



Firm Brochure

Part 2 of Form ADV

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This brochure provides information about the qualifications and business practices of EmeraldSpark Investments. If you have any questions about the content of this brochure, please contact us by email at info@emeraldspark.com. 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.

EmeraldSpark Investments, LLC is a registered investment advisor. Registration of an investment advisor does not imply a certain level of skill or training. Additional information about EmeraldSpark Investments, LLC is available on the SEC's website at www.advisorinfo.sec.gov.

Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually when material changes occur since the previous release of the Firm Brochure. This is the first version of our Part 2A filing. The U.S. Securities and Exchange Commission issued a final rule in July 2010 requiring advisors to provide a Firm Brochure in narrative “plain English” format. The new final rule specifies mandatory sections and organization. This Brochure dated December 17, 2013 is prepared according to the SEC’s new requirements and rules.

Table of Contents

Annual Update.....	2
Table of Contents.....	3
Advisory Business.....	4
Firm Description.....	4
Types of Services Offered.....	4
Tailored Services.....	4
Client Assets under Management.....	5
Fees and Compensation.....	5
Description.....	5
Other Types of Fees.....	6
Performance-Based Fees and Side-By-Side Management.....	6
Types of Clients.....	6
Methods of Analysis, Investment Strategies and Risk of Loss.....	6
Description.....	6
Risk of Loss.....	7
Disciplinary Information.....	8
Other Financial Industry Activities and Affiliations.....	8
Code of Ethics, Participation or Interest in Client Transactions and Personal	
Trading.....	8
Code of Ethics.....	8
Conflicts of Interest.....	9
Brokerage Practices.....	9
Selecting Broker-Dealers.....	9
Best Execution.....	9
Aggregated Trades.....	9
Review of Accounts.....	9
Client Referrals and Other Compensation.....	10
Custody.....	10
Investment Discretion.....	10
Voting Client Securities.....	10
Financial Information.....	11
Principal Executive Officer.....	11

Advisory Business

Firm Description

EmeraldSpark Investments, LLC doing business as EmeraldSpark Investments ("Advisor") was founded in 2013, and is registered as an Investment Advisor with the SEC. It should be noted that such registration should not be taken to imply a certain level of skill or training. EmeraldSpark is 100% owned by Ryan P. Layton.

EmeraldSpark primarily provides personalized discretionary investment management services to individual clients and investment advisory services to 401(k) plan sponsors. Although the investment strategies utilized for all of these services are similar due to the asset allocation framework, recommended tactical weightings or other factors, the securities, timing of investment recommendations and implementation as well as the fees associated with accounts managed are materially different. Differences in these factors may cause material differences between the investment performance experienced by clients in different service models.

Types of Services Offered

Wealth Management – EmeraldSpark offers personalized discretionary investment management services to individual clients. An Investment Policy Statement (IPS) is drafted for each client at the onset of the relationship. The IPS outlines an investor's long-term plans and acts as a road map for EmeraldSpark to follow while managing the client's assets. The IPS contains important client information including investment objective, risk comfort zone, time horizon, tax considerations, liquidity and disbursement needs, and other preferences, circumstances and restrictions.

401(k) Plan Investment Advisement – EmeraldSpark offers 401(k) plan sponsors a concise list of carefully researched and selected funds to provide to their plan participants, as well as the option for those participants to select from a set of managed models at no additional cost. We partner with a third-party administrator (TPA) and a third-party broker/custodian of the plan sponsor's choosing to provide everything your company needs to offer your employees this competitive benefit (additional fees charged by third-party plan administration and broker/custody service providers).

Tailored Services

At the beginning of the relationship, all clients ("Client") may be asked to complete and provide EmeraldSpark Investments ("Advisor") with an Investment Policy Statement ("IPS") which sets forth the investment objectives, risk comfort zone, time horizon, tax considerations, liquidity and disbursement needs, and other preferences, circumstances and restrictions.

The Client will have the opportunity to place reasonable restrictions on the types of investments which will be recommended (for non-discretionary accounts) or made on the Client's behalf (for discretionary accounts); provided, Advisor reserves the right to terminate the Agreement if it determines that any such restrictions are not consistent with providing the investment advisory services (the "Services") delineated in the Agreement in an efficient and cost-effective manner.

