

Form ADV Part 2A  
Investment Advisor Brochure



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This Form ADV Part 2A (Investment Advisor Brochure) gives information about the investment advisor and its business for the use of clients and prospective clients. If you have any questions about the contents of this brochure, please contact us using one of the methods listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. Registration is mandatory for all persons meeting the definition of investment advisor and does not imply a certain level of skill or training.

Additional information about our firm is available on the SEC’s website at: [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

***Material Changes***

Material changes to the ADV Brochure will be provided as a separate document to clients who have received previous versions of brochure.

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## ***Advisory Business***

### **Advisory Firm**

Snowcap Capital Management (“SCM”) has been providing investment advisory services since 2008. William E. Corrigan is the founder and President and has been in the financial services industry since 2003. P. Elaine Benningfield is the Vice-President and CCO for Snowcap Capital Management. Ms. Benningfield has been in the financial services industry since 1997.

### **Advisory Services**

❶ Snowcap Capital Management provides discretionary and non-discretionary investment advisory services to individuals, pension and profit sharing plan, trusts, estates, and pooled investment vehicles including unregistered limited partnerships.

As of 12/31/2012, Snowcap Capital Management has \$137,144,510 of assets under management discretionary basis, and \$4,667,585 of assets under management on a non-discretionary basis.

Services are based on the individual needs of the client. An initial interview and data gathering questionnaire is undertaken to determine the client's financial situation and investment objectives, and to give the client the opportunity to impose reasonable restrictions on the management of the account. Clients have the ability to leave standing instructions with the IA Rep to refrain from investing in particular securities or types of securities, or invest in limited amounts of securities. Quarterly the IA Rep will notify the client in writing to contact the IA Rep if there have been any changes in the client's financial situation or investment objectives, or to impose or modify account restrictions. The IA Rep will contact or attempt to contact the client annually on these matters. It is the client's responsibility to notify the IA Rep at any time there are changes. Clients may call in at any time during normal business hours to discuss directly with the IA Rep about the client's account, financial situation, or investment needs. Clients will receive from the custodian/brokerage firm timely confirmations and at least quarterly statements containing a description of all transactions and all account activity. The client will retain rights of ownership of all securities and funds in the account to the same extent as if the client held the securities and funds outside the program. In addition to custodial statements, Snowcap Capital Management sends quarterly reports to the client.

❷ Snowcap Capital Management provides financial planning and consulting services consistent with the individual client's financial and tax status and risk/reward objectives. Planning may be comprehensive or segmented and focus on investments, insurance, taxes, and/or estate plans.

❸ Snowcap Capital Management may provide financial services including bookkeeping, record keeping and bill paying for business owners and provide business consultations not involving securities. This is separate from personal planning services. Topics may include budgetary planning, succession planning, and/or business plans.

### ***Fees and Compensation***

Fees for financial planning and consulting are \$150 to \$300 per hour depending on the complexity of the engagement. Half the fee is payable upon signing the Agreement and the balance upon delivery of the written plan.

Fees for financial services are computed at an hourly rate. Various rates apply as determined by the person performing the service as follows: Bookkeeping and Bill Paying: \$50 per hour; Record Keeping \$30 per hour. Half the estimated fee is payable upon signing the Agreement and the balance upon delivery of the services.

Fees for investment advisory services are 2% on All Accounts plus an additional fee of 5% on annual appreciation.

These fees are for advisory services only and do not include any transaction fees or commissions, which may be charged separately by the broker/dealer custodial firm. See the section heading Brokerage Practices for more information.

For investment advisory services the fee will be payable quarterly in arrears. The first payment is assessed and due at the end of the first calendar quarter and will be assessed pro rata in the event the Agreement is executed at any time other than the first day of the current calendar quarter. Subsequent payments are due and will be assessed on the first day after the end of each calendar quarter based on the value of the account assets under supervision as of the close of business on the last business day of that quarter.

Payment of fees may be paid direct by the client, or client may authorize the custodian holding client funds and securities to deduct SCM advisory fees direct from the client account in accordance with statements prepared and submitted to the custodian by SCM. A duplicate statement will be mailed to the client. The custodian will provide periodic account statements to the client. Such statements will reflect all fee withdrawals by Snowcap Capital Management. It is the client's responsibility to verify the accuracy of the fee calculation. The custodian will not determine whether the fee is properly calculated.

