

**Firm Brochure**  
(Part 2A of Form ADV)

**Mission Capital Management, LLC**

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This brochure provides you with information about the qualifications, business practices, and nature of advisory services of MISSION CAPITAL MANAGEMENT, LLC, all of which should be considered before becoming an advisory client of our Firm. Please contact Mike Mullican, Managing Member, if you have any questions about this narrative brochure.

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.

We are registered as an Investment Adviser with the United States Securities and Exchange Commission ("SEC"). Nonetheless, registration with the securities division does not imply any level of skill or training. Additional information about our Firm is available on the Investment Adviser Public Disclosure website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by using a unique identifying number, known as a CRD number. Our Firm's CRD number is 137715.

December 31, 2012

## **Item 2      Material Changes**

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The SEC adopted “Amendments to Form ADV” in July 2010. This Part 2A of Form ADV (“Firm Brochure”), dated December 31, 2012, is our most current document prepared in accordance to the SEC’s new rule requirements and rules. As you will see, this document is narrative format. Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Firm Brochures within 120 days of the close of our business’ fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

This section of our brochure will reflect the update of any material changes that occur subsequent to the delivery of our Firm Brochure. We may, at any time, update this Brochure.

### **MATERIAL CHANGES SINCE THE LAST UPDATE**

Our Firm has made no other material changes to structure, personnel, or operations.

We continue to be notice filed in 15 states: Alabama, Arizona, California, Colorado, Florida, Georgia, Illinois, Indiana, Louisiana, Nebraska, Nevada, Pennsylvania, Tennessee, Texas and Washington.

### **FULL BROCHURE AVAILABLE**

In the past, we have offered or delivered information about our qualifications and business practices to clients on no less than an annual basis. Pursuant to new SEC rules, you will receive a summary of any material changes to the Brochure, and any subsequent versions of the Brochure within 120 days of the close of our business fiscal year, which is December 31<sup>st</sup>. Whenever you would like to receive a complete copy of our Firm Brochure, please contact us by telephone at 615-778-1788 or by email at [info@missioncapitalmanagement.com](mailto:info@missioncapitalmanagement.com).

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## Item 4 Advisory Services

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### A. FIRM DESCRIPTION

MISSION CAPITAL MANAGEMENT, LLC ("MISSION CAPITAL" or "Firm") is an investment management firm that is registered with the U.S. Securities Exchange Commission ("SEC") as an investment adviser. It was founded on September 15, 2005 in the State of Tennessee. MISSION CAPITAL was founded by a group of experienced investment professionals with extensive financial industry backgrounds. The Firm seeks to leverage its principals' significant experience, relationships, and internal resources to provide clients with alternative investment management and advisory services.

Our Firm is a wealth management firm that provides personal Portfolio Management Services.

**Principal Owner:** The principal owners' respective ownership and control in MISSION CAPITAL are detailed in the following table.

<i>Full Legal Name</i>	<i>Title or Status</i>	<i>Date Title Acquired</i>	<i>Ownership Level</i>	<i>Control Person</i>
John Michael Mullican	Managing Member/Chief Compliance Officer	01/2010	25%	Yes
Jared Seth Davis	Managing Member	01/2010	25%	Yes
Jonathan M. Gillett	Managing Member	10/2005	25%	Yes
Jonathan H. McAdams	Managing Member	09/2008	25%	Yes

### B. TYPES OF ADVISORY SERVICES

We are an investment management firm which provides financial advisory services to individuals. We do not provide financial planning, estate planning, or insurance planning services.

#### 1. PORTFOLIO MANAGEMENT

MISSION CAPITAL provides investment management services to individuals whose primary objective is to preserve and enhance capital. MISSION CAPITAL provides personal portfolio management services designed to offer suitable participants with portfolio construction, defined investment strategies, and other services to meet your investment goals and objectives. MISSION CAPITAL is responsible for providing on-going allocation, re-balancing, and monitoring of our client's securities holdings. Our approach is to help each client individually establish and then meet specific goals, while staying within the risk tolerance level indicated by each client.