The Services will be provided in a manner consistent with the information contained in the IPS and in any written client profile or investment guidelines provided to Advisor. In the Agreement, the Client will agree to inform Advisor promptly in writing if any information in the IPS or in any client profile or investment guidelines changes or otherwise becomes no longer true, correct or complete.

Client Assets under Management

EmeraldSpark Investments is a new firm and as of December 17, 2013 had Assets Under Management ("AUM") of \$0.

Fees and Compensation

Description

EmeraldSpark Investments' ("Advisor") fee for the investment advisory services (the "Services") is an asset-based fee calculated as a percentage of the aggregate market value of the assets of the Client for which Advisor provides the Services. Fees will be billed in arrears at the end of each month as agreed upon by Client and Advisor in the Investment Advisory Agreement ("Agreement"). The monthly fee will equal the annual fee rate described in the Agreement divided by twelve and will be applied to the aggregate value of the Portfolio, as such value is reported by the Custodian (or other third-party valuation service engaged by the Custodian) as of the last trading day of each month. The agreement may be terminated at any time upon written notice by either party. In the event of a partial month, the first or last billed month will be pro-rated from the date of the Agreement or to the date of termination.

Wealth Management Fee Schedule (per annum):

First \$1,000,000	1.00%
Next \$4,000,000	0.75%
Next \$5,000,000	0.50%
Over \$10,000,000	Negotiable

The minimum annual management fee for Wealth Management is \$1,000. EmeraldSpark reserves the right to waive the annual fee. Wealth Management fees are deducted directly from client accounts.

401(k) Plan Investment Advisement Fee Schedule (per annum):

Total Assets Under Management Fee	
\$0 - \$10,000,000	0.25%
\$10,000,000 - \$25,000,000	0.20%
\$25,000,000 and over	Negotiable

The minimum annual management fee for 401(k) Plan Investment Advisory services is \$2,500. EmeraldSpark reserves the right to waive the annual fee. 401(k) Plan Investment Advisory fees can either be deducted from plan participants' assets or billed directly to the plan sponsor as determined and outlined in the Agreement.

In certain circumstances, Advisor may agree to negotiate its fees. Advisor may charge different fees to clients receiving the same services. The above fee schedules are Advisor's basic fee schedules generally charged to clients absent negotiable circumstances. Fees are negotiated on a case-by-case basis depending on a variety of factors including the nature and complexity of the particular service, the Client's

relationship with the firm, the size of the account, and the potential for other business or clients among other factors.

Other Types of Fees or Expenses

In addition to EmeraldSpark's Wealth Management fees, additional fees charged by the Custodian and fees and commissions charged by exchanges, electronic communications networks, introducing and executing brokers, and other trading intermediaries will be paid by the Client. The Advisor does not receive the commissions charged on securities trades that are transacted through any broker-dealer. To the extent that clients' accounts are invested in mutual funds, these funds charge a separate layer of management, trading, and administrative expenses.

In addition to EmeraldSpark's 401(k) Plan Investment Advisement fees, additional fees charged by third-party plan administration and broker/custody service providers apply and are to be paid by the Client. Mutual funds charge a separate layer of management, trading, and administrative expenses.

Performance-Based Fees and Side-By-Side Management

Fees are not charged on the basis of a share of capital gains upon or capital appreciation of the Portfolio or any portion of the Portfolio. Advisor does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the Advisor to recommend an investment that may carry a higher degree of risk to the client.

Types of Clients

EmeraldSpark Investments primarily provides personalized investment management services to individuals, retirement and pension plans, trusts, estates, charitable foundations and private corporations. EmeraldSpark's minimum relationship size is generally \$100,000 for Wealth Management services and \$1,000,000 in plan assets for 401(k) Plan Investment Advisement services.

Methods of Analysis, Investment Strategies and Risk of Loss

Description

EmeraldSpark's investment process blends the foundations of Modern Portfolio Theory with the latest research in the field of behavioral finance. We understand that human behavior can have significant impacts on the market in the short and intermediate term, and even the most efficiently constructed portfolios are of little use if the anxiety created by market swings compels an investor to abandon their long-term plan.

