



**FusionAnalytics**  
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**October 18, 2013**

**FORM ADV PART 2A  
BROCHURE**

This Brochure provides information about the qualifications and business practices of Fusion Analytics Investment Partners, LLC. If you have any questions about the contents of this Brochure, please contact us at (212) 661-2022 or [info@fusioninvest.com](mailto:info@fusioninvest.com). The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Use of the term "registered" or "registered investment adviser" does not imply a certain level of skill or training.

Additional information about Fusion Analytics Investment Partners LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## Item 2 Material Changes

As a registered investment adviser, we must ensure that our brochure is current and accurate and makes full disclosure of all material facts relating to the advisory relationship. If there have been any material changes to our business or advisory practices since our last annual update, we will provide a description of such material changes here.

Since our last annual amendment dated March 14, 2013, we have made the following change to our organizational structure.

- Barry Ritholtz is no longer a principal of Fusion Analytics Investment Partners LLC, and he has been removed from Schedule A .

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## Item 4 Advisory Business

### Company Description

Fusion Analytics Investment Partners, LLC ("we", "us" or the "Company") is an investment advisory firm registered with the Securities and Exchange Commission (SEC) pursuant to the Investment Advisers Act of 1940 (the "Advisers Act") and has been managing investments for its clients since 2005 and has been registered with the SEC since 2010. Fusion Analytics Holdings, LLC is the Company's principal and sole direct owner. The principal owners of Fusion Analytics Holdings, LLC (and therefore indirect principal owners of the Company) are Kevin P. Lane and Michael J. Conte.

### Advisory Services

In most instances, the Company's investment advisory services are deemed to be "investment supervisory services". Under the Advisers Act "investment supervisory services" means giving continuous advice as to the investment of funds on the basis of the individual needs of each client.

The Company may provide investment advisory services through consultations or other methods that do not involve discretion or investment supervisory services.

The Company may provide financial planning services.

For most clients, the Company allocates managed assets on a discretionary basis into one or more portfolios in a manner designed to achieve the client's written investment objectives. Based on the client's investment objectives, a portfolio may contain any combination of the following types of investments:

- Equity securities (including exchange-listed securities, securities traded over the counter and foreign issuer securities)
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Investment company securities (including variable life insurance, variable annuities, and mutual funds)
- US government securities
- Option contracts on securities
- Interests in partnerships investing in real estate and/or oil and gas interests
- Option contracts on commodities
- Futures contracts on tangible or intangible futures
- Interests in "other" limited partnerships (which may include unregistered or privately offered securities in various industries)
- Other investment deemed suitable for a client

The Company may also engage in the following investment advisory services:

- Introduce, advise on, and/or refer clients to registered or unregistered pooled investment companies (commonly referred to as "hedge funds") funds and/or third party money managers or investment advisers.
- Advise on the asset allocation of the securities components of accounts held by, managed, or advised by other money managers or investment advisers (which may include acting as a sub-

- adviser pursuant to a sub-advisory agreement).
- Advise on the asset allocation of the securities components of accounts of variable annuities and/or variable life insurance contracts.
- Advise on the asset allocation of the securities components and give investment advice to the sponsor and/or participants of defined benefit/defined contribution pension and/or profit sharing plans.

In most instances in which the Company advises on the asset allocation of the securities components of accounts held by, managed, or advised by other money managers or investment advisers, the Company will share in the fees established by and paid to the client's money manager or investment advisor.

In consideration for providing consultation services that are rendered, including the Company introducing clients to other investment advisors and/or managers, the Company may or may not receive additional compensation either from the client or referral fees from the other investment advisors and/or managers.

For most clients, the Company charges for investment advisory services on a fee basis based upon the amount of assets under management. In some instances, the Company may charge an hourly or flat fee negotiated with a client for specific services; however this is not typically available to all clients. Alternatively, certain of the Company's Investment Adviser Representatives may offer securities brokerage services and insurance products under a commission arrangement from either both affiliated and unaffiliated broker dealers or insurance agencies.

Prior to engaging the Company to provide any of the foregoing investment advisory services, the client will be required to enter into one or more written agreements with the Company setting forth the terms and conditions under which the Company shall render its services (each an "Investment Advisory Agreement").

### **Tailored Advisory Services**

In most instances, the Company tailors its investment advisory services to the individual needs of a client based on a specific written investment policy statement signed by the Company and client. In such instances, the client may impose restrictions on investing in certain securities or types of securities.