Our advice regarding financial securities encompasses listed and over-the counter Equities; Mutual Funds, Corporate Debt Securities, Certificates of Deposit, Municipal Securities, and Equity Option Contracts.

## 2. SUB-ADVISORY SERVICES

MISSION CAPITAL enters into sub-advisory agreements with other Investment Advisers to provide separate account management services on a discretionary basis. In our standard agreement, an Investment Adviser would enter an agreement with MISSION CAPITAL for selection of its separate account management services on behalf of clients. MISSION CAPITAL relies on the Investment Adviser to determine whether its client's goals, objectives, financial status, and risk tolerance aligns with the investment discipline of the MISSION CAPITAL'S managed account. The client pays one advisory fee, and the sub-advisory agreement will delineate billing procedures and compensation arrangements among advisers.

### C. TAILORED SERVICES

The portfolio management advisory programs offered by MISSION CAPITAL directly to end clients are based on individual needs of our clients and the suitability of products and services. Our advice is based on thorough assessment of our client's goals, objectives, investment horizon, and risk tolerance. This information is used to generate an asset allocation model for the client.

Clients are advised to notify MISSION CAPITAL promptly if there are any material changes in their financial situation, investment objectives, or in the event they wish to employ restrictions upon investment management services. Client shall retain the right to terminate MISSION CAPITAL's services by providing written request to MISSION CAPITAL.

### D. WRAP FEE PROGRAMS

Wrap Fee Programs are arrangements between broker-dealers, investment advisers, banks and other financial institutions and affiliated and unaffiliated investment advisers through which the clients of such firms receive discretionary investment advisory, execution, clearing and custodial services in a "bundled" form. In exchange for these "bundled" services, the clients pay an all-inclusive (or "wrap") fee determined as a percentage of the assets held in the wrap account.

MISSION CAPITAL does not participate in and is not a sponsor of any Wrap Fee Program.

### E. ASSETS UNDER MANAGEMENT

We currently manage \$52,300,000 in client assets; all managed on a discretionary basis. This asset under management amount is based on our calculations as of December 31, 2012.

## Item 5 Fees and Compensation

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### A. ADVISORY FEES AND BILLING PROCEDURES

MISSION CAPITAL earns its fees and compensation by providing advisory services.

#### 1. PORTFOLIO MANAGEMENT FEES

Our fee schedule for personal Portfolio Management services generally is 2.0% per annum on assets under management. Our fees are negotiable and the fee is determined in conjunction with the investment strategy selected, the size of the account, and the services covered.

The management fee is based on the quarterly weighted daily average net assets (securities, cash, and cash equivalents) under management ("Net Assets") over the relevant quarter. Our advisory fees for portfolio management accounts are payable quarterly in arrears as of the first business day of the subsequent quarter. The Management Fee will be appropriately prorated to reflect any withdrawals and/or contributions which occur during a quarter, and shall be paid to the MISSION CAPITAL regardless of the Account's profitability. As outlined in our Investment Management Agreement, MISSION CAPITAL's fees will be deducted directly from the client's account(s). MISSION CAPITAL reserves the right to waive or reduce management fees.

## **2. SUB-ADVISORY SERVICES FEES**

Fees charged by MISSION CAPITAL with respect to sub-advisory agreements with other investment advisers are generally 2%. The fee sharing agreement is delineated in a pre-defined compensation arrangement.

Lower fees for comparable services may be available from other sources.

### **B. OTHER FEES AND EXPENSES**

There may be additional costs associated with portfolio management. Clients may incur certain charges imposed by other third parties in connection with investments made through the account, including but not limited to, annual maintenance fees, brokerage, clearance, custody, and administrative fees. These third-party fees are exclusive of the advisory fees.

### **C. FEE PAYMENT AND REFUND POLICY**

As noted in Item 5B, clients authorize the deduction of fees directly from their account by the appointed custodian (i.e., the broker-dealer, clearing firm, trust company or authorized institution maintain the account). The custodian will then remit the applicable fee to MISSION CAPITAL.

MISSION CAPITAL has no formal refund policy because advisory fees payable are assessed in arrears. In the event of agreement termination, refunds are based on allocations of fees over the number of days remaining in the quarter through the date of termination.

