

# Granite Springs

## Asset Management, LLC



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Granite Springs Asset Management, LLC is an independent registered investment advisor (RIA) that specializes in fixed-income portfolio management and ETF<sup>1</sup>-based tactical asset allocation strategies. Granite Springs works with private clients, family offices, foundations, pension plans and other institutional investors.

This brochure provides information about the qualifications and business practices of Granite Springs Asset Management, LLC. If you have any questions about the contents of this brochure, please contact [Richard Seelaus at rseelaus@granite-springs.com](mailto:rseelaus@granite-springs.com) or (800) 922-0584. 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.

Additional information about Granite Springs Asset Management, LLC is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Registration with the SEC or with any state securities authority does not imply a certain level of skill or training.

**Granite Springs Asset Management, LLC    CRD #149582    SEC #801-70071**

**BROCHURE DATED JANUARY 31, 2013**

<sup>1</sup> Exchange Traded Fund

Summary of material changes from last annual update (ADV Part 2 dated March 30, 2012):

**Ownership Changes**

On December 31, 2012, Granite Springs Asset Management, LLC was acquired by R. Seelaus & Co., Inc. and has succeeded to R. Seelaus & Co., Inc.'s investment advisory business. Granite Springs Asset Management, LLC is now 100% owned by R. Seelaus & Co., Inc.

Item 3 Table of Contents

Item 1 - Cover Page .....	1
Item 2 - Material Changes .....	2
Item 3 - Table of Contents.....	3
Item 4 - Advisory Business .....	4
Item 5 - Fees and Compensation.....	6
Item 6 - Performance-Based Fees and Side-by-Side Management.....	7
Item 7 - Types of Clients.....	7
Item 8 - Methods of Analysis, Investment Strategies and Risk of Loss .....	7
Item 9 - Disciplinary Information.....	8
Item 10 - Other Financial Industry Activities and Affiliations .....	8
Item 11 - Code of Ethics, Participation or Interest in Client Transactions and Personal Trading .....	10
Item 12 - Brokerage Practices.....	11
Item 13 - Review of Accounts.....	13
Item 14 - Client Referrals and Other Compensation .....	13
Item 15 - Custody .....	13
Item 16 - Investment Discretion.....	13
Item 17 - Voting Client Securities.....	14
Item 18 - Financial Information .....	14
Item 19 - Requirements for State-Registered Advisers.....	15

- A. Granite Springs Asset Management, LLC is an independent registered investment advisor (RIA) firm that specializes in fixed income portfolio management and ETF-based tactical asset allocation strategies for private clients, family offices, foundations, pension plans, and other institutional investors. Granite Springs was established in May 2009.

R. Seelaus & Co., Inc. is 100% owner of the Granite Springs. Richard Seelaus indirectly owns over 25% of Granite Springs through R. Seelaus & Co., Inc.

- B. Granite Springs provides asset management and financial planning services. Neither the Firm nor its Investment Advisor Representatives (IAR's) provide legal or tax advice of any kind. Granite Springs is a *Registered Investment Advisor* (RIA) that develops investment strategies and then executes investment decisions, on behalf of its clients, on both a discretionary and a non-discretionary basis.

Granite Springs' investment philosophy is based on two principal beliefs; that risk management leads to superior risk-adjusted returns over time, and, that asset allocation is the most important investment decision.

Granite Springs has expertise in managing taxable and tax-exempt municipal bond portfolios, and in developing and implementing ETF-based asset allocation strategies across equity, bond, and commodity markets. The Firm uses a "top-down" – "bottom-up" investment approach that seeks to identify market sectors expected to have the best return potential (top-down) and then to identify the individual securities within those sectors that have the potential to generate superior returns (bottom-up).

Granite Springs provides personal financial planning to individuals, families and their related entities, trusts, estates and family businesses. Granite Springs works with clients to define financial objectives and to develop strategies for reaching those objectives, some of which may include: identification of financial problems, cash flow and budget management, tax planning, risk exposure review, investment management, education funding, retirement planning, estate planning, charitable goals, special needs planning, family business succession issues, fringe benefits, and/or other issues specific to the client.

- C. Granite Springs tailors investment portfolios to meet the needs of its clients. Portfolio investment objectives are defined at the outset of a client's relationship with the Firm. Then, appropriate investment strategies are developed based on the knowledge of each client's income needs, time horizon and risk tolerance. Clients may impose restrictions on investing in certain securities or types of securities. Granite Springs communicates with clients on a regular basis to review investment objectives, and changes are made to their respective investment plans as necessary.

