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We Make Your Success Our Business.

Disclosure Brochure
Dated January 9th, 2015

This Brochure provides information about the qualifications and business practices of Breiter Capital Management, Inc. ("Breiter Capital"). If you have any questions about the contents of this brochure, please contact us at (941) 778-1900 or Tom@breitercapital.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.

Additional information about Breiter Capital Management, Inc. also is available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Breiter Capital Management, Inc. as a "registered investment adviser" or any reference to being "registered" does not imply a certain level of skill or training.

Material Changes

1. This Brochure has been amended as part of Breiter Capital's application to the SEC for federal registration. Specifically, Item 19 Requirements for State Registered Investment Advisers, has been removed in its entirety.

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A. Breiter Capital is a corporation formed on December 16, 1991 in the State of Florida. Breiter Capital became registered as an Investment Adviser Firm in January 1992. Breiter Capital is owned by Thomas H. Breiter. Mr. Breiter is Breiter Capital's President.

B. As discussed below, Breiter Capital offers to its clients (individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations, etc.) investment advisory services. Breiter Capital **does not** hold itself out as providing financial planning, estate planning or accounting services.

INVESTMENT ADVISORY SERVICES

The Client may engage Breiter Capital to provide discretionary investment advisory services on a *fee-only* basis. Breiter Capital will design, implement, monitor and adjust the allocation of the client's investment accounts consistent with the stated goals and objectives outlined in the *Investment Advisory Agreement* and Investment Objectives Acknowledgement. Breiter Capital uses proprietary and third party research to make decisions pertaining to appropriate asset allocation and security selection. Ongoing dialogue between the client and Breiter Capital allow for adjustments to the stated objectives as the client's personal financial situation evolves.

MISCELLANEOUS

Limited Consulting/Implementation Services. Although Breiter Capital does not hold itself out as providing financial planning, estate planning or accounting services, to the extent specifically requested by the client, Breiter Capital *may* provide limited consultation services to its investment management clients on investment and non-investment related matters, such as estate planning, tax planning, insurance, etc. Breiter Capital shall not receive any separate or additional fee for any such consultation services. Neither Breiter Capital, nor any of its representatives, serves as an attorney, accountant, or licensed insurance agent, and no portion of Breiter Capital's services should be construed as same. To the extent requested by a client, Breiter Capital may recommend the services of other professionals for certain non-investment implementation purposes (i.e. attorneys, accountants, insurance, etc.). The client is under no obligation to engage the services of any such recommended professional. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any recommendation from Breiter Capital. **Please Note:** If the client engages any such recommended professional, and a dispute arises thereafter relative to such engagement, the client agrees to seek recourse exclusively from and against the engaged professional. **Please Also Note:** It remains the client's responsibility to promptly notify Breiter Capital if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Breiter Capital's previous recommendations and/or services.

Sub-Advisory Arrangements. Breiter Capital may be engaged by other investment advisers for the purpose of assisting those advisers with the management of their client accounts.

Wrap / Managed Account Programs. Breiter Capital participates as a manager in a Wrap Fee Program sponsored by, and made available to clients of First Allied Advisory Services, Inc., an unaffiliated registered investment adviser. In this program Breiter Capital will be unable to negotiate commissions and/or transaction costs. Under a wrap program, the wrap program sponsor arranges for the investor participant to receive investment advisory services, the execution of securities brokerage transactions, custody and reporting services for a single specified fee. Participation in a wrap program may cost the participant more or less than purchasing such services separately. In the event Breiter Capital is engaged to provide investment management services as part of an unaffiliated managed

account program, Breiter Capital will likewise be unable to negotiate commissions and/or transaction costs. If the program is offered on a non-wrap basis, the program sponsor will determine the broker-dealer through which transactions must be effected, and the amount of transaction fees and/or commissions to be charged to the participant investor accounts.

