

DISCLOSURE BROCHURE
PREPARED IN COMPLIANCE WITH
THE INVESTMENT ADVISERS ACT OF 1940 RULE 204-3(A)

**StrataCore Capital Management,
LLC**

Office Address:
54 W. 40th St.
11th Floor
New York, NY 10018

Tel: 212-243-1008
Fax: 917-338-4436

robert@stratacoremgmt.com

This brochure provides information about the qualifications and business practices of StrataCore Capital Management, LLC. Being registered as a registered investment adviser does not imply a certain level of skill or training. If you have any questions about the contents of this brochure, please contact us at 781-849-3090. 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 StrataCore Capital Management, LLC (CRD #171163) is available on the SEC's website at www.adviserinfo.sec.gov

MAY 5, 2014

Item 2: Material Changes

Annual Update

The Material Changes section of this brochure will be updated annually or when material changes occur since the previous release of the Firm Brochure.

Material Changes since the Last Update

Since the initial filing of this brochure on April 7, 2014 our address has changed.

Full Brochure Available

This Firm Brochure being delivered is the complete brochure for the Firm.

Item 3: Table of Contents
Form ADV – Part 2A – Firm Brochure

Item 1: Cover Page

Item 2: Material Changes	ii
Annual Update.....	ii
Material Changes since the Last Update	ii
Full Brochure Available	ii

Item 3: Table of Contents	iii
--	------------

Item 4: Advisory Business	1
Firm Description	1
Types of Advisory Services	1
Client Tailored Services and Client Imposed Restrictions	1
Wrap Fee Programs	1
Client Assets under Management	2

Item 5: Fees and Compensation	2
Method of Compensation and Fee Schedule.....	2
Client Payment of Fees.....	2
Additional Client Fees Charged	2
Prepayment of Client Fees.....	2
External Compensation for the Sale of Securities to Clients	3

Item 6: Performance-Based Fees and Side-by-Side Management	3
Sharing of Capital Gains.....	3

Item 7: Types of Clients	3
Description	3
Account Minimums	3

Item 8: Methods of Analysis, Investment Strategies and Risk of Loss	3
Methods of Analysis	3
Investment Strategy.....	3
Security Specific Material Risks	3

Item 9: Disciplinary Information	4
Criminal or Civil Actions	4
Administrative Enforcement Proceedings	4

Self Regulatory Organization Enforcement Proceedings	5
Item 10: Other Financial Industry Activities and Affiliations	5
Broker-Dealer or Representative Registration	5
Futures or Commodity Registration.....	5
Material Relationships Maintained by this Advisory Business and Conflicts of Interest ..	5
Recommendations or Selections of Other Investment Advisors and Conflicts of Interest	5
Item 11: Code of Ethics, Participation or Interest in Client Transactions and Personal Trading	5
Code of Ethics Description	5
Investment Recommendations Involving a Material Financial Interest and Conflict of Interest.....	6
Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest.....	6
Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest.....	6
Item 12: Brokerage Practices	6
Factors Used to Select Broker-Dealers for Client Transactions.....	6
Aggregating Securities Transactions for Client Accounts	7
Item 13: Review of Accounts	8
Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved.....	8
Review of Client Accounts on Non-Periodic Basis	8
Content of Client Provided Reports and Frequency	8
Item 14: Client Referrals and Other Compensation	8
Economic benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest.....	8
Advisory Firm Payments for Client Referrals	8
Item 15: Custody.....	8
Account Statements	8
Item 16: Investment Discretion	8
Discretionary Authority for Trading	8
Item 17: Voting Client Securities	9
Proxy Votes	9

Item 18: Financial Information	9
Balance Sheet.....	9
Financial Conditions Reasonably Likely to Impair Advisory Firm’s Ability to Meet Commitments to Clients.....	9
Bankruptcy Petitions during the Past Ten Years.....	10
Brochure Supplement (Part 2B of Form ADV)	12
Principal Executive Officer	12
Robert J. DeSalvo.....	12
Item 2 Educational Background and Business Experience	12
Item 3 Disciplinary Information	12
Item 4 Other Business Activities.....	12
Item 5 Additional Compensation.....	12
Item 6 Supervision	12

Item 4: Advisory Business

Firm Description

StrataCore Capital Management, LLC ("SCM") was founded in 2014 and is owned by StrataCore Partners, LLC.