### **Wrap Fee Programs**

As of the date of this brochure, the Company does not participate in wrap fee programs.

### **Management of Client Assets**

As of the date of this brochure, the Company manages \$260,000,000 on a discretionary basis.

## **Item 5 Fees and Compensation**

### **Compensation for Advisory Services**

Unless otherwise specified in the respective Investment Advisor Agreement, the Company shall charge each customer an annual investment management fee based upon a percentage of the market value of assets being managed by the Company. The annual fee shall vary between .60% and 2.00% of the market value of the assets managed by the Company as follows:

## **BASIC FEE SCHEDULE**

<u>Market Value of Assets Managed</u>	<u>Annual Management Fee</u>
Less than \$500,000	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%

## **BASIC FEE SCHEDULE FOR FIXED INCOME ONLY PORTFOLIOS**

<u>Market Value of Assets Managed</u>	<u>Annual Management Fee</u>
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%

Our annual investment management fee under both basic fee schedules above is pro-rated and payable quarterly, at the end of each calendar quarter, based upon the market value of the assets on the last business day of the previous calendar quarter and/or the date assets are withdrawn or transferred.

In some instances, the Company may charge a lesser annual investment management fee based on factors determined by the Company in its sole discretion. Such factors may include anticipated future additional assets to be managed, total dollar amount of assets to be managed, type of management services required, related accounts, account composition, and/or other negotiated terms.

### **Deduction of Investment Management Fee**

In most instances, the Company's annual investment management fees shall be deducted quarterly from each client's account. In such instances, the Company's Investment Advisory Agreement and the client's agreement with custodian and/or clearing firm shall authorize the custodian or clearing firm to debit the client's account for the amount of the Company's investment management fee and to directly remit that management fee to the Company in accordance with required procedures established by the SEC. Specifically, if advisory fees are withdrawn directly from client's accounts, a copy of the Company's invoice is sent to the custodian, clearing firm or trustee at the same time that a copy is sent to the client. Further, the custodian or clearing firm must send account statements to the Company's clients at least quarterly showing all disbursements from the account, including the amount of the Company's investment management fee. While in some instances the Company may bill a client instead of having fees deducted directly from a client's account, such billing is permitted by only in the Company's sole discretion and is not an option that clients may generally select.

The Investment Advisory Agreement between the Company and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the Investment Advisory Agreement. The Company's investment management fee shall be prorated and deducted through the date of termination.

### **Other Types of Fees and Expenses**

Our annual investment management fees are exclusive of, and in addition to, other fees, costs and expenses related to the management of your account(s). You may incur certain charges, fees and expenses imposed by exchanges, regulators (e.g., the SEC), custodians, brokers, third party investment managers and other third parties such as custodial fees, brokerage commissions, markups/markdowns, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in the fund's prospectus. Please refer to the section of this brochure titled "Brokerage Practices" for additional information.

Such charges, fees and commissions are exclusive of and in addition to our investment management fee. The Company does not receive any portion of these additional fees.

### **Advanced Payment**

The Company does not require advance payment of its annual investment management fee.

### **Compensation to Supervised Persons**

Certain of the Company's supervised persons are also registered representatives and/or licensed as insurance sales persons and may receive direct or indirect compensation for the sale of securities (including commissions or markups), insurance products or other investment products, including asset-based sales charges or services fees from the sale of mutual funds (collectively "Sales Related Compensation").

Conflict of Interest. Receipt of Sales Related Compensation creates a conflict of interest and gives the supervised person an incentive to recommend investment products based on the sales compensation received, rather than on the client's needs. In general, the Company addresses this conflict of interest through an independent review of such transactions by one of the Company's principals that is not involved in the management of the client's account and does not receive Sales Related Compensation from such client's transactions.

When in the best interest of the client, the Company will recommend no-load mutual funds.

Clients may not always be informed when certain Sales Related Compensation is received by supervised persons.

Unaffiliated Brokers and Agents. In certain instances, clients may have the option to purchase investment products through other brokers or agents that are not affiliated with the Company.

Not Primary Compensation. As of the date of this brochure, Sales Related Compensation does not constitute the primary compensation received from client accounts.

No Reduction of Investment Management Fee. In most instances, the Company does not reduce its investment management fee as a result of Sales Related Compensation received by a supervised person.

