

**Algorithmic, Inc. d/b/a  
LendingRobot**

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**March 5, 2014**

**FORM ADV PART 2A  
BROCHURE**

This brochure provides information about the qualifications and business practices of Algorithmic, Inc. d/b/a LendingRobot. If you have any questions about the contents of this brochure, please contact us at 206-201-1749. 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.

Additional information about LendingRobot is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Algorithmic, Inc is a registered investment adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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## Item 4 Advisory Business

### Description of Services and Fees

Algorithmic, Inc. dba LendingRobot is a registered investment adviser primarily based in Washington state. We are organized as a corporation under the laws of the State of Washington. We have been providing investment advisory services since 2014. Emmanuel Marot and Gilad Golan are our principal owners. Currently, we offer internet only investment advisory services. We do not offer personal advice to clients but, rather, utilize an algorithm to assist clients in selecting loans in which to invest.

The following paragraphs describe our services and fees. Refer to the description below for information on our advisory services. As used in this brochure, the words "we", "our" and "us" refer to LendingRobot and the words "you", "your" and "client" refer to you as either a client or prospective client of our firm.

LendingRobot offers a web-based portal for clients to access Peer Lending companies such as Lending Club or Prosper Marketplace (hereinafter referred to as the "Platforms"). Peer Lending facilitates loans to borrowers who obtain the loans at terms they find more attractive than those offered by traditional banks or credit cards. Loans are funded by our clients and thereby avoids the cost and complexity of traditional banking. Loans to borrowers are structured in the form of Notes and generally our algorithm will have clients invest in hundreds, or thousands, of Notes to diversify and benefit from more consistent performance. LendingRobot's algorithm assists you, as the lender, in selecting a portfolio of loans that fits your investment objectives. The Platforms' Notes are graded and listed with projected returns. In order to select which Notes to invest in you can set various parameters or criteria and our proprietary algorithm will recommend the grade or grades, desired return, and other factors that fit your investment goals.

In order to invest your funds in the Notes, we require that you give us discretionary authority to manage your account. Discretionary authorization will allow us to determine the specific loans, or Notes, to invest in as well as the amount of money to be invest in each loan and the number of loans to fund without your approval prior to each transaction. Discretionary authority is typically granted by the investment advisory agreement you sign with our firm and the appropriate trading authorization forms. You may limit our discretionary authority (for example, limiting the types of loans that can be funded from your account) by setting your parameters.

### Types of Investments

We primarily offer advice on prime consumer notes which are fixed-income investments that generate monthly cash flow in the form of payments of principal and interest.

### Assets Under Management

We are a newly registered investment adviser and, therefore, as of the date of this Brochure, do not have any discretionary or non-discretionary assets under management.

## Item 5 Fees and Compensation

We charge an annual fee of 0.45% of the Client's account value. Each day we calculate your account value, which is equal to the cash on deposit in your account plus the remaining principal balance of loans funded through LendingRobot. We then apply  $1/365^{\text{th}}$  ( $1/366^{\text{th}}$  on a leap year) of the annual rate to that amount. Fees accumulate for a month, and are charged on the closest corresponding date of the following month anniversary. For example, a client who would normally be billed on the 31st of a month will either be billed on the 30th of a 30 day month, or on the 28th of February. We charge a minimum fee of \$2.95 per month.

We will charge your credit card for the fee due and provide you with a statement detailing the fee. The qualified custodian is responsible for providing you with account statements detailing the activity in your account. These account statements will be provided in accordance with the terms disclosed by the custodian in their disclosure documents. You should review all statements for accuracy.

You may terminate the portfolio management agreement at any time by closing your account on our website. When you terminate the agreement, we will charge you a one-time fee of 0.25% of the remaining principal balance of loans funded through LendingRobot to compensate us for the benefit of our service in having invested in loans that will survive our agreement on your platform account(s).

We do not require prepayment of a fee more than six months in advance and in excess of \$500.

### Additional Fees and Expenses

The fees that you pay to our firm for investment advisory services are separate and distinct from any fees and expenses charged by the Platform(s). You will generally incur transaction charges and/or other fees imposed by the Platform or custodian through whom your account transactions are executed. We do not share in any portion of the charges imposed by the Platform or custodian. To fully understand the total cost you will incur, you should review all the fees charged by the Platform or custodian.