**GIPS® Compliance**

Granite Springs Asset Management, LLC became GIPS® compliant on November 16, 2010.

Granite Springs Asset Management, LLC claims compliance with the Global Investment

Performance Standards (GIPS®). Prospective clients can obtain a compliant presentation and/or a list of the firm's composite descriptions by request. Please send an email to [info@granite-springs.com](mailto:info@granite-springs.com) or call (212) 935-0755 for more information.

Granite Springs Asset Management, LLC's compliance with the GIPS® standards has been verified for the period beginning June 30<sup>th</sup> 2009 through September 30<sup>th</sup> 2011 by Alpha Performance Verification Services. A copy of the verification report is available upon request.

Verification assesses whether (1) the firm has complied with all the composite construction requirements of the GIPS® standards on a firm-wide basis and (2) the firm's policies and procedures are designed to calculate and present performance in compliance with the GIPS® standards. Verification does not ensure the accuracy of any specific composite presentation.

#### GIPS® Standards

The GIPS® standards are a set of standardized, industry-wide ethical principles that provide investment firms with guidance on how to calculate and report their investment results to prospective clients. CFA Institute created and administers the GIPS® standards. GIPS® is a registered trademark of CFA Institute.

#### GIPS® Verification

Granite Springs Asset Management LLC retained Alpha Performance Verification Services of Richmond, VA to verify its firm-wide GIPS® compliance on a quarterly basis. Verification is intended to provide a firm's existing and prospective clients additional confidence in a firm's claim of compliance with the GIPS® standards.

- D.** Our involvement in a Wrap Fee Program is limited to recommending the Pathways Wrap Account program ("Pathways") to clients and ensuring that the program manager is constantly updated about the client's risk tolerance and specific situation. Pathways is a professionally managed mutual fund advisory program managed by Russell Investments using Russell Investments' multi-manager strategy mutual funds. The Pathways program combines the guidance of Wells Fargo Advisors financial advisors with the investment management expertise of Russell Investments into a unique Pathways blend of portfolios designed to meet the client's individual needs. Granite Springs receives a portion of the wrap fee for its services.
- E.** As of December 31<sup>st</sup> 2012 Granite Springs managed \$76.1 million in discretionary client accounts, and \$31.4 in non-discretionary client accounts.

- A. Granite Springs Asset Management, LLC charges investment advisory fees based on a percentage of Assets Under Management (AUM) as follows:

ANNUAL FEE SCALE

<u>Accounts</u>	<u>Balanced or Equities Only</u>	<u>Bonds Only</u>
Up to \$250,000	1.50%	1.00%
\$250,001 - \$500,000	1.25%	0.75%
\$500,001 - \$1,000,000	1.00%	0.50%
\$1,000,001 - \$5,000,000	0.75%	0.35%
Above \$5,000,000	0.50%	0.25%

**There is an annual minimum fee of \$2,000. There is no account minimum.** Fees may vary upon account size or activity in the account.

Financial planning is billed at an hourly rate of \$250 per hour.

**ALL INVESTMENT ADVISORY FEES ARE NEGOTIABLE**

- B. Granite Springs deducts advisory fees directly from client's accounts with written authorization, or clients may choose to be billed for fees incurred. Clients may select either method of payment. Fees are either deducted or billed, on a quarterly basis, in advance.
- C. Clients may pay other fees in connection with our advisory services, such as custodian fees or mutual fund expenses. Clients will also incur brokerage and other transaction costs. Clients are directed to Item 12 (page 9) of our brochure for more information on brokerage costs.
- D. Investment advisory fees are billed quarterly, in advance. Clients may terminate their contracts with five days' written notice. Refunds will be given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract.
- E. Granite Springs does not accept compensation for the sale of securities or other investment products. Investment advisory fees are the sole source of revenues for Granite Springs. No partner, employee, or Investment Advisor Representative of Granite Springs accepts compensation for the sale of securities or other investment products.

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

Neither Granite Springs, nor its employees, accept performance-based fees – that is, fees based on a share of capital gains on, or capital appreciation of, the assets of a client. Investment advisory fees based on a percentage of assets under management (AUM) are the sole source of revenues for Granite Springs Asset Management, LLC.

Item 7 Types of Clients

Granite Springs Asset Management, LLC works with private clients, family offices, trusts, foundations, pension plans and other institutional investors, including other investment advisors.