EmeraldSpark specializes in asset allocation and manager due diligence to help provide our clients with investment strategies personalized to match their specific goals and risk comfort zone. Our asset allocation process begins with developing long-term strategic portfolios across the risk/return spectrum based on our expected

returns and volatility of each asset class as well as how those asset classes tend to move with regards to each other. The goal is to create the most efficient set of portfolios; that is to say the highest expected return for a given level of expected volatility. We regularly monitor economic data and analyze relative valuations of asset classes to identify shorter-term mispricings that are driven by human emotions. If the resulting transaction costs and potential tax implications are reasonable we will make tactical over-weights and under-weights to our long-term strategic targets to take advantage of these opportunities.

The due diligence process of evaluating mutual fund managers as well as exchange-traded funds (ETFs) is both quantitative and qualitative. We subscribe to Morningstar to get access to their research and data on the fund manager universe, and use that data to screen for potential funds for our approved list. Once we have narrowed the field down to a handful of finalists, we then conduct a qualitative review by interviewing their investment team. EmeraldSpark only selects funds with processes as management teams we have high conviction in.

Risk of Loss

Past performance may not be indicative of future results. Different types of investments and allocation strategies involve varying degrees of risk. Therefore, it should not be assumed that future performance of a particular investment or investment strategy will be profitable or achieve its objective. If there are any changes to client's personal and/or financial situation or investment objectives, it is the client's responsibility to notify EmeraldSpark, preferably via email, so that any adjustments to the investment strategy for that client can be implemented. All investing involves a risk of loss.

All investment programs have certain risks are borne by the investor. Investing in securities involves risk of loss clients should be prepared to bear. Our investment approach keeps the risk of loss in mind. Some of the most common risks Investors face include the following:

- **Interest-rate Risk:** Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise yields on existing bonds may become less attractive causing their market values to decline.
- **Market Risk:** The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic, and social conditions may trigger market events.
- **Inflation Risk:** When any type of inflation is present the purchasing power of a dollar is eroding.
- **Currency Risk:** Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country.
- **Reinvestment Risk:** This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.
- **Business Risk:** These risks are associated with a particular industry or a particular company within an industry.
- **Liquidity Risk:** Liquidity is the ability to readily convert an investment into cash at a price that is representative of its fair value. Generally, assets are

more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid while real estate properties are not.

- Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability because the company must meet the terms of its obligations regardless of the current business conditions. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Disciplinary Information

The firm and its employees have not been involved in any legal or disciplinary events that are material to a client's or prospective client's evaluation of this firm or the integrity of its management.

Other Financial Industry Activities and Affiliations

EmeraldSpark Investments is registered as an Investment Advisor with the SEC. EmeraldSpark Investments has no affiliations or arrangements that are material to its advisory practices or its clients.

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

Code of Ethics

EmeraldSpark has adopted a Code of Ethics as outlined below for all supervised persons of the firm describing its high standard of business conduct and fiduciary duty to its clients. Managers have the following responsibilities to their clients. Managers must:

1. Act in a professional and ethical manner at all times.
2. Act for the benefit of clients.
3. Act with independence and objectivity.
4. Act with skill, competence, and diligence.
5. Communicate with clients in a timely and accurate manner.
6. Uphold the applicable rules governing capital markets.

A copy of the complete Code of Ethics is available to any client or prospective client upon request.

Conflicts of Interest

EmeraldSpark's Code of Ethics also requires Employees to disclose any outside business interests. In the event an outside business activity presents a material conflict of interest with EmeraldSpark's Clients, EmeraldSpark reserves the right to restrict these outside business activities. Employees must also give priority to investments made on behalf of the client over those that benefit the Employees' own interests. To ensure compliance, Employees must report personal securities transactions on at least a quarterly basis, and provide EmeraldSpark 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. Employees are required to disclose all outside business activities to EmeraldSpark's CCO, Ryan Layton.

Brokerage Practices

Selecting Broker-Dealers

EmeraldSpark has selected Scottrade to serve as Custodian and Broker-Dealer based on their low transaction costs, fast trade execution, and monthly statistics that show they deliver trades at or better than quoted prices over 98% of the time on average during normal market conditions (data as of October 2013). EmeraldSpark Investments will review the execution of trades at each custodian each quarter. Trading fees charged by the custodians are also reviewed. EmeraldSpark Investments does not receive any portion of the trading fees.