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

Form ADV Part 2 requires investment advisers such as LendingRobot to disclose whether the firm or any person associated with the firm accepts performance-based fees. Performance -based fees are fees that are based on a share of capital gains or capital appreciation of a client's account. This section is not applicable to our firm because we do not charge performance-based fees.

## Item 7 Types of Clients

We offer investment advisory services to individuals.

In general, we do not require a minimum dollar amount to open and maintain an advisory account; however, some Platforms have minimum income requirements and/or minimum account sizes which may vary from one Platform to another. You are advised review the disclosure documents provided by each Platform for details.

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

We will use a proprietary algorithm which uses statistical analysis of the loans' returns based on historical data as provided by the Platform(s).

**Long-Term Purchases** - securities purchased with the expectation that the value of those securities will grow over a relatively long period of time, generally greater than one year.

**Short-Term Purchases** - securities purchased with the expectation that they will be sold within a relatively short period of time, generally less than one year, to take advantage of the securities' short-term price fluctuations.

### **Risk of Loss**

Investing in the Notes involves risks, including the risk borrowers will not repay their loans and the risk of the Platform(s) discontinuing the servicing of the loans. The Platform's obligation to make any payment on a Note is wholly dependent upon a borrower paying Platform on the corresponding loan in which you invested. The risks of investing mean that you may lose all or most of your investment. The Notes are not guaranteed or insured by any governmental agency or instrumentality or any third party. Additionally, state and/or federal regulations may change and fundamentally affect the nature of the industry.

### **Tax Considerations**

Our strategies and investments may have unique and significant tax implications. However, unless we specifically agree otherwise, and in writing, tax efficiency is not our primary consideration in the services we provide. Regardless of your account size or any other factors, we strongly recommend that you consult with a tax professional regarding the investing of your assets.

### **Recommendation of Particular Types of Securities**

As disclosed under the *Advisory Business* section in this brochure, we only provide advisory services regarding prime consumer notes which are fixed-income investments that generate monthly cash flow in the form of payments of principal and interest.

## **Item 9 Disciplinary Information**

We are required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of our advisory business or the integrity of our management. We do not have any required disclosures under this item.

## **Item 10 Other Financial Industry Activities and Affiliations**

We have not provided information on other financial industry activities and affiliations because we do not have any relationship or arrangement that is material to our advisory business or to our clients with any of the types of entities listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker .
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund).
3. other investment adviser or financial planner.
4. futures commission merchant, commodity pool operator, or commodity trading advisor.
5. banking or thrift institution.
6. accountant or accounting firm.
7. lawyer or law firm.
8. insurance company or agency.
9. pension consultant.
10. real estate broker or dealer.
11. sponsor or syndicator of limited partnerships.

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

### **Description of Our Code of Ethics**

We strive to comply with applicable laws and regulations governing our practices. Therefore, our Code of Ethics includes guidelines for professional standards of conduct for persons associated with our firm. Our goal is to protect your interests at all times and to demonstrate our commitment to our fiduciary duties of honesty, good faith, and fair dealing with you. All persons associated with our firm are expected to adhere strictly to these guidelines. Persons associated with our firm are also required to report any violations of our Code of Ethics. Additionally, we maintain and enforce written policies reasonably designed to prevent the misuse or dissemination of material, non-public information about you or your account holdings by persons associated with our firm.

Clients or prospective clients may obtain a copy of our Code of Ethics by contacting us at [info@LendingRobot.com](mailto:info@LendingRobot.com).

### **Participation or Interest in Client Transactions**

Neither our firm nor any persons associated with our firm has any material financial interest in client transactions beyond the provision of investment advisory services as disclosed in this brochure.

### **Personal Trading Practices**

Our firm, or persons associated with our firm, may recommend securities for you at the same time we, or persons associated with our firm, buy or sell such securities for our own account. A conflict of interest exists in such cases because we have the ability to trade ahead of you and, if we did so, the number, or size, of additional investments required to fully fund the loan may be lessened. To mitigate this conflict of interest, it is our policy that neither our firm nor persons associated with our firm shall have priority over your account in the purchase or sale of securities.

