

## **FORM ADV PART 2A CLIENT BROCHURE**

**Firm name:** Detwiler Fenton Investment Management LLC

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**Date of Brochure:** December 31, 2012

**Name of Brochure:** Soja

**Item 2: Material Changes**

This is an updating filing of Form ADV Part 2A.

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## **Item 4: Advisory Business**

Detwiler Fenton Investment Management LLC provides investment advisory services to its clients. Claire E. Soja is your investment advisory representative and offers these services on either a discretionary or non discretionary basis. Ms. Soja manages accounts for each of her clients, including you, on an individual basis. If you have given her discretionary authority, she has discretion with respect to the selection of investments, including stocks, bonds, bank deposits, mutual funds, options, short positions and other securities. If you have not given her discretion, she is required to contact you prior to each trade to discuss the transaction and get your permission before it is completed.

Detwiler Fenton had approximately \$173,986,500 in client assets under management as of December 31, 2012, for 566 client accounts ranging from individual investors to high net worth clients. Ms. Soja personally managed approximately \$40,631,900 of these client assets representing 59 client accounts as of December 31, 2012.

## **Item 5: Fees and Compensation**

Detwiler Fenton's fee schedule typically begins at 1.50% of the total relationship assets and adjusts downward as certain breakpoints are met, as is more fully disclosed in your investment advisory contract. Clients with multiple accounts are grouped by owner and family relationship to take advantage of said breakpoints. Claire E. Soja provides investment advisory services for other clients and for affiliates. Your fee may be negotiated and therefore you may pay less than the standard fee charged to other clients of Detwiler Fenton or Ms. Soja. The investment advisory services provided to other clients may differ from the services provided to you.

You pay an annual advisory fee in an amount detailed in Exhibit A of your Advisory Agreement. Unless indicated otherwise, you pay the annual advisory fee quarterly in advance based upon the prior quarter's average daily advisory asset balance.

The quarterly advisory fee will be calculated using Advent Software, Inc., a third party software vendor whose software is licensed for use by Detwiler Fenton. The fee is calculated by multiplying the average daily balance of your assets for the preceding quarter, including cash, by the annual asset management fee percentage, divided by the number of days for the calendar year, and multiplied by the number of days of the calendar quarter to arrive at the quarterly advisory fee. (For example, if your average daily balance of assets under management is \$1 million for the period January 1, 2013 to March 31, 2013 and your annual fee is 1.50%, your annualized fee would be \$15,000. If you divide \$15,000 by 365 days, your fee would be \$41.09 per day. As you are being billed in advance for the period April 1, 2013 to June 30, 2013, you would multiply your daily fee by 91 days for a quarterly fee of \$3,739.73, which would be withdrawn from your account by April 15, 2013)

The quarterly advisory fee for any initial period where advisory assets are invested during a quarter will be calculated based on the actual average advisory assets for the actual quarter being billed and will be withdrawn from the advisory account approximately 15 calendar days after the completion of the initial investment period quarter. (For example, for an account with an annual fee of 1.50% opened on February 1, 2013 with an average daily balance of \$1 million for the

period February 1, 2013 to March 31, 2013, the annualized fee would be \$15,000 and your daily fee would still be \$41.09. However, your initial pro-rated quarterly fee would be your daily fee multiplied by 59 days or \$2,424.66; you would be charged \$3,739.73 in advance for the period April 1, 2013 to June 30, 2013. A total of \$6,164.39 for both quarters would be withdrawn from your account by April 15, 2013.)

In the event of a termination of this Agreement during a quarter, you will receive a refund of the unearned portion of the Quarterly Advisory Fee which was billed in advance, generally by the 15th calendar day following the end of the quarter in which services are terminated. (For example, if you were to terminate your advisory agreement on May 15, 2013, in the examples above you would have been charged for the entire period from April 1, 2013 to June 30, 2013. You would be refunded the unused portion of your management fee for 46 days multiplied by \$41.09, or \$1,890.41.)

By entering into an Advisory Agreement with Detwiler Fenton, you have authorized us to withdraw your advisory fee from your account or accounts by the 15th calendar day following the end of the quarter. To the extent cash or other liquid assets are not available to pay your quarterly advisory fee, we will liquidate a sufficient amount of your assets to satisfy any fees that are due and payable to Detwiler Fenton.

Any amounts that a mutual fund sponsor or mutual fund pays to a Detwiler Fenton affiliated broker-dealer in respect of advisory assets held in mutual fund shares will be offset against your annual advisory fee each quarter.