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

The Company 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

The Company currently provides advisory services to individuals, high net worth individuals, pension and profit sharing plans, as well as corporations and other business entities but may provide advisory services to other types of clients in the future.

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 the Company 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

Investment advice may be offered on any investments held by a client at the start of the advisory relationship. New discretionary investments made on behalf of clients will typically be limited to domestic and foreign equity securities and options, corporate debt securities, municipal and United States government securities, mutual funds and variable annuities.

### Methods of Analysis

In most instances, the Company will utilize a combination of methods to analyze investments, including, fundamental analysis, technical analysis and event analysis (e.g., relevant news and information regarding a company or government, political or military events, weather or natural disasters, etc.).

### Investment Strategies

The Company will utilize different investment strategies, based upon the needs of the client, including long term investments (intended to be held for greater than 1 year) and short term investments (intended to be held for less than 1 year). However, depending market conditions and client circumstances, long-term investments may be held for less than one year and short term investments may be held for more than one year.

### Risk of Loss

Investing in securities involves risk of loss that clients should be prepared to bear. Typical risks in any investment include market risk typified by a drop in a security's price due to a company specific event (e.g. unsystematic risk), or general market activity (e.g., systematic risk). In addition, certain securities have specific risks. For example, with fixed income securities, a period of rising interest rates could erode the value of the security since fixed income values generally fall as yields rise. Investment risk with international securities also includes fluctuation in currency values, differences in accounting and economic and political instability.

*Risks Related to the Company's Methods of Analysis.* Fundamental analysis attempts to measure the intrinsic value of an investment by examining related economic, financial and other qualitative and quantitative factors. Risks related to fundamental analysis include utilization of incorrect or incomplete information and the impact of other non-fundamental factors on such investment. Technical analysis involves analyzing statistics generated by market activity, such as past prices and volume through charts and other tools to identify patterns that can suggest future activity. Risks related to technical analysis include misinterpretation of statistics as well as the overall risk that market activity may not follow the same pattern due to other non-technical factors. Event analysis involves determining the impact (positive or negative) that a given event will have on an investment. Event analysis is



subjective and risks related to event analysis include failure to recognize an event, failure to understand whether an event is positive or negative to an investment and failure to recognize the level of impact an event will have (assigning too much or too little importance to an event).

*Risks Related to the Company's Investment Strategies.* Risks of long-term investments include systematic and unsystematic risks as well as risk of opportunity cost from not selecting another investment that provided the client a better risk adjusted return. Risks of short-term investments may include lower systematic and unsystematic risks, but also include the risk of opportunity cost and risks related to higher transaction costs over time.

## **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 Fusion Analytics Investment Partners, LLC or the integrity of our management. There are no legal or disciplinary events regarding the Company or its management personnel that are material to a client's evaluation of Fusion Analytics Investment Partners, LLC.

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

### **Broker-dealer or Registered Representative**

Fusion Analytics Investment Partners, LLC is wholly owned by Fusion Analytics Holdings, LLC. Fusion Analytics Holdings, LLC also owns Fusion Analytics Securities, LLC, an SEC registered broker-dealer and member of FINRA. Kevin P. Lane is an owner of Fusion Analytics Holdings, LLC as well as one of the Company's management persons and a registered principal and registered representative of Fusion Analytics Securities, LLC. Michael J. Conte is an owner of Fusion Analytics Holdings, LLC as well as one of the company's management persons and a registered principal and registered representative of Fusion Analytics Securities, LLC.

### **Related Person Relationships Material to the Company's Advisory Business**

As of the date of this brochure, the following related person relationships are material to the Company's advisory business:

- *Broker-Dealer.* Due to the common ownership through Fusion Analytics Holdings, LLC and common management persons, Fusion Analytics Securities, LLC is considered one of the Company's related persons. As of the date of this Brochure, the Company's relationship with Fusion Analytics Securities, LLC is not material to its advisory business.
- *Insurance Company or Agency.* The Company is also registered with the State of New York as a licensed insurance agent and may sell such products to its clients. The nature of this conflict of interest and how the Company addresses such conflicts of interest are described in the section above titled "Compensation to Supervised Persons".

### **Relationships with Other Investment Advisers**

As of the date of this brochure, the Company does not recommend or select other investment advisors from which it receives direct or indirect compensation that creates a material conflict of interest. The Company does not have a business relationship with any other investment adviser that creates a material conflict of interest.

