

Disclosure Brochure

February 28, 2013

Mozaic, LLC

a Registered Investment Adviser

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This brochure provides information about the qualifications and business practices of Mozaic, LLC (hereinafter, “Mozaic”). If you have any questions about the contents of this brochure, please contact Christopher J. Zyda at (310) 247-9657. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (hereinafter, the “SEC”) or by any state securities authority. Additional information about Mozaic, LLC is available on the SEC’s website at www.adviserinfo.sec.gov.

Mozaic, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

Item 2. Material Changes

This brochure has been updated from Mozaic's last annual update on February 28, 2012. This brochure updates information regarding our assets under management, including edits to make the document consistent.

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Item 4. Advisory Business

Mozaic was founded in 2007 and is wholly owned by Christopher J. Zyda. Mozaic provides comprehensive and customized wealth management services to high net worth individuals and families, charitable foundations, and pension funds. Mozaic works closely and jointly with its clients to assess their budgetary and cash flow needs, long-term financial goals, investment risk tolerances and other factors that may impact their investment needs. Mozaic then recommends and implements a custom and diversified investment strategy for the client. High-touch and personally tailored customer service is Mozaic's hallmark. Furthermore, Mozaic's advice is objective and free from the inherent conflicts of interest in wealth management solutions provided by broker/dealers, banks and insurance companies.

Mozaic implements its investment recommendations primarily through third-party investment managers, limited partnerships and limited liability companies that manage accounts on a discretionary basis. All accounts managed by third-party investment managers, limited partnerships and limited liability companies are done pursuant to separate investment management, partnership or limited liability company agreements. Mozaic provides ongoing monitoring of each client's asset allocation and portfolio performance, and recommends changes to the client as appropriate. Mozaic does not have, and will not accept, the custody of clients' funds or securities.

In performing its services, Mozaic is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Clients are advised that it remains their responsibility to promptly notify Mozaic if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Mozaic's previous recommendations and/or services.

Mozaic manages assets directly for clients only on a very limited and case-by-case basis. In such cases, Mozaic recommends to and discusses with clients the types and amounts of securities to be bought and sold, but the client makes the ultimate purchase or sale determination; therefore, Mozaic has no discretion over client assets. The scope of services provided is addressed in each client's Wealth Management or Corporate Finance Advisory Agreement.

Mozaic also provides corporate finance advisory services to clients, and specializes in the finance challenges of financial turnaround situations and of early-stage growth companies.

Where appropriate for the client's investment objectives, Mozaic can identify limited partnership and/or limited liability investment opportunities to implement a specific investment strategy for the client. Types of limited partnership and limited liability company investment strategies used may include private equity, venture capital, real estate, oil and gas, bank debt, distressed bonds, high-yield fixed income, mortgage-backed securities, merger arbitrage, real assets and other opportunistic investment

strategies. These types of investment strategies, if used at all for clients, are implemented in a diversified fashion.

Mozaic also provides advice on management equity incentive plans, including stock options, restricted stock and large single-stock ownership positions.

As of January 1, 2013, Mozaic had \$1,348,755,581 of assets under management.

Item 5. Fees and Compensation

Fees for Services

Mozaic's basic fee for wealth management services is an annual charge of 0.75% (three-quarters of one percent) calculated based upon the market value of all assets assigned to Mozaic for management, billed quarterly and payable in advance, subject to a minimum annual fee of \$750,000 per client or family. Mozaic may grant exceptions to its basic wealth management fee structure. Mozaic calculates the net asset value for all client assets under management as of the last business day of each calendar quarter.

Mozaic's minimum account size is \$100,000,000, which amount may be waived at Mozaic's sole discretion. Additionally, investment managers used on Mozaic's platform may have established minimums that will vary from manager to manager. Disclosure of each manager's minimums is set forth in the manager's disclosure brochure or Form ADV Part 2.

Mozaic's basic fee for corporate finance advisory services is \$750 per hour plus reimbursement for travel and incidental expenses. Depending upon the scope and complexity of the corporate finance advisory engagement, Mozaic may instead bill its fee on a project basis. Mozaic may grant exceptions to its basic corporate finance advisory fee.

