

Disclosure Brochure

Bergadon Capital Management, LLC

a Registered Investment Adviser

This brochure provides information about the qualifications and business practices of Bergadon Capital Management, LLC (hereinafter “BCM” or the “Firm”). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed below. 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. Additional information about the Firm is available on the SEC’s website at www.adviserinfo.sec.gov. BCM is an SEC registered investment adviser. Registration does not imply any level of skill or training.

61 West Palisade Avenue, Englewood, New Jersey 07631 | (201) 705-1200

Item 2. Material Changes

In this Item, BCM is required to discuss any material changes that have been made to the brochure since the last annual amendment. As this brochure has been prepared in connection with the Firm's initial application for investment adviser registration, there are no such material changes to disclose.

Item 3. Table of Contents

| | | |
|----------|---|-----|
| Item 1. | Cover Page | i |
| Item 2. | Material Changes | ii |
| Item 3. | Table of Contents | iii |
| Item 4. | Advisory Business | 4 |
| Item 5. | Fees and Compensation | 6 |
| Item 6. | Performance-Based Fees and Side-by-Side Management | 7 |
| Item 7. | Types of Clients..... | 8 |
| Item 8. | Methods of Analysis, Investment Strategies and Risk of Loss | 8 |
| Item 9. | Disciplinary Information..... | 10 |
| Item 10. | Other Financial Industry Activities and Affiliations | 11 |
| Item 11. | Code of Ethics | 11 |
| Item 12. | Brokerage Practices..... | 12 |
| Item 13. | Review of Accounts..... | 14 |
| Item 14. | Client Referrals and Other Compensation | 15 |
| Item 15. | Custody | 15 |
| Item 16. | Investment Discretion..... | 16 |
| Item 17. | Voting Client Securities | 16 |
| Item 18. | Financial Information | 16 |

Item 4. Advisory Business

BCM offers a variety of advisory services, which include financial planning, consulting and investment management services. Prior to the rendering of any of the foregoing advisory services, clients are required to enter into one or more written agreements with BCM setting forth the relevant terms and conditions of the advisory relationship (the “*Agreement*”).

BCM provides its services in an effort to improve clients’ overall financial wellbeing. To that end, the Firm will analyze client information to assess their current situation, define their goals and determine what should be done in order to meet those goals. Depending on what services the Firm is engaged to provide, this could entail analyzing client assets, liabilities and cash flow, current insurance coverage, investments, tax strategies and other less tangible concerns. The Firm believes an approach that carefully monitors client portfolios is integral in achieving client objectives. The Firm seeks to select efficient, liquid and low cost investments while implementing a process that aims to adapt portfolio allocation to an ever-changing economic environment in order to manage portfolio risk.

BCM has been in business since June 2013 and is wholly owned by Interim Holdings, LLC. As of the date of this filing, BCM does not have any assets under management; however, the Firm reasonably expects to have at least \$100 million under its management within 120 days of SEC approval.

While this brochure generally describes the business of BCM, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on BCM’s behalf and is subject to the Firm’s supervision or control.

Financial Planning and Consulting Services

BCM offers clients a range of financial planning and consulting services, which may include any or all of the following functions:

- Business Planning
- Cash Flow Forecasting
- Retirement Planning
- Estate Planning
- Financial Reporting
- Insurance Needs Analysis
- Charitable Giving
- Risk Management

While each of these services is available on a stand-alone basis, certain of them may also be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (described below). In performing these services, BCM is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information.

BCM may recommend the services of itself, its *Supervised Persons* in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage BCM to provide additional fee-based services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by BCM under a financial planning or consulting engagement or to engage the services of any such recommended professionals, including BCM itself. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising BCM's previous recommendations and/or services.

Investment Management and Wealth Management Services

BCM manages client investment portfolios on a discretionary or non-discretionary basis. In addition, BCM may provide clients with wealth management services which may include a broad range of comprehensive financial planning and consulting services as well as discretionary and/or non-discretionary management of investment portfolios.

BCM primarily allocates client assets among index exchange-traded funds ("ETFs"), and may allocate client assets among various mutual funds, individual debt and equity securities and options in accordance with the investment objectives of its individual clients. In addition, BCM may also recommend that clients who qualify as accredited investors, as defined by Rule 501 of the Securities Act of 1933, invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds). Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage BCM to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance and annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, BCM directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product's provider.

BCM tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. BCM consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify BCM if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if BCM determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm's management efforts.

Item 5. Fees and Compensation

BCM offers its services on a fee basis, which may include hourly and/or fixed fees, as well as fees based upon assets under management or advisement. Additionally, certain of BCM's *Supervised Persons*, in their individual capacities, may offer insurance products under a separate commission arrangement.

Financial Planning and Consulting Fees

BCM generally charges either a negotiable hourly and/or fixed fee to provide clients with stand-alone financial planning or consulting services. These fees are largely determined by the scope and complexity of the agreed upon services and range from \$200 to \$400 on an hourly basis and \$2,500 to \$10,000 on a fixed fee basis.