### **D. OTHER COMPENSATION**

MISSION CAPITAL does not accept compensation for the sale of securities or other investment products.

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

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Performance-Based Fees ("Performance Fees") are based on a share of the capital gains or capital appreciation of the assets of a client. Fees based on performance means the Advisor participates directly in the account's results. MISSION CAPITAL does not charge performance fees.

Side-by-side management refers to the practice of managing accounts that are charged a performance-based fee while at the same time managing accounts that are not charged a performance-based fee. MISSION CAPITAL does not conduct side-by-side management of client accounts.

## Item 7      Types of Clients

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### A.      TYPES OF CLIENTS

MISSION CAPITAL manages wealth portfolios and generally provides advice to Individuals.

### B.      CONDITIONS FOR ACCOUNT MANAGEMENT

MISSION CAPITAL generally requires a minimum account size of \$50,000 for portfolio management services. This requirement may be waived at MISSION CAPITAL's discretion.

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

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### A.      METHODS OF ANALYSIS

MISSION CAPITAL utilizes a variety of investment strategies including fundamental, technical, and cyclical analyses. The main sources of information we use include but are not limited to financial newspapers and magazines, inspections of corporate activities, research material prepared by others, and annual reports, prospectuses, and corporate filings with the SEC.

We employ fundamental analysis as our primary method for analyzing securities to achieve the investment objectives and goals of the client.

**Fundamental analysis** - used for selection of businesses and involves analyzing its financial statements and health, its management and competitive advantages and its competitors and markets. Fundamental analysis is performed on historical and present data but with the goal of making financial forecasts. There are several possible objectives; to conduct a company stock valuation and predict its probable price evolution; to make a projection on its business performance; to evaluate its management and make internal business decisions and to calculate its credit risk.

We may at times also employ technical analysis and charting to analyze securities.

**Technical analysis** – used primarily for timing of entry/exit and is a method of evaluating securities by relying on the assumption that market data, such as charts of price, volume and open interest can help predict short-term market trends. Technical analysis assumes that market psychology influences trading in a way that enables predicting when a stock will rise or fall.

**Cyclical analysis** of economic cycles is used to determine how these cycles affect the returns of an investment, an asset class or an individual company's profits. Cyclical risks exist because the broad economy has been shown to move in cycles, from periods of peak performance followed by a downturn, then a trough of low activity. Between the peak and trough of a business or other economic cycle, investments may fall in value to reflect the uncertainty surrounding future returns as compared with the recent past.

### B.      INVESTMENT STRATEGIES

The investment strategies of MISSION CAPITAL consist of asset diversification. Our general recommendations consist of diversifying assets over several different asset classes. This diversification process includes equities, EFTs, bonds, and alternative investments of different companies in diverse industry sectors. Our Firm may employ short sales, margin transactions, or options writing strategies in the portfolio management process. Some of our strategies possess greater risk than others, clients should be aware that over-concentrated use of short

sales, margin transactions and option writing strategies, increases the risk of loss of investment principal.

### **C. RISK OF LOSS**

Notwithstanding the method of analysis or investment strategy employed by our Firm, the assets within your portfolio are subject to risk of devaluation or loss. MISSION CAPITAL wants you to be aware that there are many different events that can affect the value of your assets or portfolio including, but not limited to, changes in financial status of companies, market fluctuations, changes in exchange rates, trading suspensions and delays, economic reports, and natural disasters.

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present, a dollar will be worth more today than 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.
- **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.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.
- **Financial Risk:** Excessive borrowing to finance a business' 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.



While this information provides a synopsis of the events that may affect your investments, this listing is not exhaustive. We want you to understand that there are inherent risks associated with investing and depending on the risk occurrence; you may suffer LOSS OF ALL OR PART OF YOUR PRINCIPAL INVESTMENT.

## **Item 9      Disciplinary Information**

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Registered investment advisers are required to disclose any 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. The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

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

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### **A.      FINANCIAL INDUSTRY ACTIVITIES**

MISSION CAPITAL is not a registered Broker-Dealer, Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor.