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

### **Code of Ethics**

The Company has adopted a Code of Ethics designed to prevent prohibited acts and eliminate potential conflicts of interests. The procedures in the Code of Ethics set forth prescriptions against over-reaching, self-dealing, insider trading and the appearance of actual conflicts of interest. Among other matters, these procedures forbid any officer or employee of the Company (each referred to for purposes of this section as an "employee") from trading, either personally or on behalf of others, on material non-public information or communicating material nonpublic information to others in violation of the law, including information regarding client trades and holdings. The procedures also provide that clients must always receive the best price in relation to employees on same day transactions. Employees must give first priority on all purchases and sales of securities to the Company's clients and lists several prohibited situations designed to protect the Company's clients.

The Code of Ethics and trading policies are overseen by the Company's Chief Compliance Officer who is also responsible for the review of securities transactions. A copy of our Code of Ethics is provided to all employees. Our Code of Ethics emphasizes the importance of the Company's philosophy of honesty, integrity and professionalism, setting forth standards of conduct expected of the Company's personnel, promoting honest and ethical conduct, including the ethical handling of actual or apparent conflicts of interest between personal and professional relationships, and promoting compliance with applicable government laws, rules and regulations. Our individual investment adviser representatives are fiduciaries who have the responsibility to render professional, continuous, and unbiased investment advice to our clients. In general, investment advisers and their representatives owe clients a duty of care, loyalty, honesty and good faith, and fair dealing and must act at all times in the client's best interest. Our Code of Ethics is designed to ensure that the Company and its investment adviser representatives uphold this duty.

A copy of our Code of Ethics will be provided upon the request of any client or prospective client.

## **Item 12 Brokerage Practices**

In most instances, we have the authority to determine, without obtaining specific client consent, the broker-dealer to be used to buy and sell investments on behalf of our clients. Currently, all securities transactions are performed by our affiliate, Fusion Analytics Securities, LLC; however, we may utilize another broker-dealer or financial institution.

Factors we consider in selecting broker-dealers for client transactions include the relative financial strength, reputation, linked technology, execution pricing, block trading capabilities, research, and service necessary to effectively execute client transactions. In seeking best execution, the determining factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full capability, commission rates, and responsiveness of the broker/dealer. In that regard, while we will seek competitive rates, we may not necessarily obtain the lowest possible commission rates for our clients' transactions.

While the commissions paid by our clients shall comply with our duty to obtain "best execution," the commissions and/or transaction fees charged by Fusion Analytics Securities, our affiliate, may be higher or lower than those charged by other broker-dealers. A client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where we determine, in good faith, that the commission is reasonable in relation to the value of the brokerage, research and other products or services received.

**Soft-Dollar Benefits**

Research or other products or services other than execution from a broker-dealer or a third party in connection with client securities transactions are considered "soft-dollar benefits." When the Company uses client brokerage commissions (or markups or markdowns) to obtain research or other products or services, the Company receives a benefit because it does not have to produce or pay for the research, products or services. Accordingly, the Company may have an incentive to select or recommend a broker-dealer based on its interest in receiving the research or other products or services, rather than on our clients' interest in receiving most favorable execution.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for soft-dollar benefits which we believe will assist us in our investment decision-making process. Such soft-dollar benefits will be used to serve all of our clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as allocation of the benefit of such investment research product and/or services poses a conflict of interest.

Over the Company's last fiscal year, the only "soft-dollar benefits" received by the Company or any of its related persons from client transactions were research and account management tools from broker-dealers and custodians of client accounts.

**Required Client Directed Brokerage**

The Company routinely requires clients to direct the Company to execute transactions through broker-dealers selected by the Company. Not all investment advisers require their clients to direct brokerage in such a manner. By directing brokerage to selected broker-dealers, the Company may not be able to achieve the most favorable execution of client transactions and this practice may cost clients more money.

**Permitted Client Directed Brokerage**

You, as a client, may direct us in writing to use a particular broker-dealer to execute some or all of your transactions. In that case, you will have to negotiate terms and arrangements for the account with the broker-dealer, and we will not seek better execution services or prices from other broker-dealers or be able to "batch" your transactions for execution through other broker-dealers with orders for other accounts managed by us. As a result, you may pay higher commissions or other transactions costs or greater spreads or receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to our duty of best execution, we may decline a client's request to direct brokerage if, in our sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers.

