



**Item 1: Cover Page**

**Part 2A of Form ADV: FIRM BROCHURE OF**  
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**This brochure provides information about the qualifications and business practices of Roseline Capitol Advisors, LLC. If you have questions about the contents of this brochure, please contact James V. Duty at 804-545-7442. 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 with the SEC or state securities authority does not imply any level of skill or training.**

**Item 2: Material Changes**

**MATERIAL CHANGES**

This brochure is filed as an update to Form ADV, Part 2. The last update was filed with the SEC on March 21, 2014.

If you would like another copy of this brochure, please download it from the SEC website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov) or contact James V. Duty at 804-545-7442.

### Item 3: Table of Contents

## 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.....	4
ITEM 6: Performance-Based Fees and Side-by-Side Management.....	6
ITEM 7: Types of Client .....	6
ITEM 8: Methods of Analysis, Investment Strategies and Risk of Loss .....	6
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 .....	8
Item 12: Brokerage Practices .....	10
Item 13: Review of Accounts .....	11
Item 14: Client Referrals and Other Compensation.....	12
Item 15: Custody .....	12
Item 16: Investment Discretion .....	12
Item 17: Voting Client Securities.....	13
Item 18: Financial Information.....	14
Item 19: Requirements for State-Registered Advisers .....	14

#### **Item 4: Advisory Business**

### **ADVISORY BUSINESS**

Roseline Capitol Advisors, LLC (Hereinafter referred to as “Roseline” or “Advisor”) has been in business since October 2005. It is structured as a Limited Liability Company, and its principal owners are James W. Copley, James V. Duty, and John E. Flounders.

Roseline offers investment supervisory services to individuals, not-for-profit organizations, foundations and other institutions. Our service is implemented on a discretionary or non-discretionary basis, managed by us through separate investments in equities, mutual funds, exchange-traded funds, closed-end funds, bonds, cash-equivalents, commodities, futures contracts and other alternative investment instruments. The Advisor also provides investment consulting services that relate to matters such as allocation of assets among different classes, portfolio diversification, managing portfolio risk, and other general economic and financial topics. Account supervision is guided by the stated objectives of the client (i.e., inflation protection, maximum capital appreciation, growth, etc.) and all managed accounts are maintained with an independent custodian.

As of April 26, 2014, Roseline’s discretionary assets under management (AUM) were \$66,066,352 in 150 accounts across 44 households. Roseline does not have non-discretionary accounts.

Our client’s investment objectives are identified by assessing the client’s risk tolerance based upon their age, income, education, need for cash flows, investment goals, and emotional tolerance for volatility. The information provided by the clients will be collected during client meetings and interviews. This information is used to select one of several investment models or to create an individualized portfolio so that we may provide services tailored to the individual needs of our clients. Our clients also generally have the ability to impose restrictions on their portfolios, and may generally request that we include or omit certain securities or types of securities in their accounts. Strategies are developed and implemented through an optimal combination of investments. Capital market conditions and client circumstances are monitored; and portfolio adjustments are made as appropriate to reflect significant changes in any or all of the above variables.

We are required to disclose any negative financial, civil or criminal information about our personnel that might affect a client’s decision to work with Roseline. We do not have any such information to disclose.

#### **ITEM 5: Fees and Compensation**

## **FEES AND COMPENSATION**

For investment supervisory services, compensation is derived as fee income based upon the percentage of assets under management. The compensation method is explained and agreed with the clients in advance before any services are rendered. The compensation for our services, which may include developing and implementing an investment policy and objectives; formulating a quantitatively driven asset allocation analysis and recommendation; and monitoring a client's investment results is 1% on all assets under management subject to a minimum annual fee of \$10,000.

Generally, the minimum dollar value of assets suggested to set up an investment advisory account is \$1,000,000. The Advisor has the discretion to waive the minimum account size and the minimum annual fee. Accounts with a small balance may pay a higher percentage annual fee than those normally charged due to the \$10,000 minimum annual fee.

The amount of the fees may be negotiated on a case by case basis with the client, and is based upon a number of factors, including but not limited to, the following: the amount of work involved; the types of assets placed under management; and the attention needed to manage the account. If requested by the client, Advisor may consider a fixed fee in lieu of an asset based management fee as agreed to with the client.