Fees are based on average monthly balances and billed on a quarterly basis after the end of each quarter. Alternatively, fees may be paid in advance quarterly base on current market values. Fees are negotiable if performance-based. The minimum fee may be waived for friends and family. Fees and account minimums may be altered to fit with wrap account programs or for certain institutional clients.

Fees are not collected for services to be performed more than six months in advance.

In addition to fees paid for advisory services with respect to clients' investments in mutual funds, clients pay additional fees on the mutual fund investment because the mutual funds also pay advisory and/or management fees to an investment advisor.

For investment advisory agreements, services will continue until either party terminates the Agreement. Each agreement provides that the client may terminate the agreement within five business days of its effective date without paying any fees or penalties. The agreement also provides that once the initial five-day period has passed, either party to the agreement may terminate the agreement at any time by providing thirty days written notice.

If termination occurs prior to the end of a calendar quarter, the client will be invoiced for fees due on a pro-rata basis.

If termination occurs prior to the end of a calendar quarter, a pro-rata refund of unearned fees will be made to the client.

For financial planning or other financial services, the client may terminate the Agreement at any time and a refund of the unearned fees will be made based on time and effort expended before termination. The

Agreement for financial planning or other financial services terminates upon delivery of the plan or services. At this time no refunds will be made.

The Advisory Agreement contains a pre-dispute arbitration clause. Client understands that the agreement to arbitrate does not constitute a waiver of the right to seek a judicial forum where such a waiver would be void under the federal securities laws. Arbitration is final and binding on the parties.

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

In addition the fee schedule disclosed in the Fees and Compensation section, Snowcap Capital Management may charge performance based fees as follows:

#### 5% of annual appreciation

If there is no appreciation, then there is no performance billing. The performance calculation resets to zero at the beginning of each calendar year.

One-year periods will be used to measure investment performance throughout the term of the Agreement, as a one-year period provides a more realistic measure of performance than do quarterly calculations.

Performance based compensation applies only to persons or companies who are “qualified” as defined by the Investment Advisers Act of 1940 (“the Act”) as follows: (i) A natural person who or a company that immediately after entering into the contract has at least \$750,000 under management with Snowcap Capital Management; (ii) A natural person or a company that Snowcap Capital Management reasonably believes has a net worth of more than \$1,500,000 at the time the contract is entered into, or is a qualified purchaser as defined in the Investment Company Act of 1940; or (iii) A natural person who immediately prior to entering into the contract serves on behalf of or performs functions for Snowcap Capital Management as specified in detail under the Act.

We may receive increased compensation with regard to unrealized appreciation as well as realized gains in the account.

In regards to performance-based compensation, the fee arrangement may create an incentive for us to make investments that are riskier or more speculative than would be the case in the absence of a performance-based fee. Performance based compensation may create an incentive to favor accounts paying the highest fees in the allocation of investment opportunities. Snowcap Capital Management has a duty and written supervisory procedures to treat all clients fairly and to avoid conflicts of interest.

### ***Types of Clients***

Snowcap Capital Management provides advisory services to individuals, pension and profit sharing plans and other ERISA accounts, trusts, estates, and other business entities, including unregistered limited partnerships.

Generally the minimum account size is \$1,000,000, subject to a minimum annual fee of \$5,000. The minimum fee would increase the maximum percentage rate paid on smaller accounts to more than 1% annualized as shown on the standard fee schedule. However, in no case would the fee exceed 2% per year.

There is no minimum for clients retaining financial planning services.

## ***Methods of Analysis, Investment Strategies, and Risk of Loss***

Analysis utilized includes charting, fundamental, technical, and cyclical.

Snowcap Capital Management uses asset allocation strategies for portfolio management.

By its nature, financial planning looks to the long-term. After the client's short-term cash needs and emergency fund is evaluated, investment and insurance strategies are designed to help the client achieve his or her financial goals. Casualty insurance (e.g. homeowner's, auto, liability, etc.) is reviewed only at the client's request, and would be provided by an outside casualty firm.