**There is no minimum account size requirement; there is a minimum annual fee of \$2,000.**

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

- A. Granite Springs combines macroeconomic and quantitative research with technical analysis to form the basis of its market expectations for a three year time horizon. These expectations of risk and return are used to develop a ***base policy mix*** (general investment plan) that sets portfolio structure guidelines and asset allocation targets.

Granite Springs develops a base policy mix for each client portfolio at inception. This proportional combination of assets, when combined with an appropriate portfolio structure, reflects the unique investment needs of each client. Granite Springs then uses ***tactical asset allocation*** (the act of making calculated changes to the base policy mix) to take advantage of relative value investment opportunities as they arise.

Granite Springs is an ***active*** investment manager that seeks to outperform its benchmarks by relying on the analytical skills, experience, and prudent judgment of its senior professionals. This is in contrast to a ***passive*** manager that seeks only to match the performance of a benchmark index. Active management at Granite Springs does not involve excessive trading. Portfolio turnover is typically around 10% annually.

**Investing in securities involves the risk of loss.** Although Granite Springs maintains a discipline designed to limit investment losses, it does not eliminate the risk of loss.  
**Clients can lose money even when invested in conservative strategies.** Clients should also keep in mind that ***past performance is not indicative of future results.***

- B. Granite Springs' investment strategies do not involve significant or unusual risks. Still, **there are material risks inherent in all investment strategies.**

Granite Springs' fixed income strategies are typically conservative, but they can still subject clients to interest rate risk, credit risk, and other risks. Granite Springs' ETF-based tactical asset allocation strategies can also subject clients to market risk, including volatility caused by unforeseen events, interest rate risk, and/or credit risk, among others.

- C. Granite Springs invests in publicly traded stocks, bonds, ETF's, mutual funds, preferred stocks, and other securities that do not typically involve significant or unusual risks. Still, **clients should keep in mind that investing in securities involves the risk of loss.** And though Granite Springs maintains a discipline designed to limit investment losses, it does not eliminate the risk of loss. **Clients can lose money even when invested in conservative strategies.** Clients should also keep in mind that *past performance is not indicative of future results.*

Item 9      Disciplinary Information

Granite Springs Asset Management, LLC has never been the subject of any disciplinary actions.

Item 10      Other Financial Industry Activities and Affiliations

- A. Granite Springs is not a broker-dealer and does not have any applications pending to register as a broker-dealer.

However, management personnel of Granite Springs are separately licensed as registered representatives of R. Seelaus & Co., Inc. an affiliated broker-dealer. These individuals, in their separate capacity, can effect securities transactions for which they will receive separate, yet customary compensation.

While Granite Springs and these individuals endeavor at all times to put the interest of the clients first as part of our fiduciary duty, clients should be aware that the receipt of additional compensation itself creates a conflict of interest, and may affect the judgment of these individuals when making recommendations.

Management personnel of our firm, in their individual capacities, are also agents for RSC Financial Products LLC, an affiliated insurance agency. As such, these individuals are able to receive separate, yet customary commission compensation resulting from implementing product transactions on behalf of advisory clients. Clients, however, are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all recommendations is solely at the discretion of the client.

Clients should be aware that the receipt of additional compensation by our management persons creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Granite Springs endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered



investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of interest continue to be properly addressed by our firm; and
- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

- B. Granite Springs is not a futures commission merchant, commodity pool operator, or commodity trading advisor, and does not have any applications pending to register as such. No partner, employee, or Investment Advisor Representative of Granite Springs is a futures commission merchant, commodity pool operator, or commodity trading advisor, and none have applications pending to become such.
- C. Granite Springs has no relationships or arrangements with any other person(s) or entities that could create a material conflict of interest with clients.
- D. Granite Springs does not accept compensation, either directly or indirectly, from other advisers or businesses. **Investment advisory fees based on the market value of client accounts are the only source of revenue for Granite Springs.**

**A.** Granite Springs Asset Management, LLC has adopted the CFA Institute's *Code of Ethics & Standards of Professional Conduct*. A copy of the CFA Institute's *Code of Ethics & Standards of Professional Conduct* is available to any client or prospective client by request. (It is also available at [www.cfainstitute.org](http://www.cfainstitute.org) )

**B.** Granite Springs or individuals associated with our firm may buy securities for the firm or for themselves from our advisory clients; or sell securities owned by the firm, individuals associated with our firm, or our affiliated broker-dealer R. Seelaus & Co., Inc. to our advisory clients. We will ensure, however, that such transactions are conducted in compliance with all the provisions under Section 206(3) of the Advisers Act governing principal transactions to advisory clients.