Fees will be billed in arrears on a monthly basis, based on the month-end value of Assets Under Management, as agreed to by the client. Fees will generally be deducted directly from the client's brokerage or custodial account pursuant to a written agreement. Investment advisory services begin with the effective date of the Agreement, which is the date on which the client signs the Investment Advisory Agreement. If a client engages Advisor mid-month, fees are collected on a pro-rated basis, and if a client terminates his agreement with Roseline, fees will be deducted on a pro-rata basis.

Either the Advisor or the client may terminate the Agreement with 30 days' notice. Roseline provides notice of termination, in writing as indicated in its client agreement. Upon termination, the fees charged for the advisory services will be pro-rated and deducted from the client account. The client is responsible to pay for services rendered until the termination of the agreement. The client can cancel the Agreement without penalty within the first five business days after the signing of the Agreement.

Clients should be aware of their responsibility to verify the accuracy of the fee calculation submitted to the custodian by the Advisor, as the custodian will not determine whether the fee has been properly calculated. Advisory fees charged by the Advisor are separate and distinct from fees and expenses charged by mutual funds and exchange-traded funds, which may be recommended to clients and may result in a layering of fees. A description of these fees and expenses are available in each fund's prospectus.

These fees are for advisory services only and do not include other costs that the client may incur, including but not limited to, transaction fees, commissions or other custodial fees.

Roseline also offers investment advisory services for an hourly fee in cases where the firm may be advising on investment assets which it does not actively manage. We may provide overall strategic commentary, evaluation of economic conditions, portfolio analysis, suggest an investment model, or provide other services at client request. These services are customizable according to each client's wishes, and fees may be negotiable depending upon the type and complexity of services.

#### **ITEM 6: Performance-Based Fees and Side-by-Side Management**

### **PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT**

Roseline does not charge advisory fees on a share of the capital appreciation of the funds or securities in a client account (so-called performance based fees). Our advisory fee compensation is charged as discussed above.

#### **ITEM 7: Types of Client**

### **TYPES OF CLIENT**

The majority of the Advisor's clients are high net worth individuals, small business owners and corporate executives. Additionally, the Advisor also serves foundations, charitable organizations, trusts, estates and retirement plans. The Advisor's minimum account size is one million dollars, but the Advisor may in some cases make exceptions to that minimum. Please see "Item 5: Fees and Compensation" on the preceding pages for more information about the relationship between fees and accounts which are below the minimum size.

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

### **METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS**

Advisor's methods of analysis and investment strategies include the following:

- *Charting* is the analysis of the price and momentum behavior of markets and securities in a search for patterns. Its aim is to identify patterns in past market

conditions which may be relevant to current conditions. Charting analysis is based on the premise that trends and patterns are likely to repeat themselves.

- *Fundamental Analysis* attempts to measure the intrinsic value of a security, group of securities, index, economy, or other measurable variable by examining its qualitative and quantitative characteristics. These measures are generally compared to the measures of the rest of the market environment, and the fundamental analyst attempts to value investment opportunities strictly as they relate to other opportunities.
- *Technical Analysis* is related to *Charting* in that it examines the movement of prices and values. However, Technical Analysis is less visual and more mathematical in its treatment of asset prices, measuring volatility, momentum, standard deviation from a mean or moving average, retracements of prior moves, and other ways to describe the movement of asset prices.
- *Cyclical Analysis* is, in part, a combination of the above methods. Its basic tenet is that investments, asset classes, and whole markets are subject to long-term trends (“bull” and “bear” markets) and that much of an asset’s short-term price behavior is part of a longer-term trend to which an investor should pay attention.

The firm attempts to consider each of these factors in the context of the others. For instance, the firm may take advantage of short-term market conditions based on one type of analysis, while maintaining its long-term outlook based on another. The firm provides its overall market outlook and opinions on at least a quarterly basis by way of a one-on-one presentation its principals make to each client individually.

## **Risk of Loss**

Securities markets fluctuate substantially over time. All investments in securities include a risk of loss of money invested (principal) and any unrealized profits (i.e., profits in the account that have not been liquidated, sometimes called “paper profits”). In addition, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets Roseline manages that may be out of our control. Roseline cannot guarantee any level of performance or that clients will not experience a loss of account assets.