While there is risk in all investments, some carry a greater degree of risk or higher costs. There is no guarantee that the investment strategy selected for the client will result in the client's goals being met, nor is there any guarantee of profit or protection from loss. For those investments sold by prospectus, clients should read the prospectus in full.

Snowcap Capital Management is disclosing those risks and opportunities for our investment strategy or for particular types of securities used.

- Debt securities are subject to interest rate risk. In our fixed-income approach, SCM generally recommends municipal bonds in taxable accounts and investment grade quality corporate bonds and/or treasuries in tax-deferred accounts to maximize after-tax returns.
- High yield securities are corporate debt securities rated below investment grade. We generally do not recommend these investments.
- By timing the buys and sells, we endeavor to control the risks by carefully watching trends in the market and partnering with our brokerage relationships to obtain timely execution of trades.
- There are tax consequences for short-term trading wherein capital gains are taxed as ordinary income. SCM seeks to acquire equities and fixed-income instruments that will be held for at least a year to capitalize on the more favorable long-term capital gains tax treatment.
- Auction Rate Securities are floating rate debt securities (long-term variable-rate corporate or municipal bonds) tied to short-term interest rates. ARS have a long-term nominal maturity with interest rates reset through an auction process ("Dutch auction").
- Structured products are a basket of investments that combine the upside potential of equity with the downside protections of fixed income. Structured products are complex and difficult for the average investor to understand. Structured products are used to hedge and speculate. SCM utilizes these investments only with selected long-term clients. The investment must be within the client's objectives and clients must prove to have a tolerance for the volatility of these investments.

## ***Disciplinary Information***

An investment advisor must disclose material facts about any legal or disciplinary event that is material to a client's evaluation of the advisory business or of the integrity of its management personnel. Snowcap Capital Management does not have any disclosure items.

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

Snowcap Capital Management does not, but IA Reps of the firm serve as officers of the Goddard Investment Company and Corrigan 3B Company located in Dallas, Texas. Both of these entities are owned by William E. Corrigan's family. William Corrigan and P. Elaine Benningfield spend about 60% of their time operating these businesses for the Corrigan-Goddard Family. In addition to securities related

transactions they oversee the administrative operations, oil & gas and real estate interests for the family office.

Snowcap Capital Management serves as Manager of Snowcap-Titusville Mint, LLC an entity created to invest in real estate on behalf of selected SCM clients. Clients were introduced to the investment by SCM managers and each consented to individual participation in the new entity.

Snowcap Capital Management serves as General Partner of the Snowcap Opportunity Fund, LP. This entity was created to invest in hedge funds, commercial property, and commercial lending ventures on behalf of selected SCM clients. Clients were introduced to the investment by SCM managers and each consented to individual participation in the new entity.

IA Reps of Snowcap Capital Management are not associated with a broker-dealer at this time.

IA Reps of the firm are not licensed with any life, disability, and other insurance companies. If insurance products are recommended we will provide a referral for an agent to provide the product that suits the client's overall plan. The Client is under no obligation to purchase the products the agent recommended.

Snowcap Capital Management may exercise agreements with other Registered Investment Advisors and recommend other Advisors to clients. In such instances, Snowcap Capital Management may receive a portion of the account fee or commissions. In these instances, we will make available to the client a "Compensation Disclosure Statement" and the Investment Advisor Brochure for the other Advisor. The client is under no obligation to use the services of the other Advisor(s) recommended.

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

#### **Code of Ethics**

Snowcap Capital Management maintains a Code of Ethics. The Code of Ethics sets forth standards of conduct expected of advisory personnel; requires compliance with federal securities laws; and, addresses conflicts that arise from personal trading by advisory personnel. Clients may request a copy of the Code of Ethics.

#### **Participation or Interest in Client Transactions**

From time to time, some of the IA Reps/registered representatives may recommend to their clients, the purchase of limited partnerships or mutual funds that are sponsored by Snowcap Capital Management affiliated companies. This would be when the recommendation is suitable for the client and meets their investment objectives. Clients are not obligated to purchase these funds.

