



April 08, 2013

Form ADV Part 2A: Firm Brochure

## Item 1: Cover Page

# Firm Brochure

## Richardson GMP (USA) Limited

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**This brochure provides information about the qualifications and business practices of Richardson GMP (USA) Limited.**

**If you have any questions about the contents of this brochure, please contact us at 855-204-7467.**

**The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.**

**Registration as an investment adviser does not imply that Richardson GMP (USA) Limited or any of its principals or employees possess a particular level of skill or training in the investment advisory business or other business.**

**Additional information about Richardson GMP (USA) Limited also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

## **Item 2      Material Changes**

This is the first brochure created by Richardson GMP (USA). As such, there are no material changes to report from our last filed version.

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## Item 4 Advisory Business

Richardson GMP (USA) Limited (RGMP (USA)) is a newly created subsidiary of Richardson GMP Limited, a Canadian Investment Dealer. Richardson GMP Limited is owned by its employees, GMP Capital Inc., James Richardson & Sons, Limited and Richardson Financial Group Limited. RGMP (USA) was created in November of 2012.

RGMP (USA) offers its clients two different types of advisory accounts:

**Portfolio Management Account (PMA):** This discretionary account provides your Investment Advisor with the authority to make investment decisions on your behalf, based on well-defined guidelines established in your Investment Policy Statement. You can impose restrictions on the types of securities or types of investing done in these accounts.

**Separately Managed Account (SMA):** A comprehensive discretionary investment program customized by you and your Investment Advisor. This account provides access to world-class, institutional investment managers across a range of mandates, regions, asset classes and investment styles. Each manager is selected for their expertise in a specific investment product, strategy or geographic region, as your mandate dictates. There is a limited ability to restrict each manager in these programs, but there is the ability to restrict which managers and types of assets.

Whether it's enhancing your ability to build wealth, or helping to maximize and preserve the financial independence you've achieved, our Investment Advisors have the expertise and experience to deliver unbiased advice to serve your unique needs. We'll work closely with you to get a clear understanding of what's most important to you and your lifestyle – focusing on your goals, tolerance for risk and investment horizon.

## Item 5 Fees and Compensation

RGMP (USA) offers its services on a fee basis, which may include fixed fees, as well as fees based upon assets under management.

### Financial Planning and Consulting Fees

RGMP (USA) may charge a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$5,000 to \$20,000 annually on a fixed fee basis, depending upon the level and scope of the services and the professional rendering, the financial planning and/or the consulting services. If the client engages RGMP (USA) for additional investment advisory services, RGMP (USA) may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

**Investment Management Fee**

RGMP (USA) provides investment management services for an annual fee based upon a percentage of the market value of the assets being managed by RGMP (USA). RGMP (USA)'s annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which are incurred by the client. RGMP (USA) does not, however, receive any portion of these commissions, fees, and costs. RGMP (USA)'s annual fee is prorated and charged monthly or quarterly, in arrears, based upon the market value of the assets being managed by RGMP (USA) on the last day of the month. The annual fee varies (between 0.25% and 2.75%) depending upon the market value of the assets under management and the type of investment management services to be rendered.

RGMP (USA), in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, pro bono activities, etc.).

**Fees Charged by Financial Institutions**

As further discussed in response to Item 12 (below), RGMP (USA) generally recommends that clients utilize the brokerage and clearing services of Pershing Advisor Solutions LLP ("Pershing") for investment management accounts. RGMP (USA) is not affiliated with Pershing but typically uses them to custody client assets and execute client transactions.

RGMP (USA) may only implement its investment management recommendations for the client after the client has arranged for and furnished RGMP (USA) with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions shall include, but are not limited to, Pershing, another broker-dealer recommended by RGMP (USA), a broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "Financial Institutions").

Clients may incur certain charges imposed by the Financial Institutions and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which are disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to RGMP (USA)'s fee.

RGMP (USA)'s Agreement and the separate agreement with any Financial Institutions may authorize the institution to debit the client's account for the amount of RGMP (USA)'s fee and to directly remit that management fee to RGMP (USA). Any Financial Institutions recommended by RGMP (USA) have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to RGMP (USA).

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

RGMP (USA) 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. The Firm also does not engage in side-by-side management.

## **Item 7 Types of Clients**

RGMP (USA) provides its services to individuals, trusts, estates, corporations and business entities. Clients must typically have a minimum of \$100,000 in assets, but this may be waived at RGMP (USA) discretion.