SCM provides investment management to individuals, pension and profit sharing plans, trusts, estates, charitable organizations and small businesses. Advice is provided through consultation with the client and may include: determination of financial objectives, identification of financial problems, cash flow management, tax planning, insurance review, investment management, education funding, retirement planning, and estate planning.

SCM does not act as a custodian of client assets.

An evaluation of each client's initial situation is provided to the client, often in the form of a net worth statement, risk analysis or similar document. Periodic reviews are also communicated to provide reminders of the specific courses of action that need to be taken. More frequent reviews occur but are not necessarily communicated to the client unless immediate changes are recommended.

Other professionals (e.g., lawyers, accountants, tax preparers, insurance agents, etc.) are engaged directly by the client on an as-needed basis and may charge fees of their own. Conflicts of interest will be disclosed to the client in the event they should occur.

Types of Advisory Services

ASSET MANAGEMENT

SCM offers discretionary and non-discretionary direct asset management services to advisory clients. SCM will offer clients ongoing portfolio management services through determining individual investment goals, time horizons, objectives, and risk tolerance. Investment strategies, investment selection, asset allocation, portfolio monitoring and the overall investment program will be based on the above factors.

Discretionary

When the client provides SCM discretionary authority the client will sign a limited trading authorization or equivalent. SCM will have the authority to execute transactions in the account without seeking client approval on each transaction.

Non-discretionary

When the client elects to use SCM on a non-discretionary basis, SCM will determine the securities to be bought or sold and the amount of the securities to be bought or sold. However, SCM will obtain prior client approval on each and every transaction before executing any transactions.

Client Tailored Services and Client Imposed Restrictions

The goals and objectives for each client are documented in our client files. Investment strategies are created that reflect the stated goals and objective. Clients may impose restrictions on investing in certain securities or types of securities.

Agreements may not be assigned without written client consent.

Wrap Fee Programs

SCM does not sponsor any wrap fee programs.

Client Assets under Management

Since this is the initial filing of this brochure, SCM currently has no client assets under management.

Item 5: Fees and Compensation

Method of Compensation and Fee Schedule**ASSET MANAGEMENT**

Fees for these services will be based on a percentage of Assets Under Management as follows:

Assets Under Management	Annual Fee	Quarterly Fee
Up to \$1,000,000	1.25%	.25%
Over \$1,000,000	negotiable	negotiable

The annual Fee may be negotiable. Accounts within the same household may be combined for a reduced fee. Fees are billed quarterly in advance based on the amount of assets managed as of the last business day of the quarter. Quarterly advisory fees will be deducted from the clients' account by the custodian. Lower fees for comparable services may be available from other sources. Clients may terminate their account within five (5) business days of signing the Investment Advisory Agreement for a full refund. Clients may terminate advisory services with written notice. The client will be entitled to a pro rata refund for the days service was not provided in the final quarter. Client shall be given thirty (30) days prior written notice of any increase in fees and client will acknowledge, in writing, any agreement of increase in said fees.

Client Payment of Fees

Investment management fees are billed quarterly in advance, meaning we bill you before the three-month period has started. Fees are usually deducted from a designated client account to facilitate billing. The client must consent in advance to direct debiting of their investment account.

Additional Client Fees Charged

Custodians may charge transaction fees on purchases or sales of certain mutual funds, equities, and exchange-traded funds. These charges may include Mutual Fund transactions fees, postage and handling and miscellaneous fees (fee levied to recover costs associated with fees assessed by self-regulatory organizations). These transaction charges are usually small and incidental to the purchase or sale of a security. The selection of the security is more important than the nominal fee that the custodian charges to buy or sell the security.