Granite Springs may, at times, effect an agency cross transaction for an advisory client, provided that the transaction is consistent with our firm's fiduciary duty to the client and that all requirements outlined in Sec. 206(3)-2 of the Investment Advisers Act of 1940 are met.

An agency cross transaction is a transaction where our firm acts as an investment adviser in relation to a transaction in which our affiliated broker-dealer, R. Seelaus & Co., Inc., acts as broker for both the advisory client and for another person on the other side of the transaction.

**C.** Employees of Granite Springs (and related persons) may at times invest in the same securities (or related securities) recommended to clients. Granite Springs has a personal trading policy designed to eliminate conflicts of interest. This policy prohibits and restricts trading in said securities without prior approval from the Chief Compliance Officer to prevent any unfair advantage or disadvantage, or conflict of interest with clients.

**D.** Employees of Granite Springs (and related persons) are prohibited from trading on the same day in the same securities as clients. (A blackout/restricted period applies to personal trades.)

Granite Springs does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Granite Springs requires that clients provide us with written authority to determine the broker-dealer to use and the commission costs that will be charged to our clients for these transactions.

These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Granite Springs may require that clients establish brokerage accounts with one of several broker-dealers to maintain custody of clients' assets and to effect trades for their accounts. Currently, we have arrangements with Charles Schwab & Co., Inc., Merrill Lynch and UBS ("Brokers"). Although we require that clients establish accounts at one of the Brokers, it is the client's decision to custody assets with the Broker. Granite Springs is independently owned and operated and not affiliated with any of the Brokers.

The Brokers provide Granite Springs with access to their institutional trading and custody services, which are typically not available to retail investors. These services are not contingent upon our firm committing to the Brokers any specific amount of business (assets in custody or trading commissions). The Brokers' brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For our client accounts maintained in its custody, the Brokers generally do not charge separately for custody services but are compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Brokers or that settle into Brokers' accounts.

The Brokers also make available to our firm other products and services that benefit Granite Springs but may not directly benefit our clients' accounts. Many of these products and services may be used to service all or some substantial number of our client accounts, including accounts not maintained at Brokers.

The Brokers' products and services that assist us in managing and administering our clients' accounts include software and other technology that:

- provide access to client account data (such as trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide research, pricing and other market data;
- facilitate payment of our fees from clients' accounts; and

- assist with back-office functions, recordkeeping and client reporting.

The Brokers also offer other services intended to help us manage and further develop our business enterprise. These services may include:

- compliance, legal and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

The Brokers may make available, arrange and/or pay third-party vendors for the types of services rendered to Granite Springs. The Brokers may discount or waive fees they would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to our firm. The Brokers may also provide other benefits such as educational events or occasional business entertainment of our personnel. In evaluating whether to recommend or require that clients custody their assets the Brokers, we may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors we consider and not solely on the nature, cost or quality of custody and brokerage services provided by the Brokers, which may create a potential conflict of interest.

- A. Granite Springs Asset Management, LLC seeks the “best price” and “best execution” available when selecting broker-dealers for client transactions. “Best execution” refers to a trading process that seeks maximum value for the client’s portfolio, within stated investment objectives and constraints.
  1. Research and Soft Dollar Benefits. Granite Springs does not utilize “soft dollar benefit” arrangements.
  2. Brokerage for Client Referrals. Granite Springs does not direct brokerage business to any broker-dealer in return for client referrals.
  3. Directed Brokerage. Granite Springs does not accept directed brokerage arrangements (where a client “directs” that transactions be effected through a particular broker-dealer).
- B. Granite Springs “aggregates” orders for the purchase and/or sale of securities for client accounts, whenever possible, for “best execution” as described in Item 12 A (above).

Item 13      Review of Accounts

- A. Client accounts are reviewed periodically (quarterly at minimum) by the Firm’s portfolio managers. ***Clients are encouraged to communicate any changes in their financial situation that may have an impact on their portfolio investment objectives.***
- B. Account reviews may be triggered by market events, rebalancing of securities positions, and/or a change in a client’s financial situation, or by client request.
- C. Granite Springs provides clients with written quarterly holdings and performance reports.