The specific terms and fee structure are negotiated in advance and set forth in the *Agreement* with BCM. Generally, BCM requires one-half of the financial planning or consulting fee payable upon execution of the *Agreement* and the balance due at the time the financial plan is delivered or the underlying services are rendered to completion. If the client engages BCM for additional investment advisory services, BCM may offset all or a portion of its fees for those services based upon the amount paid for the financial planning and/or consulting services.

Investment Management and Wealth Management Fees

BCM provides investment management services for an annual fee based on the amount of assets under the Firm's management. The fee varies between 65 and 125 basis points (0.65% – 1.25%), depending upon the size of a client's portfolio and the type of services rendered and generally based on the following tiered fee schedule:

| PORTFOLIO VALUE | ANNUAL FEE |
|----------------------------|------------|
| up to \$500,000 | 1.25% |
| \$500,001 to \$1,000,000 | 1.00% |
| \$1,000,001 to \$2,000,000 | 0.75% |
| above \$2,000,000 | 0.65% |

The annual fee is prorated and charged quarterly, in advance, based upon the market value of the assets being managed by BCM on the last day of the previous billing period.

If assets in excess of \$20,000 of the existing portfolio value are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the *Agreement* is terminated, the fee for the final billing period is prorated through the effective date of the termination and the unearned portion is refunded to the client, as appropriate.

Fee Discretion

BCM, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

Additional Fees and Expenses

In addition to the advisory fees paid to BCM, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

Fee Debit

Clients generally provide BCM with the authority to directly debit their accounts for payment of the Firm's investment advisory fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to BCM.

Account Additions and Withdrawals

Clients may make additions to and withdrawals from their account at any time, subject to BCM's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to BCM, subject to the usual and customary securities settlement procedures. However, BCM designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. BCM may consult with its clients about the options and implications of transferring securities. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e., contingent deferred sales charge) and/or tax ramifications.

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

BCM does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

Item 7. Types of Clients

BCM provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

No Minimum Account Requirements

BCM does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship.

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

Methods of Analysis

BCM may utilize a combination of technical and cyclical methods of analysis.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that BCM will be able to accurately predict such a reoccurrence.

Cyclical analysis is similar to technical analysis in that it involves the assessment of market conditions at a macro (entire market or economy) or micro (company specific) level, rather than focusing on the overall fundamental analysis of the health of the particular company that BCM is recommending. The risks with cyclical analysis are similar to those of technical analysis.

Investment Strategies

For the majority of BCM clients, the Firm manages model portfolios which are broadly diversified and allocated based on a global approach to macroeconomic analysis. The model is chosen pursuant to the individual client's specific investment objectives and risk tolerance. BCM gathers research from a wide range of sources, including but not limited to investment firm strategists, industry publications and economists. We use this data to synthesize and guide our models. We invest the portfolios primarily in index ETFs, but may also utilize individual stocks and mutual funds. Our objective is to select the most efficient, liquid and low cost vehicle available to fulfill each segment of our allocation.

Risks of Loss

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

Market Risks

The profitability of a significant portion of BCM's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that BCM will be able to predict those price movements accurately.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Options

Options allow investors to buy or sell a security at a contracted strike price (not necessarily the current market price) at or within a specific period of time. Clients may pay or collect a premium for buying or selling an option. Investors transact in options to either hedge against potential losses or to speculate on the performance of the underlying securities. Option transactions involve inherent risks, including the partial or total loss of principal in the event that the value of the underlying security or index does not increase or

decrease to the level of the respective strike price. Holders of option contracts are also subject to default by the option writer which may be unwilling or unable to perform its contractual obligations.

Management Through Similarly Managed "Model" Accounts

BCM manages certain accounts through the use of similarly managed "model" portfolios, whereby the Firm allocates all or a portion of its clients' assets among various mutual funds and/or securities on a discretionary basis using one or more of its proprietary investment strategies. In managing assets through the use of models, the Firm remains in compliance with the safe harbor provisions of Rule 3a-4 of the Investment Company Act of 1940.

The strategy used to manage a model portfolio may involve an above average portfolio turnover that could negatively impact clients' net after tax gains. While the Firm seeks to ensure that clients' assets are managed in a manner consistent with their individual financial situations and investment objectives, securities transactions effected pursuant to a model investment strategy are usually done without regard to a client's individual tax ramifications. Clients should contact BCM if they experience a change in their financial situation or if they want to impose reasonable restrictions on the management of their accounts.