#### **Personal Trading**

At times Snowcap Capital Management and/or its IA Reps may take positions in the same securities as clients, and we will try to avoid conflicts with clients. The firm and its IA Reps will generally be "last in" and "last out" for the trading day when trading occurs in close proximity to client trades. We will not violate our fiduciary responsibilities to our clients. Scalping (trading shortly ahead of clients) is prohibited. Should a conflict occur because of materiality (i.e. a thinly traded stock), disclosure will be

made to the client(s) at the time of trading. Incidental trading not deemed to be a conflict (i.e. a purchase or sale which is minimal in relation to the total outstanding value, and as such would have negligible effect on the market price), would not be disclosed at the time of trading.

### ***Brokerage Practices***

#### *Selection or recommendation of broker/dealers*

For the investment advisory program, clients may choose to implement trades and maintain custody of assets through the broker or their choice. The services of JPMorgan Chase or Merrill Lynch are recommended since our firm has an established relationship with these firms. The client may choose to use a discount broker. The selection is made on the discount rates and execution services available to the client. Clients may pay transaction fees to the third-party broker for the purchase of "no-load" funds. The broker will provide the clients with consolidated statements.

Snowcap Capital Management is not affiliated with broker-dealer. IA Reps of our firm are not registered representatives of a broker-dealer and do not receive any commissions or fees from recommending these services.

#### *Soft Dollar Practices*

Snowcap Capital Management may receive compensation from a brokerage firm in the form of research, products or services ("soft dollars"). When a firm uses client brokerage commissions to obtain soft dollars, the firm receives a benefit by not having to produce or pay for such items. A firm may have an incentive to select or recommend a broker/dealer based on soft dollars received, rather than best execution for the client.

Snowcap Capital Management may receive soft dollar compensation from JPMorgan Chase and Merrill Lynch for research services to include reports, software, and access to money managers.

Snowcap Capital Management understands its duty for best execution and considers all factors in making recommendations to clients. These research services may be useful in servicing all SCM clients, and may not be used in connection with any particular account that may have paid compensation to the firm providing such services. While SCM may not always obtain the lowest commission rate, SCM believes the rate is reasonable in relation to the value of the brokerage and research services provided.

#### *Client Referrals From Brokers*

Snowcap Capital Management will generally maintain an existing broker/dealer relationship when the client is referred to Snowcap Capital Management. In maintaining the existing broker/dealer relationship, a conflict of interest may exist in obtaining best execution by SCM on behalf of the client. A conflict of interest may exist in obtaining future referrals from a broker/dealer if Snowcap Capital Management did not maintain these existing relationships. Where the client is not referred by an existing broker/dealer, SCM recommends a broker/dealer with competitive commission rates.

#### *Directed Brokerage*

Client may direct brokerage to a specified broker/dealer other than the firm recommended by [RIA name]. It is up to the client to negotiate the commission rate, as Snowcap Capital Management will not. The client may not be able to negotiate the most competitive rate. As a result, the client may pay more than



the rate available through the broker/dealer used by SCM. In client directed brokerage arrangements, the client may not be able to participate in aggregated ("blocked") trades, which may help reduce the cost of execution. Where the client does not otherwise designate a broker/dealer, Snowcap Capital Management recommends a broker/dealer with competitive commission rates.

### **Trade Aggregation**

While individual client advice is provided each account, client trades may be executed as a block trade. The Advisor encourages its existing and new clients to use the Advisor's "lead custodian." Only accounts in the custody of the lead custodian would have the opportunity to participate in aggregated securities transactions. All trades using the lead custodian will be aggregated and done in the name of the Advisor. The executing broker will be informed that the trades are for the account of the Advisor's clients and not for the Advisor itself. No advisory account within the block trade will be favored over any other advisory account, and thus, each account will participate in an aggregated order at the average share price and receive the same commission rate. The aggregation should, on average, reduce slightly the costs of execution, and the Advisor will not aggregate a client's order if in a particular instance the Advisor believes that aggregation would cause the client's cost of execution to be increased. The Custodian will be notified of the amount of each trade for each account. The Advisor and/or its IA Reps may participate in block trades with clients, and may also participate on a pro rata basis for partial fills, but only if clients receive fair and equitable treatment.