SCM, in its sole discretion, may waive its minimum fee and/or charge a lesser investment advisory fee based upon certain criteria (e.g., historical relationship, type of assets, anticipated future earning capacity, anticipated future additional assets, dollar amounts of assets to be managed, related accounts, account composition, negotiations with clients, etc.).

For more details on the brokerage practices, see Item 12 of this brochure.

Prepayment of Client Fees

Investment management fees are billed quarterly in advance.

External Compensation for the Sale of Securities to Clients

SCM does not receive any external compensation for the sale of securities to clients, nor do any of the investment advisor representatives of SCM.

Item 6: Performance-Based Fees and Side-by-Side Management

Sharing of Capital Gains

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

SCM does not use a performance-based fee structure because of the conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk to the client.

Item 7: Types of Clients

Description

SCM generally provides investment advice to individuals, pension and profit sharing plans, trusts, estates, or charitable organizations, corporations or business entities.

Client relationships vary in scope and length of service.

Account Minimums

SCM does not require a minimum to open an account.

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

Methods of Analysis

Security analysis methods may include fundamental analysis, technical analysis, and cyclical analysis. Investing in securities involves risk of loss that clients should be prepared to bear. Past performance is not a guarantee of future returns.

Fundamental analysis involves evaluating a stock using real data such as company revenues, earnings, return on equity, and profits margins to determine underlying value and potential growth. Technical analysis involves evaluating securities based on past prices and volume. Cyclical analysis involves analyzing the cycles of the market.

The main sources of information include financial newspapers and magazines, research material prepared by others, corporate rating services, annual reports, prospectuses, filings with the Securities and Exchange Commission and company press releases.

Investment Strategy

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement or Risk Tolerance that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases and trading.

Security Specific Material Risks

All investment programs have certain risks that are borne by the investor. Fundamental analysis may involve interest rate risk, market risk, business risk, and financial risk. Risks involved in technical analysis are inflation risk, reinvestment risk, and market risk. Cyclical analysis involves inflation risk, market risk, and currency risk.

Our investment approach constantly keeps the risk of loss in mind. Investors face the following investment risks and should discuss these risks with SCM:

- *Interest-rate Risk:* Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds 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, a dollar today will buy more than a dollar next year, because purchasing power is eroding at the rate of inflation.
- *Currency Risk:* Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.
- *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. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.
- *Liquidity Risk:* Liquidity is the ability to readily convert an investment into cash. 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 in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

Item 9: Disciplinary Information

Criminal or Civil Actions

The firm and its management have not been involved in any criminal or civil action.

Administrative Enforcement Proceedings

The firm and its management have not been involved in administrative enforcement proceedings.

Self-Regulatory Organization Enforcement Proceedings

The firm and its management have not been involved in legal or disciplinary events related to past or present investment clients.

Item 10: Other Financial Industry Activities and Affiliations

Broker-Dealer or Representative Registration

Neither SCM nor any of its employees are registered representatives of a broker-dealer.

Futures or Commodity Registration

Neither SCM nor its employees are registered or has an application pending to register as a futures commission merchant, commodity pool operator, or a commodity trading advisor.

Material Relationships Maintained by this Advisory Business and Conflicts of Interest

Investment Advisor Representatives of SCM may also be licensed as independent insurance agents for various insurance companies. Less than 5% of their time is typically spent in his/her insurance practice. From time to time, they will offer clients advice or products from those activities. Therefore, they will be able to purchase products for any client in need of such services.

These practices represent conflicts of interest because it gives an incentive to recommend products based on the commission amount received. This conflict is mitigated by the fact that SCM has a fiduciary responsibility to place the best interest of the client first and the clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

Recommendations or Selections of Other Investment Advisors and Conflicts of Interest

SCM does not recommend or select other investment advisors.