Other Fees and Charges

The fees described above are Mozaic's advisory fees only and do not include: custody fees, commissions, transaction fees, mutual fund expenses, exchange-traded fund expenses, insurance product mortality and expense charges, and management fees for third-party investment managers, limited partnerships and limited liability companies. As a result, for the investment strategies used by Mozaic, clients effectively pay two entirely separate management fees on the same assets. The first fee is paid for the services provided by Mozaic. The other fees are either charged directly by the third-party investment manager, or charged to the investment product being used for the client (such as a limited partnership, limited liability company, mutual fund, exchange-traded fund), which reduces the client's overall return. Mozaic, itself, receives no fees or rebates from any custodians or investment firms with which it does business.

Termination of Agreement

Clients may terminate their Wealth Management or Corporate Finance Advisory Agreement without penalty (and receive a full refund) within five business days of signing their agreement.

Subsequent to the first five days after signing their agreement, services will be provided until either the client or Mozaic terminates the agreement pursuant to the notice section of

the agreement. If termination occurs prior to the end of a calendar quarter, all unearned fees will be refunded.

Item 6. Performance-Based Fees and Side-by-Side Management

Mozaic does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

Item 7. Types of Clients

Mozaic provides its services to individuals, investment limited partnerships or other collective vehicles, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

Mozaic's minimum account size is \$100,000,000, which amount may be waived at Mozaic's sole discretion. Additionally, investment managers used on Mozaic's platform may have established minimums that will vary from manager to manager. Disclosure of each manager's minimums is set forth in the manager's disclosure brochure or Form ADV Part 2.

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

Mozaic uses information and research obtained from a variety of sources to make its independent assessment of which investment strategies have the best relative value for its clients.

Mozaic diversifies across asset classes that include, geographic regions and security types (including stocks, bonds, currencies, and commodities) within an overall portfolio. Within each asset class, Mozaic looks for investment managers that have exhibited an ability to deliver attractive returns, net of fees and in light of the risks assumed, relative to their peers and benchmark over extended periods of time and ideally through multiple market cycles.

For third-party investment managers, limited partnerships and limited liability companies, Mozaic relies on reports produced by those firms and reviews and analyzes their performance against appropriate benchmarks. Mozaic conducts independent research and due diligence on all third-party investment managers, limited partnerships and limited liability companies used, including interviews, on-site visits, independent reference checks, quantitative/statistical analysis of performance records, and understanding controls over asset custody, prime broker relationships, market pricing and auditing.

Mozaic does not usually conduct independent research on the specific securities selected by a third-party investment manager, limited partnership or limited liability company. Mozaic does not have the ability to supervise the third-party investment managers on a day-to-day basis other than as described herein.

Investing involves risk of loss that clients should be prepared to bear. As with all investments, there are risks inherent in investing in securities, which risks vary depending on the nature of the investment, the strategy pursued, the type of instrument used to pursue or give effect that strategy, the conditions and performance of the U.S. and global economies, as well as the performance/financial condition of the individual company or entity issuing the security. As with all investments, the value of the investment at the time of sale will fluctuate and might be greater or less than the value at the time of purchase. Primary risks inherent in investing in the types of securities used for client accounts include: risk of loss of principal; interest-rate risk; credit risk; currency risk; reinvestment risk; economic risk; political risks, acts of terrorism, natural disasters and currency risk (principally for foreign securities); liquidity risk; risk of default; inflation and market volatility in general.

Item 9. Disciplinary Information

Mozaic is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Mozaic does not have any applicable disclosures to this item.

Item 10. Other Financial Industry Activities or Affiliations

Mozaic is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Mozaic does not have any required disclosures to this Item.

Item 11. Code of Ethics

At times, Mozaic may own the same securities owned by its clients but this is uncommon because Mozaic almost exclusively uses third-party investment managers, limited partnerships and limited liability companies and only rarely participates in the selection and execution of individual securities. Nonetheless, where the firm does make a specific recommendation, firm employees will be the "last in" and the "last out" on days where trading occurs.

Mozaic also maintains insider trading policies and procedures that are designed to prevent the misuse of material, non-public information. Mozaic's Insider Trading Policies prohibit Mozaic and its personnel from investing in or recommending investing in, securities of a company while in possession of material, non-public information about the company, and from disclosing such information to any person not entitled to receive it.

Mozaic operates to promote the highest standards of integrity and deter any wrongdoing, and has adopted a formal written Code of Ethics. Mozaic will provide a copy of its Code of Ethics to clients or prospective clients upon request.