#### Other Charges

Your annual advisory fee is separate from and does not include:

- Brokerage commissions
- Dealer spreads
- Ticket charges and other costs associated with the purchase and sale of securities
- Custodial fees
- Interest
- Taxes
- Other brokerage or custodial account expenses

These expenses are your responsibility. If our affiliated securities firm is acting as the broker-dealer with respect to your advisory assets, it may charge certain commissions and fees that are not paid to Detwiler Fenton or Claire Soja. Ms. Soja may earn “concessions” for Initial Public Offering transactions. These are commissions that are built into the offering price and cannot be separated at the time of purchase. Your advisory fee will not be adjusted to reflect the payment of the concession. As Ms. Soja will be earning both a concession and an advisory fee for your participation in the IPO, you can prevent this payment of fees and concessions by not participating in the IPO.

In addition to an investment advisory fee, you may incur service and other transaction costs, such as but not limited to the following:

- Retirement plan administration fees;
- Deferred sales charges on mutual funds or variable annuities initially deposited in your account; and

- Mutual fund management fees and expenses.

Payment of these fees and expenses is not offset against the advisory fee paid to Detwiler Fenton. For a complete explanation of the fees and expenses paid to a mutual fund company, we encourage you to read the fund prospectus or to confer with Ms. Soja. You may also incur other charges depending on the security that is purchased. These charges come from the clearing broker - we do not earn these charges.

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

Ms. Soja does not charge performance fees.

## **Item 7: Types of Clients**

Claire E. Soja has the following types of clients:

- High net worth and other individuals
- Trusts, estates and charitable organizations
- Pension Funds, corporations and other business entities

Ms. Soja generally accepts accounts with a minimum of \$1,000,000 in assets under management. If your portfolio falls below this amount due to withdrawal of assets by you, she may, at her sole discretion, discontinue management of your portfolio. However, on some occasions, Ms. Soja may accept accounts with fewer assets under management.

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

### **Sources of Analysis**

Claire E. Soja may use multiple sources of information in connection with the investment advice she provides. These may include SEC filings, press reports, press releases, third-party research and other sources. Unless specified in the Advisory Agreement, expenses for these sources will not be passed on to you.

### **Investment Strategies**

Ms. Soja utilizes investment strategies to manage client portfolios on an individualized basis. Investment strategies are based on the investment objectives, time horizon, and risk tolerances of the individual client.

### **Risk**

All types of investing involve a certain amount of risk, including the loss of all invested funds. You should be prepared for the loss of your investment including specific risks of loss associated with the following types of investment strategies:

- *Conservative: Lower risk securities such as high dividend paying stocks, high rated bonds, money market mutual funds, tradable CDs and U.S. Treasury Bills. Less growth is available but there is less risk of loss to your investment. Types of risk: interest rate risk for bonds should interest rates rise and market risk for stocks during periods of stock market decline.*
- *Moderate: Medium risk securities, dividend and non dividend paying stocks and high rated bonds Types of risk: similar risks as Conservative investment style with perhaps a*

*slightly greater amount of potential stock decline and volatility during market weakness. Credit downgrade risk to bonds.*

- *Aggressive: Higher risk stocks, newly issued stocks, medium to high-yield bonds. These may include stocks with low average daily volume, low priced stocks, startups, and stocks with unproved earnings histories. Types of risk: loss of principal, high volatility in price, rapid decline in value during downturns in the general stock market.*

Please discuss with Ms. Soja what type of return you seek and the level of assets you are willing to lose in order to attain your desired goals.

## **Item 9: Disciplinary Information**

Ms. Soja has one disclosure event which occurred in 2003. She took over a non-discretionary account for a terminated representative. Ms. Soja recommended portfolio changes to a client who said to call her financial advisor/accountant for his opinion and to proceed pending his approval. The accountant did not have power of attorney over her account. Sell trades were placed after a discussion with the accountant, who preferred to hold off on the buy recommendations. In the weeks that followed, the market rose and the liquidated positions went up in value. The client then said that she did not approve the trades. The amount in dispute was less than \$35,000. Ms. Soja's firm at the time, Brown Brothers Harriman & Co., believed it was a misunderstanding and chose to settle the claim. The shares that were sold were repurchased, at no cost to the client, to make her whole. Brown Brothers Harriman & Co. did not hold Ms. Soja responsible for the incident and did not ask her to contribute to the settlement.