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

Code of Ethics Description

The employees of SCM have committed to a Code of Ethics ("Code"). The purpose of our Code is to set forth standards of conduct expected of SCM employees and addresses conflicts that may arise. The Code defines acceptable behavior for employees of SCM. The Code reflects SCM and its supervised persons' responsibility to act in the best interest of their client.

One area the Code addresses is when employees buy or sell securities for their personal accounts and how to mitigate any conflict of interest with our clients. We do not allow any employees to use non-public material information for their personal profit or to use internal research for their personal benefit in conflict with the benefit to our clients.

SCM policy prohibits any person from acting upon or otherwise misusing non-public or inside information. No advisory representative or other employee, officer or director of SCM may recommend any transaction in a security or its derivative to advisory clients or engage in personal securities transactions for a security or its derivatives if the advisory representative possesses material, non-public information regarding the security.

SCM' Code is based on the guiding principle that the interests of the client are our top priority. SCM' officers, directors, advisors, and other employees have a fiduciary duty to our clients and must diligently perform that duty to maintain the complete trust and confidence of our clients. When a conflict arises, it is our obligation to put the client's interests over the interests of either employees or the company.

The Code applies to "access" persons. "Access" persons are employees who have access to non-public information regarding any clients' purchase or sale of securities, or non-public information regarding the portfolio holdings of any reportable fund, who are involved in making securities recommendations to clients, or who have access to such recommendations that are non-public.

The firm will provide a copy of the Code of Ethics to any client or prospective client upon request.

Investment Recommendations Involving a Material Financial Interest and Conflict of Interest

SCM and its employees do not recommend to clients securities in which we have a material financial interest.

Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

SCM and its employees may buy or sell securities that are also held by clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide SCM with copies of their brokerage statements.

The Chief Compliance Officer of SCM is Robert DeSalvo. He reviews all employee trades each quarter. The personal trading reviews ensure that the personal trading of employees does not affect the markets and that clients of the firm receive preferential treatment over employee transactions.

Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

SCM does not maintain a firm proprietary trading account and does not have a material financial interest in any securities being recommended and therefore no conflicts of interest exist. However, employees may buy or sell securities at the same time they buy or sell securities for clients. In order to mitigate conflicts of interest such as front running, employees are required to disclose all reportable securities transactions as well as provide SCM with copies of their brokerage statements.

Item 12: Brokerage Practices

Factors Used to Select Broker-Dealers for Client Transactions

SCM may recommend the use of a particular broker-dealer or may utilize a broker-dealer of the client's choosing. SCM will select appropriate brokers based on a number of factors including but not limited to their relatively low transaction fees and reporting ability. SCM relies on its broker to provide its execution services at the best prices available. Lower fees for comparable services may be available from other sources. Clients pay for any and all custodial fees in addition to the advisory fee charged by SCM

- *Directed Brokerage*

In circumstances where a client directs SCM to use a certain broker-dealer, SCM still has a fiduciary duty to its clients. The following may apply with Directed Brokerage: SCM's inability to negotiate commissions, to obtain volume discounts, there may be a disparity in commission charges among clients and conflicts of interest arising from brokerage firm referrals.

- *Best Execution*

Investment advisors who manage or supervise client portfolios on a discretionary basis have a fiduciary obligation of best execution. The determination of what may constitute best execution and price in the execution of a securities transaction by a broker involves a number of considerations and is subjective. Factors affecting brokerage selection include the overall direct net economic result to the portfolios, the efficiency with which the transaction is effected, the ability to effect the transaction where a large block is involved, the operational facilities of the broker-dealer, the value of an ongoing relationship with such broker and the financial strength and stability of the broker. SCM does not receive any portion of the trading fees.