Roseline does not represent, warrant or imply that the services or methods of analysis used by the Advisor can or will predict future results, successfully identify market tops or bottoms, or insulate clients from losses due to market corrections or crashes. No guarantees can be offered that clients’ goals or objectives will be achieved. Further, no promises or assumptions can be made that the advisory services offered by Roseline will provide a better return than other investment strategies.

Varied fluctuations in the price of investments are a normal characteristic of securities markets due to a variety of influences. Managed account programs should be considered a long-term investment and thus long-term performance and performance consistency are the major goals.

## **ITEM 9: DISCIPLINARY INFORMATION**

### **DISCIPLINARY INFORMATION**

Roseline is obligated to disclose any legal or disciplinary event(s) that would be material to a client's, or prospective client's evaluation of our advisory business. We do not have any legal or other disciplinary item to report.

## **ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

### **OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS**

Advisor's partners, James V. Duty, Jay Copley and Jef Flounders, are also principals of The Roseline Financial Group, LLC, the Advisor's parent company. Two of the Advisor's partners, James V. Duty and Jef Flounders, are also partners of Roseline Tax Advisors, PLLC, an affiliated CPA firm that provides tax consulting and preparation services and non-investment related financial planning services. All of the Advisor's employees are paid by The Roseline Financial Group.

So in summary, all three partners of the Advisor are partners of the parent. Further, two of the Advisor's partners are partners in the CPA firm.

It is anticipated that Mr. Duty will devote approximately 60% of his time and Mr. Flounders will devote 40% of his time in these other capacities.

The Firm believes that this arrangement poses no conflict of interest. Mr. Duty and Mr. Flounders both provide significant services to both the Advisor and the CPA firm, and both are compensated at the parent level for their relationships, mitigating the potential impetus to steer a client in one direction or another. Neither refers clients to the Advisory business unless they have identified a need. Mr. Copley is mainly concerned with portfolio management, and does not generally have opportunity to work with a client until they have been referred by Mr. Duty or Mr. Flounders. Further, there are no investment-related services provided by the CPA firm, and the structures of the CPA and Advisory firms are designed to be separate, avoid overlap of services as much as possible, and complement one another.

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

### **CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING**

#### **Code of Ethics**



In order to provide an understanding of Roseline's standards for meeting our fiduciary responsibility to clients, the Advisor has adopted a Code of Ethics (herein after referred to as the "Code"), which includes formal insider trading and personal securities transaction policies and procedures. Furthermore, the Firm, its principals and employees are permitted to trade securities for their own personal accounts and may purchase or sell the same securities that are recommended to clients.

The Advisor's Code also requires all employees to effect the following: (1) report personal securities transactions on at least a quarterly basis; and (2) provide the Advisor with a detailed summary of certain holdings (both initially upon commencement of employment and annually thereafter) over which such employees have a direct or indirect beneficial interest.

A copy of the Advisor's Code shall be provided to any client or prospective client upon request.

### **Participation or Interest in Client Transactions and Personal Trading**

Related persons of Roseline (any advisory affiliate and any person that is under common control with the Advisor) may buy or sell securities identical to those securities recommended to clients. Hence, related persons and employees may have an interest or position in certain securities that are also recommended and bought or sold to clients. The presumption is that if a transaction is determined to be advisable, then the client trades should be given the advantage of being traded first.

This could create a potential conflict of interest in that there may be a temptation for the firm, its associates, or its related persons to trade ahead of the firm's clients.

Roseline Capitol Advisors, LLC takes its fiduciary responsibility very seriously, and mitigates this potential conflict in the following ways:

*No Firm Accounts:* The firm does not maintain a proprietary investment account, and therefore will not trade ahead of its clients.

*Types of Securities:* The firm normally trades mutual funds and exchange-traded funds, which generally offer high liquidity and are not overly price-sensitive to trade volume.

*Restricted Access to information:* Only Roseline Capitol Advisors, LLC associates have access to information regarding client holdings, firm strategies, or upcoming transactions. No person or entity outside of the firm has the information or opportunity to trade ahead of our clients.

*Portfolio Management:* Firm Principal Jay Copley holds primary responsibility for investment strategy and portfolio management. His decision process on investment allocation is generally private, eliminating the chance for other associates to trade ahead of client accounts. Further, when an investment strategy or model is changed, the firm's Operations department notifies all

personnel that they may not trade in any of the securities involved until client trades have been completed.