Item 14      Client Referrals and Other Compensation

- A. Granite Springs does not receive economic benefit from investment advice or other advisory services provided to clients by outside firms.
- B. Granite Springs does not compensate any person who is not a “supervised person,” directly or indirectly, for client referrals

Item 15      Custody

Granite Springs Asset Management, LLC does not have custody of any client funds or securities. All clients have a qualified third-party custodian that sends monthly statements directly to clients. Clients should carefully review custodian statements. Granite Springs provides clients with quarterly statements, and clients are urged to compare their custodian’s statements to those provided by Granite Springs.

Item 16      Investment Discretion

Granite Springs typically accepts discretionary authority to manage investment accounts on behalf of clients. Discretion is exercised within the limitations of client investment objectives, and is consistent with the agreed upon strategy in place. Before accepting investment discretion, Granite Springs requests that clients execute a Limited Power of Attorney that allows the Firm discretion in the purchase and sale of securities, but restricts cash withdrawals to those requested on behalf of the client and to payment of quarterly investment advisory fees.

Item 17      Voting Client Securities

- A.** As a matter of policy, Granite Springs does not accept authority to vote proxies on behalf of clients.
- B.** Granite Springs' policy of having no proxy voting responsibility is disclosed to clients. Proxies and other solicitations are delivered to clients directly from their custodian or a transfer agent. Granite Springs may offer assistance as to proxy matters upon client request, but the client always retains the proxy voting responsibility.

Item 18      Financial Information

- A.** Granite Springs does not require or solicit prepayment of more than \$500 in fees per client, six months or more in advance.
- B.** The Firm has no financial commitment that impairs its ability to fulfill contractual and fiduciary commitments to clients.
- C.** Neither Granite Springs nor any of its Principals have been the subject of a bankruptcy petition at any time in the past ten years.

**A. Principal Executive Officers and Management Persons:**

- 1. Richard P. Seelaus** (*Chief Executive Officer & Chief Compliance Officer*) began his distinguished career in the investment business at the Insurance Company of North America (INA) in Philadelphia. Starting in the investment department, he quickly rose through the ranks, serving initially as a processor, then as a municipal bond trader, and eventually as a portfolio manager. In 1977, Rich left INA and spent the next 7 years working for a variety of Wall Street broker dealers, including the American Securities Corporation. In 1984, Rich founded R. Seelaus & Co., Inc. in Summit, New Jersey. With Rich at the helm, the firm has experienced phenomenal growth, starting out as an institutional municipal bond dealer, only to become the full-service broker dealer it is today. Along the way, Rich has worn many hats, serving as trader, salesman, compliance officer, FINRA designated financial principal and FINRA executive representative. In 2003, Rich earned his Certified Financial Planner designation (CFP) and served as an adjunct professor at Farleigh Dickenson University where he taught an investment course for CFP certification. Locally, Rich has served his community as a member of the board of directors at the Oak Knoll School, the Summit Child Care Center and the Beacon Hill Club. He also served a three-year term on the Small Business Committee for FINRA's District 9. Rich is a U.S. Army veteran and holds a BS in economics from Villanova University and a JD from the Delaware Law School at Widner University.
- 2. Bernard Garruppo** (*Secretary & Managing Director*) has the kind of well-rounded background that suits him perfectly in his role as our Managing Director. He started his career as a municipal bond trader for Moore, Schley, Cameron & Company in New York and gathered valuable experience in retail trading, sales support and customer service. To gain an even broader understanding of the bond market, Bernard joined W. H. Mell & Company where he focused on trading and selling bonds to money managers, trust banks, mutual funds and other financial institutions. In 1993, R. Seelaus & Company recruited Bernard to manage our Municipal Bond Department. Having been a trader and seller of municipal bonds for both institutions and individuals, Bernard brings a wide range of experience that enables him to guide our fixed income customers to a superior risk-adverse return. In addition to a variety of FINRA licenses, he also holds life and health insurance designations. He has been a partner in the firm since 1995. Bernard is a tireless worker, as evidenced by his off-time pursuits of training for, and successfully completing several marathons and Ironman Distance Triathlons. He holds a B.S. degree in finance from Temple University.
- 3. Michael H. Cornell** (*Managing Director*) began his career path at Air Cast Inc. as a management trainee where he gained valuable experience and fine-tuned his business skills. Mike's business acumen, work ethics and solid grasp of fundamentals did not go un-noticed. In 1996, R. Seelaus & Co., Inc. recruited Mike to trade municipal bonds. He currently oversees all trading operations for the company and has been partner since 1997. Mike is a registered principal and a member of the Municipal Bond Club of NJ. Raised in Connecticut, Mike Cornell is a graduate from Kent High School. He went on to

graduate with a Bachelor's in Business from Skidmore College, class of 1992, where he also played Hockey. Mike is currently a volunteer hockey coach at the Beacon Hill Club in Summit, NJ and a member of the Skidmore College Athletic Hall of Fame.