Use of Margin

The market value of the client's account will be determined gross of margin and the corresponding fee payable by the client will be increased by the use of margin. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin shall correspondingly increase the management fee payable to BCM. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a *Financial Institution*, which is secured by a client's holdings. Under certain circumstances, a lending *Financial Institution* may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the *Financial Institution* may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

Item 9. Disciplinary Information

BCM has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

Item 10. Other Financial Industry Activities and Affiliations

Receipt of Insurance Commission

Certain of BCM's *Supervised Persons*, in their individual capacities, are also licensed insurance agents. When appropriate, these *Supervised Persons*, in their individual capacities, may recommend the purchase of certain insurance products to advisory clients on a fully-disclosed commission basis. A conflict of interest exists to the extent that BCM recommends the purchase of insurance products where its *Supervised Persons* receive insurance commissions or other additional compensation. As a result BCM has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of its clients.

Item 11. Code of Ethics

BCM has adopted a code of ethics in compliance with applicable securities laws ("*Code of Ethics*") that sets forth the standards of conduct expected of its *Supervised Persons*. BCM's *Code of Ethics* contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its *Supervised Persons* and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The *Code of Ethics* also requires certain of BCM's personnel (called "*Access Persons*") to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, BCM *Supervised Persons* are permitted to buy or sell securities that it also recommends to clients if done in a manner consistent with the Firm's policies and procedures. This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact BCM to request a copy of its *Code of Ethics*.

Item 12. Brokerage Practices

BCM generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") for investment management accounts.

Factors which BCM considers in recommending *Fidelity* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* enables BCM to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. In addition, *Fidelity* has agreed to compensate clients for any transfer fees that may be assessed for moving their account(s) to *Fidelity*. The commissions and/or transaction fees charged by *Fidelity* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by BCM's clients comply with the Firm's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where BCM determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates and responsiveness. BCM seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

BCM periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct BCM in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution* and the Firm will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by BCM (as described below). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, BCM may decline a client's request to direct brokerage if, in the Firm's sole discretion, such

directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers (as further discussed below).

Transactions for each client generally will be effected independently, unless BCM decides to purchase or sell the same securities for several clients at approximately the same time. BCM may (but is not obligated to) combine or “batch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among BCM’s clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among BCM’s clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that BCM determines to aggregate client orders for the purchase or sale of securities, including securities in which BCM’s *Supervised Persons* may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. BCM does not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account’s assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, BCM may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist BCM in its investment decision-making process. Such research generally will be used to service all of the Firm’s clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client’s portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because BCM does not have to produce or pay for the products or services.

Software and Support Provided by Financial Institutions

BCM may receive from *Fidelity*, without cost to BCM, computer software and related systems support, which allow BCM to better monitor client accounts maintained at *Fidelity*. BCM may receive the software and related support without cost because BCM renders investment management services to clients that maintain assets at *Fidelity*. The software and support is not provided in connection with securities transactions of clients (i.e., not “soft dollars”). The software and related systems support may benefit BCM, but not its clients directly. In fulfilling its duties to its clients, BCM endeavors at all times to put the interests of its clients first. Clients should be aware, however, that BCM’s receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence BCM’s choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

Additionally, BCM may receive transition support from *Fidelity* which may include costs and legal fees associated with the startup of the Firm. Clients should be aware, however, that the receipt of economic benefits by BCM or its related persons in and of itself creates a potential conflict of interest and may indirectly influence BCM’s recommendation of *Fidelity* for custody and brokerage services.

Item 13. Review of Accounts

Account Reviews

For those clients to whom BCM provides investment management services, BCM monitors model portfolios weekly, as part of an ongoing process while regular account reviews are conducted on at least a biannual basis. For those clients to whom BCM provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by one of BCM’s investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with BCM and to keep BCM informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Account Statements and Reports

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. On a quarterly basis or as otherwise requested, clients may also receive written or electronic reports from BCM and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from BCM or an outside service provider.

Those clients to whom BCM provides financial planning and/or consulting services will receive reports from BCM summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by BCM.

Item 14. Client Referrals and Other Compensation

Client Referrals

While not a part of the Firm's practice, if a client is introduced to BCM by either an unaffiliated or an affiliated solicitor, BCM may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from BCM's investment management fee and does not result in any additional charge to the client. If the client is introduced to BCM by an unaffiliated solicitor, the solicitor provides the client with a copy of BCM's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of BCM discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of BCM's written disclosure brochure at the time of the solicitation.

Other Economic Benefits

In addition, BCM is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

Item 15. Custody

BCM's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize BCM through such *Financial Institution* to debit the client's account for the amount of BCM's fee and to directly remit that management fee to BCM in accordance with applicable custody rules.

The *Financial Institutions* recommended by BCM have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to BCM. In addition, as discussed in Item 13, BCM also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from BCM.

Item 16. Investment Discretion

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

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

Item 17. Voting Client Securities

BCM is required to disclose if it accepts authority to vote client securities. BCM does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

Item 18. Financial Information

BCM is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

Bergadon Capital Management, LLC

Prepared by:



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The Adviser's Advisor®