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

The advisors at RGMP have a strong and successful wealth management history. This involves selecting appropriate investments for their clients from a broad spectrum of products. It is for this reason that the advisors who choose to offer services to US residents through RGMP (USA) follow in this path. As such, RGMP(USA) will offer its clients equities, fixed income, options, mutual funds etc., depending on client need and preference.

When selecting equities RGMP (USA) may use a combination of fundamental and technical analysis to formulate its investment advice.

In the use of Fundamental analysis RGMP (USA) may use a combination of both Top down analysis and bottom up security analysis. Depending upon the investment strategy top down analysis may be used to evaluate macro-economic and industry factors, such as economic cycles, broad industry trends and global trends to assist in the determination of the potential prospects of a particular business or assist in the determination of an appropriate asset or sector allocation.

Fundamental analysis involves the review of a company's financial statements and health, its management and competitive advantages, and its competitors and markets. Typically a bottom up review of the company is used to determine if the projected growth and/or earnings potential is fully valued in the price of the investment. RGMP (USA) may use the two approaches in conjunction to identify the most favorable securities within the most favorable sectors.

Technical analysis which includes the evaluation of such factors such as price momentum and relative price strength may be used as an adjunct to fundamental analysis to assist in the confirmation of trading or investment decisions that are formulated.

RGMP (USA) will also use an asset allocation model. In this model investments will be selected from asset classes such as growth equities, dividend paying equities, fixed income securities, etc., based on market cycles and client need.

In general, investing in securities involves risk of loss to clients due to general market fluctuations and securities that underperform. RGMP (USA) uses asset allocation and diversification to mitigate these and other risks, but the client should be prepared for market volatility and potential loss of investment capital.

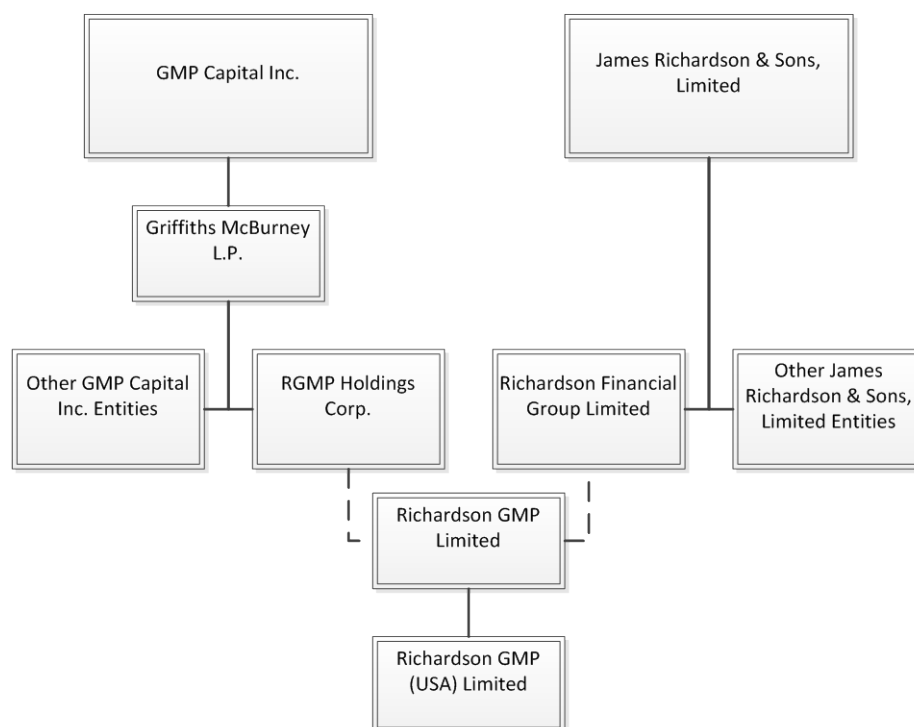
## Item 9 Disciplinary Information

RGMP (USA) is required to disclose the facts of any legal or disciplinary events that are material to a client's or prospective client's evaluation of its advisory business or the integrity of management. RGMP (USA) does not have any required disclosures to this Item.

## Item 10 Other Financial Industry Activities and Affiliations

### Financial Industry Activities and Affiliations

#### Richardson GMP (USA) Limited Corporate Structure



RGMP (USA) is a wholly owned subsidiary of Richardson GMP Limited.

**Richardson GMP Limited (RGMP)** is a Canadian investment dealer registered with the Ontario Securities Commission and a member of Investment Industry Regulatory Organization of Canada (IIROC). RGMP will share some office space and employees with RGMP (USA). Specifically, certain of the Officers and the Investment Adviser Representatives of the company will be employed and registered with both entities. Some administrative functions will also be shared between the entities. RGMP is owned by its' employees, GMP Securities Inc. and James Richardson & Sons, Limited.