4. **Karolina Pajdak** (*Chief Financial Officer*) was born and raised in Poland. She came to the United States as a child and as a dedicated and ambitious young woman quickly acclimated herself to her new environment. She graduated from Rutgers, The State University of New Jersey with a Bachelor of Arts in Economics in 2001 and Masters in Business Administration in 2009. During her undergraduate studies she served as a president of the Rutgers University Polish Club. Karolina joined R. Seelaus & Co., Inc in 2001 as an assistant office manager and excelled in her position handling finance and operations. Her diligence and great work attitude was recognized by being promoted first to Office Manager in 2003 then to Chief Financial Officer in 2008 where she currently manages the finances, compliance and office operations for the entire company. Karolina is licensed in life and health insurance through the New Jersey State Department of Banking and Insurance and also has her series 27: Financial & Operations Principal.
5. **Anneliese Seelaus** (*Managing Director*) brings a wealth of big firm experience to the trading desks at R. Seelaus & Co., Inc. She started her career in the training program at HSBC in London UK. Annie spent three rotations in various department of the bank and upon completion of her training accepted an offer from the Sterling bond desk in London to cover major institutional accounts. The bank recognized her diligence and hard work and she was promoted to Credit sales in NYC and finally to the emerging markets desk. During her time at HSBC she covered insurance companies, money managers and worldwide hedge funds. After nine years with the bank she joined R. Seelaus & Co, Inc. She has successfully brought her vast knowledge, trading ability and contacts to the taxable trading department at the firm. Starting in 2009 she has built a team of sales people and traders who are rapidly gaining a reputation for excellence from both institutional and individual investors. Annie grew up in Summit where she went to Oak Knoll School. She attended Princeton University where she played Division 1 ice hockey for the woman's team. She graduated in 2000 with a degree in History.
6. **Patrick L. Smith** (*Chief Investment Officer*) launched Granite Springs in May of 2009. Previously, he co-managed over \$1.5 billion in fixed income assets at Williams, Jones & Assoc. (WJA) for over ten years. At WJA, Mr. Smith was a Principal and Managing Director, and a member of the investment committee. Mr. Smith also previously held senior level positions at JJ Kenny Drake & Co., Maxcor Financial, Inc. and Greenwich Partners, Inc. Mr. Smith holds a BBA in Finance from Iona College, he is Series 65 Registered, and he is a member of the National Federation of Municipal Analysts, the Municipal Analysts Group of New York, and the Municipal Bond Club of New York.
1. **Steven McLaughlin**, (*Fixed Income Portfolio Manager*) has over 22 years of professional municipal bond experience and expertise with proven success managing, selling, trading and marketing municipal, taxable fixed income and derivative solutions to the Nation's top institutions and ultra-high net worth families. Prior to joining R. Seelaus in 2012, he was a Managing Director of Business and Client Analytics at MMA. There,



he was responsible for MMA's customer interaction functions with a *primary focus on educating customers and market participants* of the daily use of MMA's analysis and market coverage. Before MMA, Steven served as Director and Head of Institutional Municipal Bond *Distribution* at Bank of New York Capital Markets. Additionally, he has been affiliated with: First Union Capital Markets, New York, as Managing Director of Institution Municipals; Bank One Capital Markets, New York, as Managing Director in Municipal Debt Capital Markets; and JP Morgan, New York as VP of Municipal Capital Markets where he was responsible for cash and derivative solutions distribution. Steven is nationally known as a municipal bond market expert and is often quoted in national publications and a featured speaker at industry conferences. He currently serves on an Advisory board as an outside director for a private company called BondView. He graduated in 1988 with a Bachelor of Science in Economics from State University of New York.

- B. Granite Springs is not engaged in any business activity other than giving investment advice.
- C. Neither Granite Springs nor our supervised persons are compensated for advisory services with performance-based fees.
- D. We are required to disclose all material facts regarding certain legal or disciplinary events pertaining to arbitration awards or other civil, regulatory or administrative proceedings in which our firm or management personnel were found liable or against whom an award was granted. Our firm and our management personnel have no reportable disciplinary events to disclose.
- E. Neither Granite Springs nor our management personnel have a relationship or arrangement with any issuer of securities.