## **Item 12 Brokerage Practices**

We maintain relationships with several Peer Lending Platforms. We require that you establish an account with one of the Platforms with which we have an existing relationship. Such relationships may include benefits provided to our firm, including but not limited to market information and administrative services that help our firm manage your account(s). We believe that the Platforms we use provide quality services for our clients. In reviewing the Platforms we refer clients to we consider the quality of the services provided by the Platforms, including the value of the firm's reputation, execution capabilities, fees, and responsiveness to our clients and our firm. In recognition of the value of the services the Platforms provide, you may pay higher transaction costs than those that may be available elsewhere.

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

We do not receive any soft dollar benefits from any broker-dealers or Platform.

### **Brokerage for Client Referrals**

We do not receive client referrals from any broker-dealers or Platform in exchange for cash or other compensation.

### **Directed Brokerage**

Since Peer Lending transactions can only be effected through certain Platforms, we do not allow for directed brokerage.

**Block Trades**

Peer Lending does not permit block trading, and therefore this section does not apply.

**Item 13 Review of Accounts**

Form ADV Part 2 requires investment advisers such as LendingRobot to disclose whether the firm periodically reviews client accounts and the frequency of reports that are provided to clients. We send a daily email to each client showing the orders submitted. Additionally, an activity log is also available on our website.

**Item 14 Client Referrals and Other Compensation**

We do not receive any compensation from any third party in connection with providing investment advice to you nor do we compensate any individual or firm for client referrals.

**Item 15 Custody**

We do not have physical custody of any of your funds and/or securities. Your funds and securities will be held with a bank, broker-dealer, or other independent, qualified custodian. You will receive activity emails from the Platform holding your funds and securities and can view current account statements on the Platform's website. The account statements will indicate the activity for the period. You should carefully review account statements for accuracy.

**Item 16 Investment Discretion**

As noted above in *Advisory Business*, once you set your parameters, LendingRobot's proprietary algorithm will automatically find and purchase (or invest in) various loans or Notes and submit investment orders on your behalf without any further input from you. This allows us to invest in those loans that are in highest demand. Consequently, we require that you grant our firm discretion over the selection and amount of securities to be purchased or sold for your account(s) without obtaining your consent or approval prior to each transaction. You may specify investment objectives, guidelines, and/or impose certain conditions or investment parameters for your account(s). Please refer to the *Advisory Business* section in this brochure for more information on our discretionary management services.

**Item 17 Voting Client Securities**

We will not vote proxies on behalf of your advisory accounts. We do not offer any advice regarding corporate actions and the exercise of your proxy voting rights. To the extent applicable, you are responsible for exercising your right to vote as a shareholder.

**Item 18 Financial Information**

We are not required to provide a balance sheet or other financial information to our clients because we do not require the prepayment of fees in excess of \$1,200 and six months or more in advance; we do not take custody of client funds or securities; and, we do not have a financial condition that is reasonably likely to impair our ability to meet our commitments to you. Moreover, we have never been the subject of a bankruptcy petition.

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

We are registered with the U.S. Securities and Exchange Commission and therefore this section does not apply.

## **Item 20 Additional Information**

### **Your Privacy**

We view protecting your private information as a top priority. Pursuant to applicable privacy requirements, we have instituted policies and procedures to ensure that we keep your personal information private and secure.

We do not disclose any nonpublic personal information about you to any nonaffiliated third parties, except as permitted by law. In the course of servicing your account, we may share some information with our service providers, such as transfer agents, custodians, broker-dealers, accountants, consultants, and attorneys.

We restrict internal access to nonpublic personal information about you to employees, who need that information in order to provide products or services to you. We maintain physical and procedural safeguards that comply with regulatory standards to guard your nonpublic personal information and to ensure our integrity and confidentiality. We will not sell information about you or your accounts to anyone. We do not share your information unless it is required to process a transaction, at your request, or required by law.

You will receive a copy of our privacy notice prior to or at the time you sign an advisory agreement with our firm. Thereafter, we will deliver a copy of the current privacy policy notice to you on an annual basis. Please contact us at [info@LendingRobot.com](mailto:info@LendingRobot.com) if you have any questions regarding this policy.

### **Trade Errors**

We do not execute securities transactions and therefore this section does not apply.

### **Class Action Lawsuits**

We do not determine if securities held by you are the subject of a class action lawsuit or whether you are eligible to participate in class action settlements or litigation nor do we initiate or participate in litigation to recover damages on your behalf for injuries as a result of actions, misconduct, or negligence by issuers of securities held by you.