**GMP Capital Inc.** (“GMP”) is a publicly traded company and member of the Toronto, Montreal and TSX Venture stock exchanges. GMP is a leading independent diversified financial services firm headquartered in Toronto, Canada. GMP provides a wide range of financial products and services to a client base that includes corporate clients, institutional investors and high-net-worth individuals through its’ subsidiary companies.

GMP has a non-controlling ownership interest in Richardson GMP Limited. There is no business relationship between GMP and RGMP (USA).

GMP directly or indirectly owns:

- GMP Securities, a member of the Investment Industry Regulatory Organization of Canada (“IIROC”) and the Canadian Investor Protection Fund (“CIPF”) provides investment banking, including advisory and underwriting services, institutional sales and trading and research through offices located in Toronto, Montreal and Calgary
- GMP Securities, LLC (the successor firm to Miller Tabak Roberts Securities, LLC) is a registered broker dealers in the United States that is a members of the Financial Industry Regulatory Authority and the Securities Investor Protection Corporation. GMP Securities, LLC provides institutional sales and trading and research through offices located in New York, Miami and Dallas.
- GMP Securities Europe LLP (“GMP Europe”) is authorized and regulated by the Financial Services Authority in the United Kingdom and is a member of the London Stock Exchange, providing investment banking, including advisory and underwriting services, institutional sales and trading and research through its’ offices located in London.
- GMP Securities Australia Pty Limited is authorized and regulated by the Australian Securities and Investments Commission (AFSL # 403684). GMP Australia provides investment banking, including advisory and underwriting services, institutional sales and trading and research through its’ offices located in London
- Richardson GMP Limited (“Richardson GMP”) is a member of IIROC and CIPF.
- GMP Investment Management L.P. (“GMP Investment Management” or “GMPIM”) is an Exempt Market Dealer, Portfolio Manager and Investment Fund Manager registered with the Ontario Securities Commission.

RGMP (USA) has no business relationship with any of the regulated affiliates that are listed. For further information regarding GMP, please visit their corporate website at [gmpcapital.com](http://gmpcapital.com).

**James Richardson & Sons, Limited** is a privately-held Winnipeg-based company established in 1857. The firm manages successful operations in agriculture and food processing through Richardson International Limited; financial services through Richardson Financial Group; property management through Lombard Place Limited, as well as oil and gas exploration through Tundra Oil & Gas Partnership. There is no business relationship between RGMP (USA) and any of the James Richardson & Sons, Limited entities.

### **Conflicts of Interest**

RGMP (USA) will use Pershing as its custodian and to execute client trades, unless otherwise requested by a client, in order to remove any actual or perceived conflicts between RGMP (USA) and its affiliated entities.

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

RGMP (USA) has adopted a code of ethics (“Code of Ethics”) pursuant to Rule 204A-1 under the Investment Advisers Act of 1940 (“Advisers Act”). In general, the Code of Ethics sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws. The Code of Ethics requires officers and employees of RGMP (USA) to perform the duties of their office or position honestly, in good faith, with integrity and in the best interests of its clients. Under the Code of Ethics, operations, activities and affairs of RGMP (USA) are to be kept strictly confidential. In addition, employees must avoid any situation in which their personal interests conflict with their duties as an employee, officer or director of RGMP (USA).

The Code of Ethics applies to all full and part-time, permanent and contract employees of RGMP (USA).

Under the Code of Ethics, RGMP (USA) and persons associated with RGMP (USA) (“Associated Persons”) are permitted to buy or sell securities that it also recommends to clients as long as such practice is consistent with RGMP (USA)’s policies and procedures.

The Code of Ethics also requires that certain of RGMP (USA)’s personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre- approval of certain investments such as initial public offerings and limited offerings. Reports of all securities transactions made in Access Persons’ personal securities accounts will be reviewed to identify, detect and resolve potential conflicts of interest.

Unless specifically permitted in RGMP (USA)’s Code of Ethics, none of RGMP (USA)’s Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of RGMP (USA)’s clients.

When RGMP (USA) is purchasing or considering for purchase any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when RGMP (USA) is selling or considering the sale of any security on behalf of a client, no Access Person may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

The Code of Ethics also addresses the fiduciary duties expected of all persons subject to the Code of Ethics, including gift and corporate opportunity policies, and restrictions on outside business activities.