- *Soft Dollar Arrangements*

The Securities and Exchange Commission defines soft dollar practices as arrangement under which products or services other than execution services are obtained by SCM from or through a broker-dealer in exchange for directing client transactions to the broker-dealer. As permitted by Section 28(e) of the Securities Exchange Act of 1934, SCM receives economic benefits as a result of commissions generated from securities transactions by the broker-dealer from the accounts of SCM. These benefits include both proprietary research from the broker and other research written by third parties.

A conflict of interest exists when SCM receives soft dollars. This conflict is mitigated by the fact that SCM has a fiduciary responsibility to act in the best interest of its clients and the services received are beneficial to all clients.

Aggregating Securities Transactions for Client Accounts

SCM may aggregate orders in a block trade or trades when securities are purchased or sold through the same broker-dealer for multiple (discretionary) accounts. If a block trades cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated in a manner that is consistent with the initial pre-allocation or other written statement. This must be done in a way that does not consistently advantage or disadvantage particular client accounts. For example, a partial fill will generally be filled pro-rata among participating accounts. Prior to entry of a block trade, a written pre-allocation will be generated which identifies the group of client accounts participating in the order.

Changes in allocation prior to final allocation may be made for good cause provided that all client accounts receive fair and equitable treatment. A written explanation of the reason for any material change in the allocation must be provided to and approved by the Compliance Officer no later than the morning following the execution of the trade. If the change in the allocation is the result of a condition that exists or a change in the client's account outside of the portfolio manager's control, then approval by the Compliance Officer is not required.

Item 13: Review of Accounts

Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved

Account reviews are performed quarterly by Investment Advisor Representatives of SCM. Account reviews are performed more frequently when market conditions dictate. Financial planning relationships with clients are monitored on an ongoing basis to ensure the recommendations made are within the scope of the plan remain suitable. The advisor will meet with the clients on at least an annual basis to secure updated information relating to all planning clients.

Review of Client Accounts on Non-Periodic Basis

Other conditions that may trigger a review of clients' accounts are changes in the tax laws, new investment information, and changes in a client's own situation.

Content of Client Provided Reports and Frequency

Clients receive account statements no less than quarterly for managed accounts. Account statements are issued by the Advisor's custodian. Client receives confirmations of each transaction in account from Custodian and an additional statement during any month in which a transaction occurs.

Item 14: Client Referrals and Other Compensation

Economic benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

SCM does not receive any economic benefits from external sources.

Advisory Firm Payments for Client Referrals

SCM may enter into "Solicitor/Finder" relationships. These individual solicitors offer our services to the public. SCM pays a referral fee to the solicitor or finder based on its advisory fee and written agreement. Solicitors/finders will also be appropriately registered under federal and state securities laws where applicable. Client receives all related agreements and disclosures prior to or at the time of entering into an Investment Advisory Agreement.

Item 15: Custody

Account Statements

All assets are held at qualified custodians, which means the custodians provide account statements directly to clients at their address of record at least quarterly. Clients are urged to compare the account statements received directly from their custodians to the performance report statements prepared by SCM.

SCM is deemed to have constructive custody solely because advisory fees are directly deducted from client's account by the custodian on behalf of SCM.

Item 16: Investment Discretion

Discretionary Authority for Trading

Generally, Clients grant SCM complete discretion over the selection and amount of securities to be bought or sold for their account (within the parameters established by

their Advisory Agreement) without obtaining their consent or approval. However, these purchases may be subject to specified investment objectives and guidelines. For example, a Client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio.

Discretionary authority will only be authorized upon full disclosure to the client and by that client specifically authorizing said authority through the execution of an Investment Advisory Agreement. All discretionary trades made by SCM on behalf of their discretionary accounts (clients) will be in accordance with that client's investment objectives and goals.