### **B.      FINANCIAL INDUSTRY AFFILIATIONS**

None of MISSION CAPITAL's management or supervised persons is registered as, or has an application pending to register as, a Futures Commission Merchant, Commodity Pool Operator, or Commodity Trading Advisor.

### **C.      OTHER MATERIAL RELATIONSHIPS**

MISSION CAPITAL has a relationship with Mission Financial, LLC ("Mission Financial") which is under common control by nature of Mssrs. Gillett's, McAdams', Mullican's and Davis' ownership of both entities. Mission Financial offers business consulting services.

MISSION CAPITAL is related to Mission Investments Partners, LLC by nature of common ownership. Mission Investments engages in third party marketing.

### **C.      OTHER INVESTMENT ADVISERS**

As noted in Item 4, MISSION CAPITAL enters into sub-advisory agreements with other Investment Advisers to provide separate account management services on a discretionary basis. MISSION CAPITAL is compensated on a percentage of those Investment Adviser's advisory fees as discussed above in Item 5.

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

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### **A. CODE OF ETHICS**

All employees of MISSION CAPITAL must act in an ethical and professional manner. In view of the foregoing and applicable provisions of relevant law, MISSION CAPITAL has determined to adopt a Code of Ethics to specify and prohibit certain types of transactions deemed to create conflicts of interest (or at least the potential for or the appearance of such a conflict), and to establish reporting requirements and enforcement procedures relating to personal trading by MISSION CAPITAL personnel. MISSION CAPITAL's Code of Ethics, which specifically deals with professional standards, insider trading, personal trading, gifts and entertainment, and fiduciary duties, establishes ideals for ethical conduct based upon fundamental principles of openness, integrity, honesty, and trust. We will provide a copy of its Code of Ethics to any client or prospective client upon request.

### **B. PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS**

MISSION CAPITAL does not recommend or effect transactions in securities which any related person may have material financial interest.

### **C. PROPRIETARY TRADING**

MISSION CAPITAL manages an investment account held in MISSION CAPITAL's name, along with investment accounts held in the names of principals of MISSION CAPITAL and their extended families. At times, we at MISSION CAPITAL may buy or sell securities for our own accounts that we have also recommend to clients. However, any purchase or sale of a security by MISSION CAPITAL or a related person will be subject to MISSION CAPITAL's fiduciary duty to its clients. MISSION CAPITAL and its employees have a fiduciary duty to place the interests of clients ahead of their own interests. MISSION CAPITAL will always document any transactions that could be construed as conflicts of interest. To mitigate or remedy any conflicts of interest or perceived conflicts of interest, we will monitor our proprietary and personal trading reports for adherence to our Code of Ethics.

### **D. SIMULTANEOUS TRADING**

From time to time, representatives of MISSION CAPITAL may buy or sell securities for themselves at or around the same time as clients. In any instance where similar securities are being bought or sold, we will uphold our fiduciary duty by always transacting on behalf of our client before transacting for our own benefit. Trades executed on behalf of the Firm and related parties are executed either simultaneously (using a bunched order) or after trades on behalf of the clients in the same securities. Records of all security transactions by MISSION CAPITAL and related persons will be maintained at MISSION CAPITAL's office.

## **Item 12 Brokerage Practices**

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### **A. SELECTION AND RECOMMENDATION**

MISSION CAPITAL maintains relationships with TD AMERITRADE Institutional, Division of TD AMERITRADE, Inc. (CRD 7870) & TD AMERITRADE Clearing, Inc., (CRD 5633), members of the

Financial Industry Regulatory Authority, Inc. (“FINRA”) and the Securities Investor Protection Corp. (“SIPC”). Brokerage services are provided exclusively by TD AMERITRADE, Inc. (CRD 7870).

TD AMERITRADE is an unaffiliated registered broker-dealer and NASD member. TD AMERITRADE offers independent advisers services which include custody of securities, trade execution, clearance and settlement of transactions. We are advisory platform participants of TD AMERITRADE, whereby custodial and brokerage services are provided to our Firm. As a result of cost implications and operational support and services, TD AMERITRADE receives preferred status for our brokerage and asset custodial needs. This custodian was chosen based on their relatively low transaction fees, client services, back-office support, and product selections.