All Associated Persons must acknowledge the terms of the Code of Ethics at least annually, or as the Code of Ethics is materially amended. Any Associated Person found to have violated the Code of Ethics may be subject to disciplinary action, including dismissal, and additional punishment under governing laws, if applicable.

Clients and prospective clients may contact RGMP (USA) at the phone number included on the cover of this Disclosure Brochure to request a copy of its Code of Ethics.

## **Item 12      Brokerage Practices**

RGMP (USA) generally recommends that clients use the services of Pershing for the execution, clearing and settling of their transactions. This recommendation is made based on Pershing's financial strength, its requirement to provide best execution for its clients, its competitive pricing structure and its level of product and service offering. RGMP (USA) maintains policies and procedures to review the quality of executions obtained by Pershing to ensure that they are at a level satisfactory to RGMP (USA).

RGMP (USA) may aggregate purchase or sale orders for several client accounts when it appears that the clients will benefit from the practice. This will generally be a result of the availability, liquidity or volatility of a specific security. RGMP (USA) will undertake not to favor one advisory client over any other client. Each client will participate in an aggregated order at the average share price for all of RGMP (USA)'s transactions in that security on any given day, with transaction costs shared pro rata based on participation. Prior to entering an aggregated order, a written aggregation statement will be prepared, specifying the participating client accounts and method of allocation among accounts. Partially filled orders will be allocated pro rata based on the written aggregation statement. If an order must be allocated in a manner different from that in a written aggregation statement, all clients must receive fair and equitable treatment and the written rationale for the departure must be approved by RGMP (USA)'s compliance officer.

In most cases, RGMP (USA) also permits its clients to direct their brokerage to specific brokers if the clients request that a particular broker be used. In such cases, RGMP (USA) may not be able to obtain the best pricing or execution.

RGMP (USA) does not utilize "soft dollars" in relation to trading or brokerage activities for its clients.

## **Item 13      Review of Accounts**

Your RGMP (USA) Investment Adviser Representative monitors accounts on an ongoing basis and reviews client accounts quarterly at a minimum. Accounts are reviewed for continued suitability with the clients' objectives and for the investments expected performance relative to the clients need and market conditions. Each quarter the overall asset allocation is reviewed to ensure that it is consistent with the Investment Policy Statement for the client.

You will receive monthly account statements from Pershing and you will have online access to your accounts that will allow you to review your holdings and transactional information.

Clients are urged to independently review and reconcile their Pershing records with any reports that they receive directly from RGMP (USA).

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

RGMP (USA) is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, RGMP (USA) is required to disclose any direct or indirect compensation that it provides for client referrals.

RGMP (USA) does not have any required disclosures to this Item.

## **Item 15      Custody**

RGMP (USA) does not have custody of client funds or securities. Unless the client has entered into an agreement with another custodian that is satisfactory to RGMP (USA), RGMP (USA) will assist the client in arranging for a qualified custodian to take physical possession of the client's funds and securities for safekeeping.

RGMP (USA) typically assists its clients by arranging for Pershing to maintain custody of client funds and securities. RGMP (USA)'s agreement with Pershing authorizes RGMP (USA) to debit the client's account for the amount of RGMP (USA)'s fee and to directly remit that management fee to RGMP (USA) in accordance with applicable custody rules.

Pershing has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to RGMP (USA). Clients should carefully review the statements sent directly by Pershing and compare them with any information such as portfolio or performance reports sent to them directly by RGMP (USA) to make sure that all information is consistent

## Item 16 Investment Discretion

RGMP (USA) may be given the authority to exercise discretion on behalf of clients. RGMP (USA) is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. RGMP (USA) is given this authority through a power-of-attorney included in the agreement between RGMP (USA) and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold, certain strategies not to be employed, certain asset classes to be avoided, etc.). RGMP (USA) takes discretion over the following activities:

- • The securities to be purchased or sold;
- • The amount of securities to be purchased or sold; and
- • When transactions are made.

However, in making such decisions, RGMP (USA) will exercise diligence, competence and skill and will at all times act in the best interests of its clients.

In exercising its discretion with respect to a client's account, RGMP (USA) will consider the client's financial background and investment knowledge, as well as the client's investment objectives, investment limitations and any other restrictions that have been outlined by the client.

## Item 17 Voting Client Securities

RGMP (USA) is required to disclose if it accepts authority to vote client securities. RGMP (USA) does not vote client securities on behalf of its clients. Clients receive proxies directly from the Financial Institutions and may contact RGMP (USA) with any questions by calling the number on the cover of this Disclosure Brochure.

## Item 18 Financial Information

RGMP (USA) does not require or solicit the prepayment of fees in advance. RGMP (USA) has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.