Our primary objective in placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as 1) price, 2) size of order, 3) difficulty of execution, 4) confidentiality and 5) skill required of the broker. SCM will execute its transactions through an unaffiliated broker-dealer. The broker-dealer will be chosen based on the following: 1) the broker's capital depth, 2) the broker's market access, 3) the broker's transaction confirmation and account statement practices, 4) our knowledge of negotiated commission rates and spreads currently made available, 5) the nature and character of the markets for the security to be purchased or sold, 6) the desired timing of the transaction, 7) the execution, 8) clearance and settlement capabilities of the broker selected and others considered, 9) our knowledge of any actual or apparent operational problems of a broker and 10) the reasonableness of the commission or its equivalent for the specific transaction. We will not necessarily pay the lowest commission or commission equivalent. Transactions may involve specialized services on the part of the broker.

This would justify higher commissions (or their equivalent) than other transactions requiring routine services.

Item 17: Voting Client Securities

Proxy Votes

SCM does not vote proxies on securities. Clients are expected to vote their own proxies. The client will receive their proxies directly from the custodian of their account or from a transfer agent.

When assistance on voting proxies is requested, SCM will provide recommendations to the client. If a conflict of interest exists, it will be disclosed to the client.

Item 18: Financial Information

Balance Sheet

A balance sheet is not required to be provided because SCM does not serve as a custodian for client funds or securities and SCM does not require prepayment of fees of more than \$1200 per client and six months or more in advance.

Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

SCM has no condition that is reasonably likely to impair our ability to meet contractual commitments to our clients.

Bankruptcy Petitions during the Past Ten Years

Neither SCM nor its management has had any bankruptcy petitions in the last ten years.

SUPERVISED PERSON BROCHURE

FORM ADV PART 2B

Robert J. DeSalvo

StrataCore Capital Management,
LLC

Office Address:
54 W. 40th St.
11th Floor
New York, NY 10018

Tel: 212-243-1008
Fax: 917-338-4436

robert@stratacoremgmt.com

This brochure supplement provides information about Robert J. DeSalvo and supplements the StrataCore Capital Management, LLC's brochure. You should have received a copy of that brochure. Please contact Robert J. DeSalvo if you did not receive the brochure or if you have any questions about the contents of this supplement.

Additional information about Robert J. DeSalvo (CRD #4684246) is available on the SEC's website at www.adviserinfo.sec.gov.

MAY 5, 2014

Brochure Supplement (Part 2B of Form ADV)

Supervised Person Brochure

Principal Executive Officer

Robert J. DeSalvo

- Year of birth: 1967
-

Item 2 Educational Background and Business Experience

Educational Background:

- Penn State University; M.B.A, International Business and Management; 08/1992
- Penn State University; B.A., Business; 05/1989

Business Experience:

- StrataCore Capital Management, LLC; Chief Compliance Officer/Investment Advisor Representative; 2014-Present
 - Sole Proprietor; Insurance Agent; 03/2003-Present
 - John Carris Investments, LLC; Director; 12/2011-05/2014
 - Janney Montgomery Scott, LLC; Financial Advisor; 03/2003-12/2011
-

Item 3 Disciplinary Information

None to report

Item 4 Other Business Activities

Robert DeSalvo has a financial industry affiliated business as an insurance agent. From time to time, he will offer clients advice or products from those activities. Less than 5% of his time is spent on this business. He may receive separate yet typical compensation in the form of commissions for the sale of insurance products.

These practices represent conflicts of interest because it gives an incentive to recommend products based on the commission amount received. This conflict is mitigated by the fact that Mr. DeSalvo has a fiduciary responsibility to place the best interest of the client first and the clients are not required to purchase any products. Clients have the option to purchase these products through another insurance agent of their choosing.

Item 5 Additional Compensation

Robert DeSalvo receives additional compensation in his capacity as an insurance agent, but he does not receive any performance based fees.

Item 6 Supervision

Since Mr. DeSalvo is the Chief Compliance Officer of SCM he is ultimately responsible for all supervision and formulation and monitoring of investment advice offered to clients.