### ***Review of Accounts***

Snowcap Capital Management monitors the individual investments within the investment advisory program each day the market is open. Portfolio performance is reviewed on a quarterly basis at a minimum. Snowcap Capital Management offers investment advisory program clients an in-person portfolio review meeting on an annual basis.

The financial plan is a snapshot in time and no ongoing reviews are conducted. We recommend clients engage us on an annual basis to update the financial plan.

The account reviews are performed by the client's IA Rep. The Chief Compliance Officer and other designated compliance staff monitor the portfolios and financial plans for investment objectives and other supervisory review.

All clients receive standard account statements from investment sponsors and brokerage firms. Investment Advisory clients receive a written quarterly performance report from Snowcap Capital Management.

### ***Client Referrals & Other Compensation***

#### **Referral Fees Paid**

Snowcap Capital Management may compensate for client referrals. All solicitors agreements are in compliance with the Investment Advisers Act of 1940. In addition, all applicable federal and state laws will also be observed. All clients procured by solicitors will be given full written disclosures describing

the terms and fee arrangements between the advisor and the solicitor prior to or at the time of entering into the advisory agreement.

### **Referral Fees Received**

Snowcap Capital Management may exercise agreements with other Registered Investment Advisors and recommend other Advisors to clients. In such instances, SCM may receive a portion of the account fee or commissions. In these instances, we will make available to the client a "Compensation Disclosure Statement" and the Form ADV for the other Advisor. The client is under no obligation to use the services of the other Advisor(s) recommended.

In instances of a "wrap fee" program, clients will receive a Wrap Fee Brochure (Form ADV Part 2A Appendix 1) disclosures. The regulatory filing of the brochure is prepared by the outside money manager.

### ***Custody***

Snowcap Capital Management is deemed to have custody of client funds solely because of the fee deduction authority granted by the client in the investment advisory agreement.

Clients will receive account statements at least quarterly from the broker-dealer or other qualified custodian. Client is urged to compare custodial account statements against statements prepared by Snowcap Capital Management for accuracy. Minor variations may occur because of reporting dates, accrual methods of interest and dividends, and other factors. The custodial statement is the official record of your account for tax purposes.

### ***Investment Discretion***

Snowcap Capital Management maintains full discretion under a limited power of attorney as to the securities and amount of securities.

In some instances, Snowcap Capital Management will have authority to withdraw funds or to take custody of client funds or securities. This is only done with the execution of a power of attorney document in addition to the client agreement. Snowcap Capital Management only assumes this authority as needed to perform services detailed in the client agreement.

Snowcap Capital Management does NOT have the ability to discount brokerage commissions.

The client will designate the broker/dealer to be used for trading and custodial services. Snowcap Capital Management may "trade away" for bond transactions in order to seek best execution. The bonds will be held at the broker/dealer designated by the client under a prime brokerage arrangement.

### ***Voting Client Securities***

Snowcap Capital Management has the authority to vote proxies, unless the client otherwise specifically directs. Clients may contact us direct at the phone number or address listed on the first page of this document to obtain information on how Snowcap Capital Management voted on behalf of the client. Snowcap Capital Management votes proxies in the best economic interest of the client, and not in the interest of our firm. While it is unlikely that we will have a material conflict when voting client proxies, a conflict could arise from time to time. We can resolve such conflicts to include but not limited to:

Documenting that votes were cast in the interest of the client; Informing the client to obtain objective third party advice; Obtaining client's informed consent to vote a proxy in a specific manner. When seeking a client's consent, we will provide the client with sufficient information regarding the matter and the nature of the conflict to enable the client to make an informed decision. There may be times when refraining from voting a proxy is in the client's best interest, such as when the cost of voting exceeds the expected benefit to the client. Clients may request a complete copy of our proxy voting policy.

### ***Financial Information***

An investment advisor must provide financial information if a threshold of fee prepayments is met; there is a financial condition likely to impair the ability to meet contractual commitments; or, a bankruptcy within the past ten years. Snowcap Capital Management does not have any disclosure items in this section.