*Personal Transaction Reporting and Testing:* All associates are required to report their personal investment holdings and accounts on an annual basis, and are further required to report most securities transactions on a quarterly basis. These reports are reviewed by the Chief Compliance Officer to test for instances where any firm personnel may have traded in the same securities as advisory clients. If any such instance is found, the CCO makes note of it and researches the situation to determine if it was in fact a case of “trading ahead”. Depending on the facts and circumstances, the CCO may determine that further action is necessary. This action may include a memorandum of education to the files, the requirement that the associate cancel their personal trade, a financial penalty, suspension of personal trading privileges, or further disciplinary action up to and including termination in the most egregious cases.

## **Item 12: Brokerage Practices**

### **BROKERAGE PRACTICES**

#### **Research and Other Soft Dollar Benefits:**

Although the Advisor does not receive any compensation for soft dollar arrangements, it does participate in Fidelity Brokerage Services, LLC’s (“Fidelity”) sponsored advisory program, which is discussed below.

#### **Fidelity Brokerage Services, LLC Sponsored Advisory Programs**

The Advisor participates in the institutional program offered by Fidelity and absent a client having an existing brokerage relationship, the Advisor will assist the client with developing a relationship with Fidelity.

As part of the institutional programs offered by Fidelity, the Advisor receives benefits that it would not receive if it did not provide investment advice to clients. While there is no direct affiliation or fee sharing arrangements between Fidelity and the Advisor, economic benefits are received by the Advisor that would not be received if the Advisor did not have an established relationship with this company. These benefits do not depend upon the amount of transactions directed by the Advisor to Fidelity. These benefits may include: a dedicated trading desk that services the Advisor’s clients, a dedicated service group and an account services manager dedicated to the Advisor’s accounts, access to a real-time order matching system, ability to block client trades, efficient download of trades, portfolio management software, access to electronic interface, duplicate and batched client statements, confirmations and year-round summaries, the

ability to have advisory fees directly debited from client accounts (in accordance with federal and state requirements), a quarterly newsletter, access to mutual funds, ability to have loads waived for the Advisor's clients who invest in certain loaded funds when certain conditions are met and maintained, and the ability to have custody fees waived.

#### **Brokerage For Client Referrals:**

The Advisor does not receive any compensation or incentive for recommending any broker-dealer. Clients always have the option of selecting any broker-dealer they would like to use.

#### **Directed Brokerage:**

A client may direct the Advisor, in writing, to use a particular broker-dealer to execute all transactions for client's account. However, note that this is not a routine practice of the Advisor. When a client selects a broker to be used for his account, the commission rates are decided upon between the client and his broker. In addition, the Advisor does not have any responsibility for obtaining for the client from any such broker the best prices or particular commission rates, and the client may not obtain rates as low as it might otherwise obtain if the Advisor had discretion to select broker-dealers other than those chosen by the client.

Clients that restrict the Advisor to using a particular broker-dealer (or direct us to use a particular broker-dealer) for executing their transactions generally will be unable to participate in aggregated orders, and will be precluded from receiving the benefits, if any; of an aggregation which other clients may receive. The Advisor will generally execute aggregated orders for non-directed clients before executing orders for clients that direct brokerage.

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

### **REVIEW OF ACCOUNTS**

Generally, managed accounts are reviewed on a weekly basis by the three partners, James Duty, Jef Flounders, and Jay Copley. Factors taken into consideration during a review include, but are not limited to, asset allocation, performance and conformance with investment guidelines and restrictions. Market fluctuations, changes in a client's financial circumstances or income needs, geo-economic changes, or changes in an investment manager's strategy are factors that may trigger a review. Additionally, client accounts are reconciled by the Firm's operations group on a daily basis.

Financial Planning accounts are reviewed semi-annually or annually or as directed by the client.

Reviewers are instructed to review client accounts to ensure that they are consistent with the guidelines and restrictions established by the client's Investment Policy Statement.

Also note that the Advisor provides clients with quarterly written reports that address allocation, securities holdings, account performance and investment strategy. Clients receive monthly statements from the custodian.

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

**CLIENT REFERRALS AND OTHER COMPENSATION**

Roseline does not compensate a client or any other person for referrals.

