management company or general partner of the "Clients" with discretionary trading and investment authorization has full discretionary authority with respect to investment decision.

Voting Client Securities

Proxy Votes

Redding Capital Advisors does not vote proxies on securities.

Financial Information

Financial Condition

Redding Capital Advisors is newly formed with no assets currently under management and thus is not required to include balance sheet information for its most recent financial year, is not aware of any financial condition reasonably likely to impair its ability to meet intended commitments to Clients, and has not been the subject of a bankruptcy petition at any time during the past 10 years.

Brochure Supplement (Part 2B of Form ADV)

Education and Business Standards

Redding Capital Advisors requires that advisors in its employ have a bachelor's degree and further coursework demonstrating knowledge of financial planning, asset management and tax planning. Examples of acceptable coursework include: an MBA, a CFP®, a CFA, a ChFC, JD, CTFA, EA or CPA. Additionally, advisors must have work experience that demonstrates their aptitude and investment management or related advisory service.

Professional Certifications

Employees have earned certifications and credentials that are required to be explained in further detail.

Certified Financial Planner (CFP): Certified Financial Planners are licensed by the CFP Board to use the CFP mark. CFP certification requirements:

- Bachelor's degree from an accredited college or university.
- Completion of the financial planning education requirements set by the CFP Board (www.cfp.net).
- Successful completion of the 10-hour CFP® Certification Exam.
- Three-year qualifying full-time work experience.
- Successfully pass the Candidate Fitness Standards and background check.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.

- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

Enrolled Agent (EA): Enrolled Agents are enrolled by the Internal Revenue Service and authorized to use the EA designation. EA enrollment requirements:

- Successful completion of the three-part IRS Special Enrollment Examination (SEE), or completion of five years of employment by the IRS in a position which regularly interpreted and applied the tax code and its regulations.
- Successfully pass the background check conducted by the IRS.