## **Item 10: Other Financial Industry Activities and Applications**

Claire Soja is registered as a securities representative with Detwiler Fenton Wealth Management, Inc., an affiliated broker-dealer. She may from time to time be compensated for securities transactions including commissions and "concessions" for Initial Public Offering transactions. These are commissions that are built into the offering price and cannot be separated at the time of purchase. Your advisory fee will not be adjusted to reflect the payment of the concession. As Ms. Soja will be earning both a concession and an advisory fee for your participation in the IPO, you can prevent this payment of fees and concessions by not participating in the IPO.

## **Item 11: Code of Ethics**

Detwiler Fenton has adopted a Code of Ethics ("Code") designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act").

This Code establishes rules of conduct for all our employees and is designed to, among other things; govern personal securities trading activities in the accounts of employees, immediate family/household accounts and accounts in which an employee has a beneficial interest. The Code is based upon the principle that we and our employees owe a fiduciary duty to you to conduct our affairs, including our personal securities transactions, in such a manner as to avoid (i) serving our own personal interests ahead of you, (ii) taking inappropriate advantage of our position with our company and (iii) any actual or potential conflicts of interest or any abuse of our position of trust and responsibility.

The Code is designed to ensure that the high ethical standards long maintained by Detwiler Fenton and its affiliates continue to be applied. The purpose of the Code is to preclude activities which may lead to or give the appearance of conflicts of interest, insider trading, and other forms of prohibited or unethical business conduct.

Pursuant to Section 206 of the Advisers Act, both Detwiler Fenton and our employees are prohibited from engaging in fraudulent, deceptive or manipulative conduct. Compliance with this section involves more than acting with honesty and good faith alone. It means that we have an affirmative duty of utmost good faith to act solely in the best interest of our clients.

We and our employees are subject to the following specific fiduciary obligations when dealing with clients:

- The duty to have a reasonable, independent basis for the investment advice provided;
- The duty to obtain best execution for your transactions where we are in a position to direct brokerage transactions for you;
- The duty to ensure that investment advice is suitable to meeting your individual objectives, needs and circumstances; and
- A duty to be loyal to you and our other clients.

In meeting its fiduciary responsibilities to you and our other clients, we expect every employee to demonstrate the highest standards of ethical conduct for continued employment. Strict compliance with the provisions of the Code shall be considered a basic condition of employment. Detwiler Fenton and our affiliates' reputation for fair and honest dealing with our clients have taken considerable time to build. We recognize that this standing could be seriously damaged as the result of even a single securities transaction being considered questionable in light of the fiduciary duty owed to you and our other clients.

You may receive a complete copy of the Code of Ethics by writing:

Compliance Department  
Detwiler Fenton Investment Management LLC  
100 High St, Ste. 2800  
Boston MA 02110

## **Item 12: Brokerage Practices**

### Brokerage and Detwiler Fenton Advisory Arrangements

You can make arrangements with one or more broker-dealers to execute your transactions. Ms. Soja will not make your selection of executing broker-dealers as part of our advisory relationship. D will undertake efforts to determine that you are obtaining best execution on transactions. See "Best Execution" below.

### Trade Allocation for Detwiler Fenton Brokerage Arrangements

All trades for your accounts that are executed on a discretionary basis are placed first. If you do not give us discretion, we are required to request your approval prior to the trade and would contact you after executing similar transactions for other clients on a discretionary basis, typically within the same trading day, to discuss the transaction and obtain approval.



### Pricing

If you choose our affiliated broker-dealer to execute transactions, you may be charged a transaction fee of \$7.00 per transaction. Brokerage commissions and fees charged by a broker-dealer other than our affiliated broker-dealer may be higher or lower than those charged by our affiliate.

### Best Execution and Affiliated Brokerage Arrangement

You may choose which broker-dealer executes your transactions. There are benefits to having our affiliated broker-dealer execute your trades due to our access to the affiliated brokerage platform. Although we are not responsible for the execution quality at the affiliated brokerage, we will conduct a best execution review annually.

### Execution Through Unaffiliated Broker-Dealers

Detwiler Fenton Investment Management is affiliated with Detwiler Fenton Wealth Management, Inc. ("DFWM"), a FINRA member broker-dealer. Although we will process any equity transactions through a broker-dealer that provides best execution to you, for convenience of and speed of processing, we may choose our affiliate to process the trades if we believe the client is receiving best execution on that transaction. You may choose to have your transactions executed through a broker-dealer other than DFWM. This may be disadvantageous to you relative to executing through our affiliate as we may not be able to monitor the quality of executions that are provided by third-party brokers and you may not receive best execution.