**Item 15: Custody**

**CUSTODY**

The Advisor does not maintain custody of client funds or securities, nor does it hold any stock, bond, or other security, investment certificate or cash (except in the payment of its advisory fee) that is part of the Client's account. Custody of client assets shall be maintained with an independent custodian selected by the Client. Clients shall receive account statements directly from their custodian(s) and should read the statements carefully for accuracy.

**Item 16: Investment Discretion**

**INVESTMENT DISCRETION**

Pursuant to clients' written agreements, the Advisor has full discretion with respect to purchase and sale in the clients' accounts, and the amount of such purchases and sales. Discretionary authority provides the Advisor the ability to determine the securities to be purchased and sold and when such securities are purchased and sold. The majority of the Advisor's accounts are discretionary.

Accounts the Advisor manages on a discretionary basis may receive more favorable executions when purchasing or selling securities than accounts managed on a non-discretionary basis due to the fact that the Advisor must receive client authorization before placing a trade order.

In the course of providing our services, we will execute trades for our clients through broker-dealers. When a client has given us broker discretion, there is no restriction on the brokers

we may select to execute client transactions. Our general guiding principle is to trade through broker-dealers who offer the best overall execution under the particular circumstances.

With respect to execution, we consider a number of factors, including if the broker has custody of client assets; the actual handling of the order; the ability of the broker-dealer to settle the trade promptly and accurately; the financial standing of the broker-dealer; the ability of the broker-dealer to position stock to facilitate execution; our past experience with similar trades; and other factors which may be unique to a particular order. Based upon these judgmental factors, we may trade through broker-dealers that charge fees that are higher than the lowest available fees.

In addition, broker-dealer fees may vary and be greater than those typical for similar investments if we determine that the research, execution or other services rendered by a particular broker merit greater than typical fees. Also, in certain circumstances, we may execute over-the-counter securities transactions on an agency basis, which may result in advisory clients incurring two transaction costs for a single trade: a commission paid to the executing broker-dealer plus the market-makers mark-up or mark-down.

Orders for the same security entered on behalf of more than one client will generally be aggregated (bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the trading day may be aggregated with any previously unfilled orders; filled orders shall be allocated separately from subsequent orders. All clients participating in each aggregated order shall receive the average price and if applicable, pay a pro-rata portion of commissions. Accounts that are beneficially owned by the Advisor or its employee or access person may participate in aggregated orders under the same conditions as set forth above. Transactions are usually aggregated to seek a lower commission, lower costs, or a more advantageous net price.

As a fiduciary, the Advisor puts the interests of its client ahead of its own. Note however, the Advisor, its officers, members, or employees may acquire securities for their own account which may be different than those purchased for the accounts of its clients. The Advisor is not obligated to acquire any security, for any account that in the Advisor's discretion is determined not to be practical or desirable.

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

### **VOTING CLIENT SECURITIES**

Notwithstanding Advisor's discretionary authority to make investment decisions on behalf of clients, Advisor will not exercise proxy voting authority over securities held in client accounts. The obligation to vote proxy securities shall at all times rest with the client. Advisor shall not be

deemed to have proxy voting authority solely as a result of providing advice or information about a particular proxy vote to a client.

Should Advisor inadvertently receive proxy information for a security held in a client's account, then Advisor will make a good faith effort to forward such information on to the client in a timely manner, but will not take any further action with respect to the voting of such proxy. Upon termination of its Investment Advisory Agreement with a client, Advisor shall make a good faith and reasonable attempt to forward proxy information inadvertently received by Advisor on behalf of the client to the forwarding address provided by the client to Advisor.

**Item 18: Financial Information**

**FINANCIAL INFORMATION**

This section is inapplicable to the Advisor. The Advisor does not solicit prepayment for more than \$1,200 in fees per client, six or more months in advance.

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

**REQUIREMENTS FOR STATE-REGISTERED ADVISERS**

The Advisor's principal executive officers are:

- James V. Duty, CRD 2700535
- John E. "Jef" Flounders, CRD 4695261
- James W. "Jay" Copley, CRD 1790932

The Advisor does not engage in any business other than providing investment advice and asset management. However, as noted elsewhere, the Advisor is affiliated with a CPA firm and its principals may devote some time to that business and the management of the affiliate, as disclosed above in Item 10.

The Advisor does not charge performance-based fees. Neither the Advisor nor its personnel have any arbitration or proceeding results to disclose. The Advisor and its personnel have no relationship or arrangement with any issuer of securities.