MISSION CAPITAL receives no financial benefit from TD Ameritrade and has selected this firm based upon its below average fee structure for client accounts.

**B. SOFT DOLLAR BENEFITS**

*a. Free Research*

As a result of our preferred relationship with TD AMERITRADE, we receive research services to supplement our own research. The supplemental research includes current and historical data regarding companies, industries, and the financial economic conditions in its entirety. We also receive technical, fundamental and statistical analysis covering various investment opportunities, risks and trends and transactions is used for the benefit of all of our clients.

*b. Incentives*

Due to our arrangement with TD AMERITRADE, it may be perceived that there is an incentive for MISSION CAPITAL to select or recommend services based on our own interest in receiving the research or other products or services, rather than that of our clients’ interest. To the contrary, utilizing our preferred custodian broker dealer allow us to achieve the most favorable execution of client transactions and minimize trading costs for our clients.

*c. Implications of Mark-ups or Markdowns*

MISSION CAPITAL does not charge a premium or commission on transactions, beyond the actual cost or fees imposed by custodian.

*d. Benefits to Clients*

MISSION CAPITAL does not segregate the interest of clients and no research, product or service will solely benefit the interest of a particular client just by virtue of that’s clients transactions being effected by a broker-dealer providing such research or any other product or service. Soft dollar benefits are allocated to benefit all clients proportionately.

*e. Provisions*

MISSION CAPITAL has not acquired any products and services with client brokerage commissions.

*f. Transactions during last fiscal year*

Please see Item 12.A.1.e

**C. BROKERAGE FOR CLIENT REFERRALS**

MISSION CAPITAL does not receive client referrals from broker-dealers or third parties in exchange for using that broker-dealer or third party.

**D. DIRECTED BROKERAGE**

*a. General Requirements*

MISSION CAPITAL routinely requires that clients utilize a specific custodian to execute transactions. Clients must use TD AMERITRADE, our recommended qualified custodian. The arrangement that we have with TD AMERITRADE is designed to maximize efficiency and to be cost effective for our clients. By requiring clients to use our specific custodian, we seek to achieve most favorable execution of client transactions.

*b. Permit*

While MISSION CAPITAL does not usually permit clients to direct brokerage, this matter may be given due consideration depending on the needs of the client.

**E. ORDER AGGREGATION**

From time to time, we may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple discretionary accounts. When trading in one "block" where pieces are executed at different prices, an average price is given to all participants in the trade, ensuring that all clients are treated fairly. If a block trade cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts.

## **Item 13 Review of Accounts**

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**A. PERIODIC REVIEWS**

MISSION CAPITAL reviews its client's account activity at least monthly. Our Investment Adviser Representatives are responsible for conducting the review of client accounts. The reviews are monitored by our Chief Compliance Officer. These reviews may include closing positions that have, in the advisors opinion, achieved their full potential or are no longer attractive investments, opening new positions which appear attractive and/or rebalancing the portfolio to its target allocation. If reallocation of investments is necessary, we sell underperforming investments or to buy new investments that are more appropriate for your investment goals and objectives.

The goal of the review process is to maintain a level of diversification which is appropriate for the client, along with above average quality or appreciation potential for the securities in the portfolio. Responsibility for all of the Firm's 129 accounts is held jointly by the reviewers with the majority of the accounts being assigned to and periodically rebalanced to remain in compliance with one of 28 different model portfolios. The model portfolios are reviewed and updated at least monthly.

**B. INTERMITTENT REVIEW FACTORS**

Intermittent reviews may be triggered by substantial market fluctuation, economic or political events, or by changes in your financial status (such as retirement, termination of employment, relocation, or inheritance).

**C. CLIENT REPORTS**

Regular reports are generated quarterly for all clients or more frequently upon request. These reports include the portfolio's net total return, management fees, security identification, and current market value by security and for the portfolio as a whole.

You will receive a report at least monthly from the custodian detailing your account holdings.