Although Ms. Soja manages portfolios individually according to her clients' objectives and risk tolerances, it should be understood that various portfolios may be managed in the same manner due to similarities in each client's profile. As such, if you choose our affiliated broker-dealer to execute your transactions, you have the potential advantage of your trade being aggregated with Ms. Soja's other clients' trades within the same or similar strategy. Aggregation of orders may allow a broker-dealer to obtain more favorable pricing. In addition, Ms. Soja generally will place an order with a third-party broker-dealer after she has placed advisory account orders through our affiliate. Since unaffiliated broker-dealers may place restrictions or charge a higher price when transactions are executed on an individual rather than a group basis, she may need to adjust the amounts of securities purchased or sold. These factors may affect the overall performance of your individual account although similarly managed portfolios may have different results. Your selection of a broker-dealer other than our affiliate to execute transactions may slow the processing of your transactions if, for example, the brokerage representative is not available and the order is not entered promptly.

We do not receive soft dollar benefits from our affiliated broker-dealer we are not compensated for directing your transactions to any broker-dealer, affiliated or otherwise.

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

### **Recommendations**

Ms. Soja's recommendations are generally based upon her review of a security and/or an investor's investment portfolio objectives. Neither Detwiler Fenton nor Ms. Soja maintain a "recommended" list of securities on which it has conducted research or maintain a centralized research function that is available to IARs.

**Account reviews**

Claire E. Soja routinely reviews her clients' discretionary accounts. She communicates with both her discretionary and non-discretionary clients at least quarterly to discuss the accounts and any changes to their investment objectives. All clients have the ability to place restrictions on their accounts at all times.

**Supervisory review**

Supervision of Claire E. Soja is routinely performed by **Steve Abbiuso, Managing Director**. Mr. Abbiuso is responsible for the review and approval of trades within your account and will meet with Ms. Soja at least once a year to review the performance of your account and whether any changes are necessary to your stated investment objectives. Should you have any questions or concerns, you may contact Mr. Abbiuso directly at (617) 747-01102 or at [sabbiuso@dmc.com](mailto:sabbiuso@dmc.com).

**Item 14: Client referrals and other compensation**

Neither Detwiler Fenton nor Ms. Soja pays other entities for client referrals and neither is compensated for referrals to other investment advisers or services she may recommend to you, including the use of any broker-dealer to execute transactions. See Item 10 for other business activities for which Ms. Soja may receive compensation.

**Item 15: Custody**

If you choose DFWM as your executing broker-dealer, your funds and securities will be held by National Financial Services LLC ("NFS"), which has a clearing arrangement with our affiliated broker-dealer. If you choose to have your funds and securities held at an unaffiliated broker-dealer, you may have your transactions "cleared" through a different clearing firm.

NFS or a different clearing firm will send you account statements directly for each account that you hold through DFWM or the unaffiliated broker-dealer, respectively, at least quarterly if there is no activity in your account and by the 10th business day following the end of any month in which your account has activity. These statements will detail the investments and activity within the account for that time period.

We will also send you quarterly reports detailing the account valuation and performance return over several time periods relative to selective benchmarks. The daily average of the value of the assets will be the basis for your quarterly fees.

We urge you to not only review all account statements that you receive directly from Detwiler Fenton but also to compare the account statements received from the clearing firm. Should you find any errors or discrepancies, please let us know immediately.

**Item 16: Investment Discretion**

If you have given Ms. Soja investment discretion on your account as described in Item 4 above, she will not ask for your permission for each transaction that she executes in your account. The benefits of giving her limited discretion over your investment decisions are detailed in Item 12.

Discretion is limited to only investment direction and she will not do any of the following without your written consent:

- Transfer money between any of your accounts;
- Transfer money into or out of your account;
- Vote proxies for any security that you may own; or
- Choose the broker-dealer that executes your trades.

### **Item 17: Voting Client Securities**

Whether you are participating in either the non-discretionary advisory program or discretionary advisory program, we will not vote proxies that are received from issuers for your benefit. Should you choose to have an account at our affiliated broker-dealer, Broadridge Investor Services will send you your proxy materials directly. You will be given instructions in the investor materials detailing how to participate. Should you choose an unaffiliated broker-dealer to hold your securities, you will need to contact that broker-dealer for information on how to vote your securities.

### **Item 18: Financial Information**

Currently, there is no known financial condition that is reasonably likely to impair our ability to meet our contractual commitments with you. We do not have any judgments, arbitrations or other matters that we believe will materially affect our ability to provide you with the services we have agreed to provide.

### **Item 19: Requirements for State-Registered Advisers**

We are an SEC Registered Investment Adviser and as such are not required to register with individual states.