**Aggregation of Transactions**

Transactions for each client generally will be effected independently, unless we decide to purchase or sell the same security for several clients at approximately the same time. We may (but are not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among our clients differences in prices and commission or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to prices and allocated among our clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that we determine to aggregate client orders for the purchase or sale of securities, including securities in which our affiliate(s) may invest, we shall generally do so in accordance with applicable rule promulgated under the Advisers Act and no-action guidance by the staff of the US Securities and Exchange Commission. We shall not receive any additional compensation or remuneration as a result

of the aggregation. In the event that we determine that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weighting relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar invest results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocation may be given to an account low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a de-minimis allocation in one or more accounts, we may exclude the account(s) from the allocation; the transaction may be executed on a pro-rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

### **Item 13 Review of Accounts**

Account reviews include a review of each client's performance in light of objectives set forth in the client's investment policy statement. Account reviews are conducted on a continuous or periodic basis, as determined by the Company. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment. Following the review, the Company may implement changes in a client's investments or the investment strategy implemented. Recommendations may be given in connection with the review of a client's current investments, financial needs or objectives as communicated to the Company by the client as of the time of the account review. The Company will also report the current status of client holdings on a periodic basis.

Our clients are advised to promptly notify us in writing if there are ever any changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions on our investment management services.

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

We may recommend other investment advisors for separate account management of certain client assets. In certain circumstances we may receive part of the other investment advisor's management fee as a solicitor. Such relationships could create a conflict of interest in that the Company has an incentive to recommend those third party advisers who will pay the Company the greatest fee. We address this conflict of interest by having such referrals reviewed by one of the Company's principals who is not involved in the management of the account.

We may compensate individuals who are not supervised by us for client referrals. In such instances, the Company will pay such individual a portion of the fee charged by the Company to the client. The amount of referral fee may vary based on the size of the advisory account or aggregate accounts referred by such person. All such referral compensation shall be paid pursuant to a written agreement only after disclosure of the relationship to the client pursuant to the Advisers Act.

## **Item 15 Custody**

We do not maintain custody of any client funds or securities, other than solely as a consequence of our authority to direct the custodian or clearing firm to deduct advisory fees from our clients' accounts (see "Deduction of Investment Management Fees"). Client funds and securities shall be maintained by qualified custodians. Each qualified custodian, whether a clearing firm, broker-dealer, bank or other qualified custodian, shall send account statements directly to our clients no less than quarterly, or monthly if the account has activity. As a client, you should carefully review those statements.

## **Item 16 Investment Discretion**

We furnish investment supervisory services only with respect to client assets actually provided to us for investment and management. While we, throughout the relationship, strive to obtain a complete understanding of each client's individual needs and particular background information relating to the client's investment objectives, such information is not always divulged by the client. In these circumstances, portfolios are managed without such a comprehensive understanding. Thus, the funds and securities holdings and the establishment of individual needs are determined by the client based on the client's own appraisal of the nature and amount of their other assets, investments, insurance, obligations and personal and family needs.

We usually require discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold for their account. In such circumstances, we will require the client to sign a written trading authorization, or other similar document like a power of attorney, prior to accepting discretionary authority. In all cases, however, such discretion is to be exercised in a manner designed to be consistent with the stated investment objectives for the particular client account.

We select securities and determine amounts in a manner designed to observe the investment policies, limitations and restrictions of our clients. For registered investment companies, pensions or other regulated entities, our authority to trade securities may also be limited by certain state or federal laws (including securities and tax laws) that require, among other requirements, diversification of investments and favor the holding of investments once made.

In certain circumstances, the Company may permit clients to provide written investment guidelines and/or restrictions.

## **Item 17 Voting Client Securities**

As a matter of firm policy and practice, we do not accept authority to, and do not vote proxies on behalf of our advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in their portfolios. We may provide general information and answer general client questions regarding the voting of proxies to the extent that we have relevant knowledge or information; however, we will not provide advice to clients regarding the clients' voting of proxies.

## **Item 18 Financial Information**

Investment advisers that solicit more than \$1,200.00 in fees per client, six months or more in advance are required to provide clients and prospective clients with certain financial information or disclosures about our financial condition. The Firm does not require payment of fees in advance or otherwise believe that any financial condition exists that is reasonably likely to impair our ability to meet contractual commitments to our clients. Neither the Company nor any of its principals have been the subject of a bankruptcy proceeding which requires disclosure.