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**Item 14 Client Referrals and Other Compensation**

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**A. ECONOMIC BENEFITS FOR ADVISORY SERVICES RENDERED**

MISSION CAPITAL does not receive and does not have any arrangement to receive economic benefits (such as sales awards or other prizes) from any non-client as a result of providing investment advice or other advisory services to clients.

**B. COMPENSATION FOR CLIENT REFERRALS**

MISSION CAPITAL may, at times, enter into soliciting agreements to provide cash compensation to third parties for client referrals or introductions to the Firm. Our compensation agreements are made in accordance with Rule 206(4)-3 under the Investment Adviser Act of 1940 and the applicable state regulations. The compensation is disclosed to clients by the third party referral source in a separate disclosure document that complies with Rule 206(4)-3 and applicable state regulations. Generally, these arrangements provide compensation equal to a specific percentage of the fees received by our Firm. This arrangement creates a conflict of interest in that cash compensation may impair the solicitor's evaluation of the client's suitability for the Firm's programs. To mitigate or remedy this conflict of interest the Chief Compliance Officer will review referrals to ensure suitability with program before compensating the solicitor.

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**Item 15 Custody**

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**A. CUSTODIAN OF ASSETS**

Custody means holding, directly or indirectly, client funds or securities, or having any authority to obtain possession of them.

MISSION CAPITAL does not have direct custody of any client funds and/or securities. MISSION CAPITAL will not maintain physical possession of client funds and securities. Instead, client's funds and securities are held by the MISSION CAPITAL preferred qualified custodian. Our clients' assets are held by registered broker-dealer, TD AMERITRADE; TD Ameritrade Institutional is the custodian of your portfolio assets.

While MISSION CAPITAL does not have physical custody of client funds or securities, payments of fees may be paid by the custodian from the custodial brokerage account that holds client funds pursuant to the client's account application. In certain jurisdictions, the ability of a Firm to withdraw its advisory fees from the client's account may be deemed custody.

## **B. ACCOUNT STATEMENTS**

Although we are your adviser, your statements will be mailed by TD Ameritrade Institutional. When you receive these statements, please review them carefully. Please compare asset values, holdings, and fees on your statement to that in the report issued the previous quarter.

## **Item 16 Investment Discretion**

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It is MISSION CAPITAL's customary procedure to have full discretionary authority in order to supervise and direct the investments of your accounts. You grant this authority upon execution of our Investment Management Agreement. This authority is for the purpose of making and implementing investment decisions, without your prior consultation. All investment decisions are made in accordance with your stated investment objectives. Accordingly, MISSION CAPITAL is authorized to perform various functions, at the client's expense, without prior approval from the client. Such functions include the determination of the securities to be purchased/sold.

You may inform our Firm of restrictions that you would like to impose regarding investment strategies or types of securities transactions within your account(s).

***STANDARD LIMITATIONS:*** Our discretionary authority does not give authority to take or have possession of any assets in your account or to direct delivery of any securities or payment of any funds held in the account to our Firm. Furthermore, our authority by agreement does not allow us to direct the disposition of such securities or funds to anyone except you-the account owner.

## **Item 17 Voting Client Securities**

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### **PROXY VOTES**

MISSION CAPITAL will not vote nor advise clients how to vote proxies for securities held in client accounts. The client clearly keeps the authority and responsibility for the voting of these proxies. MISSION CAPITAL cannot give any advice or take any action with respect to the voting of these proxies.

### **CLASS ACTION LAWSUITS**

From time to time, securities held in client accounts will be the subject of class action lawsuits. MISSION CAPITAL has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. It also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, MISSION CAPITAL has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of

actions, misconduct or negligence by corporate management of issuers whose securities are held by clients.

## **Item 18    Financial Information**

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### **A. BALANCE SHEET REQUIREMENT**

MISSION CAPITAL does not require or solicit prepayment of more than \$1200 in advisory fees per client, six months or more in advance.

### **B. FINANCIAL CONDITION**

MISSION CAPITAL does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients.

### **C. BANKRUPTCY PETITION**

Neither the Firm nor its management has been the subject of a bankruptcy petition at any time during the last 10 years.