EmeraldSpark has not received any soft dollar benefits and does not have any soft dollar arrangements but may have soft dollar arrangements in the future and will avoid conflicts and comply with regulatory requirements. The receipt of soft dollars may cause a potential conflict between the advisor and the use of client securities transactions to obtain research and other benefits. Use of soft dollars by EmeraldSpark will only be for the benefit of clients.

Best Execution

EmeraldSpark Investments does not currently allow clients to direct brokerage.

Aggregated Trades

When possible, EmeraldSpark typically aggregates client trades in an effort to treat all clients fairly. Clients participating in a bunched order receive the same average price and incur trading costs that are the same as would be paid if they were trading individually. Employees may be included with the bunched client trades. Situations may occur which do not allow for effective aggregation of trades.

Review of Accounts

EmeraldSpark periodically reviews client accounts continuously to ensure the assets are in line with the guidelines set forth in the clients' Investment Policy Statement. Accounts will be continually monitored and formal reviews will occur at least quarterly or when market conditions or changes in clients' objectives or the firm's market strategy warrant. The reviews will be conducted by one of the firm's Portfolio Managers.

Regular reports on holdings will typically be sent to the client on a monthly basis from the custodian. These reports will include both holdings and transactions. Additionally, EmeraldSpark may prepare written reports to communicate with clients as appropriate. The Information contained in these reports is collected from sources believed to be reliable. Clients should always refer to the custodian's statement as the primary record reflecting their account holdings and value. If client detects a discrepancy during its reconciliation process they should notify EmeraldSpark immediately.

Client Referrals and Other Compensation

EmeraldSpark Investments does not compensate referring parties for client referrals. EmeraldSpark Investments does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

Custody

All assets are held in custody at Scottrade, which will provide account statements directly to clients at least quarterly.

Investment Discretion

EmeraldSpark Investments ("Advisor") will have discretionary authority over Client Portfolios. This authority will be established in the Investment Advisory Agreement ("Agreement"). Advisor's authority and discretion will include, without limitation: the power to buy, sell, retain and exchange investments; exercise such other powers as Advisor deems appropriate to manage and execute transactions for the Client's account in a manner consistent with the Client's Investment Policy Statement and investment guidelines; and to engage such agents as Advisor deems appropriate in connection with the performance of Advisor's services under the Agreement. Any limitations on this discretionary authority and any restrictions that client wishes to place on the account shall be included in the Agreement. Clients may change or amend these limitations or restrictions at any time. Such amendments must be submitted in writing.

Voting Client Securities

EmeraldSpark Investments does not vote proxies for its clients. Proxy votes will be sent directly to the client from the custodian. In the even a client requests advice on how to vote a proxy, EmeraldSpark will provide a recommendation it believes, consistent with its fiduciary duty, to be in the best interest of the client.

Financial Information

EmeraldSpark Investments has never filed for bankruptcy and is not aware of any financial condition that is expected to impair its ability to meet contractual commitments to clients.

Principal Executive Officer

Ryan P. Layton, CFA - Portfolio Manager, President, Chief Compliance Officer

Ryan Layton is a portfolio manager and the founder and sole shareholder of EmeraldSpark Investments. He specializes in developing asset allocation strategies and incorporating behavioral finance into the client profiling and investment decision-making process. Mr. Layton is a frequent speaker at trust and wealth management conferences across the country, covering a number of topics including behavioral finance, alternative investments, investment management outsourcing, and the Prudent Investor Rule.

Mr. Layton has ten years of investment management experience. Prior to founding EmeraldSpark in 2013, Ryan worked for MainStreet Advisors in Chicago, Illinois for three years as a portfolio manager and as the Director of Asset Allocation. He spent the first seven years of his career as an Assistant Vice President and Investment Manager with Wells Fargo Wealth Management Group in Minneapolis, Minnesota where he was actively involved in the firm's asset allocation and investment selection processes.

Ryan has earned the right to use the Chartered Financial Analyst (CFA®) designation and holds a B.S. degree in Finance from Michigan Technological University. He is a member of the CFA Society of Chicago and enjoys writing, running, and adventure travel.