Item 12. Brokerage Practices

The third-party investment managers, limited partnerships and limited liability companies used by Mozaic possess investment and brokerage discretion over the assets that they manage.

Mozaic manages assets directly for clients only on a very limited and case-by-case basis. In such cases, Mozaic recommends to and discusses with clients the types and amounts of securities to be bought and sold, but the client makes the ultimate purchase or sale determination.

Once a client makes the determination to purchase or sell securities, Mozaic determines the appropriate broker or dealer to be used and the commission rates to be paid. Mozaic receives no products, research, compensation or other services from brokers or dealers in exchange for selecting or using any broker or dealer. Mozaic selects brokers and dealers on the basis of their execution capability for the security being purchased or sold, their commission rates, and their overall responsiveness and customer service.

Item 13. Review of Accounts

Performance of third-party investment managers is reviewed on a monthly basis. Investment manager reporting statements are reviewed with respect to holdings, activity and to verify the manager's self-reported performance in the period. Such review may include a conference call or, if practical, an in-person meeting with the investment manager. Portfolio performance that is not in line with expectations of its investment strategy is reviewed in more detail and more frequently.

Performance of limited partnerships and limited liability companies is reviewed at least on a quarterly basis. Limited partnership and limited liability company reporting statements and quarterly letters are reviewed with respect to disclosed holdings, activity and to verify the entity's self-reported performance in the period. Such review may include a conference call or, if practical, a meeting with the general or managing partners. Portfolio performance that is not in line with expectations of its investment strategy is reviewed in more detail and more frequently. On an annual basis, Mozaic receives copies of the audited financials for limited partnerships and limited liability companies to confirm that all such audits have resulted in unqualified audit opinions from the respective auditing firms.

Mozaic clients receive performance reviews on a monthly or quarterly basis, depending upon their preference. These reports are reviewed by Managing Directors of the firm prior to distribution to the client. Mozaic endeavors to meet with clients on at least a quarterly basis to review portfolio performance, objectives and answer any client questions.

Item 14. Client Referrals and Other Compensation

Mozaic does not directly compensate any person for client referrals. Michael D. Eisner and Jane B. Eisner, who were instrumental in the formation of Mozaic, have been granted a profit share equal to 10% of Mozaic's annual net profits and 10% of Christopher J. Zyda's net gain on any sale or other disposition of all or part of his equity interest in Mozaic, and therefore may receive indirect benefits from any client referrals provided by them.

Item 15. Custody

Mozaic does not provide custodial services to clients. Client assets are held with “qualified custodians,” which consist of custody banks or broker-dealers. A Client account will receive statements directly from the qualified custodian, as well as through online access with such custodian.

Item 16. Investment Discretion

Mozaic manages assets directly for clients only on a very limited and case-by-case basis. In such cases, Mozaic recommends to and discusses with clients the types and amounts of securities to be bought and sold, but the client makes the ultimate purchase or sale determination; therefore, Mozaic has no discretion over client assets.

Once a client makes the determination to purchase or sell securities, Mozaic determines the appropriate broker or dealer to be used and the commission rates to be paid. Mozaic receives no products, research, compensation or other services from brokers or dealers in exchange for selecting or using any broker or dealer. Mozaic selects brokers and dealers on the basis of their execution capability for the security being purchased or sold, their commission rates, and their overall responsiveness and customer service.

Item 17. Voting Client Securities

Mozaic typically does not obtain authority from clients to vote proxies and advises clients in that regard. Mozaic may, when requested, provide advice to clients regarding the clients' voting of proxies.

When, however, Mozaic does have authority to vote proxies, its general policy is to vote proxies in a manner consistent with clients' best interests. Mozaic generally hires third party managers to invest the client's assets and therefore will not typically be in receipt of proxy or offering materials. However, in some cases, such as prior to the selection of a third party manager, or in the case of individual investments, Mozaic may be responsible for voting client proxies. In these cases the voting process will be viewed as an investment decision and therefore subject to the same responsibility that would be applied to selecting an investment for a client portfolio. Mozaic may also consult with clients on shareholder matters prior to voting proxies. A copy of Mozaic's Proxy Voting Policy is available upon request.

Item 18. Financial Information

Mozaic does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Mozaic is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Mozaic has no disclosures pursuant to this item.