Retirement Plan Rollovers-No Obligation/Conflict of Interest: Clients are under absolutely no obligation to engage Breiter Capital as the investment adviser for his/her employer-sponsored retirement account(s). Rather, clients can continue to self-direct such retirement account(s). However, if a client determines that he/she would like Breiter Capital's assistance in managing his/her retirement account, Breiter Capital shall charge a separate and additional advisory fee for ongoing advisory services, which clients would not incur by continuing to self-direct the retirement account. As a result, any recommendation by Breiter Capital that clients engage Breiter Capital to manage an otherwise self-directed retirement account presents a conflict of interest. Again, clients are under absolutely no obligation to engage Breiter Capital as the investment adviser for his/her retirement account.

Use of Mutual Funds: Most mutual funds are available directly to the public. Thus, a client or prospective client can obtain many of the mutual funds that may be recommended and/or utilized by Breiter Capital independent of engaging Breiter Capital as an investment advisor. However, if a client or prospective client determines to do so, he/she/it will not receive Breiter Capital's initial and ongoing investment advisory services.

Independent Managers. Breiter Capital may allocate (or recommend that the client allocate) a portion of a client's investment assets among unaffiliated independent investment managers in accordance with the client's designated investment objective(s). In such situations, the *Independent Manager[s]* shall have day-to-day responsibility for the active discretionary management of the allocated assets. Breiter Capital shall continue to render investment supervisory services to the client relative to the ongoing monitoring and review of account performance, asset allocation and client investment objectives. Factors which Breiter Capital shall consider in recommending *Independent Manager[s]* include the client's designated investment objective(s), management style, performance, reputation, financial strength, reporting, pricing, and research.

Illiquid/Non-Traded Securities. Breiter Capital may provide investment advice regarding illiquid or non-traded securities. Breiter Capital's role relative to illiquid or non-traded securities shall be limited to its initial and ongoing due diligence and investment monitoring services. If a client determines to become an investor, the amount of assets invested in the illiquid or non-traded securities shall be included as part of "assets under management" for purposes of Breiter Capital calculating its investment advisory fee. Breiter Capital's clients are under absolutely no obligation to consider or make an investment in an illiquid or non-traded security.

Please Note: Illiquid or non-traded securities involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each security's offering documents, which will be provided to each client for review and consideration. Unlike other liquid investments that a client may maintain, illiquid or non-traded securities do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall acknowledge and accepts the various risk factors that are associated with such an investment.

Please Also Note: Valuation. In the event that Breiter Capital references illiquid or non-traded securities owned by the client on any supplemental account reports prepared by Breiter Capital, the value(s) for all such securities shall reflect either the initial purchase and/or the most recent valuation provided by the sponsor. If the valuation reflects the initial purchase price (and/or a value as of a previous date), the current value(s) (to the extent ascertainable) could be

significantly more or less than the original purchase price.

Client Obligations. In performing its services, Breiter Capital shall not be required to verify any information received from the client or from the client's other professionals, and is expressly authorized to rely thereon. Moreover, each client is advised that it remains his/her/its responsibility to promptly notify Breiter Capital if there is ever any change in his/her/its financial situation or investment objectives for the purpose of reviewing/evaluating/revising Breiter Capital's previous recommendations and/or services.

Disclosure Statement. A copy of Breiter Capital's written Brochure as set forth on Part 2A of Form ADV shall be provided to each client prior to, or contemporaneously with, the execution of the *Investment Advisory Agreement*.

- C. Breiter Capital shall provide investment advisory services specific to the needs of each client. Prior to providing investment advisory services, an investment adviser representative will ascertain each client's investment objective(s). Thereafter, Breiter Capital shall allocate and/or recommend that the client allocate investment assets consistent with the designated investment objective(s). The client may, at anytime, impose reasonable restrictions, in writing, on Breiter Capital's services.
- D. As of December 31, 2014, Breiter Capital had \$111,024,405 in assets under management on a discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage Breiter Capital to provide discretionary investment advisory services on a *fee-only* basis.

INVESTMENT ADVISORY SERVICES

If a client determines to engage Breiter Capital to provide discretionary investment advisory services on a *fee-only* basis, Breiter Capital's annual investment advisory fee shall be based upon a percentage (%) of the market value of assets placed under Breiter Capital's management (between negotiable and 1.50%) as follows:

<u>Assets Under Management</u>	<u>Maximum Annualized Fee</u>
First \$1,000,000	1.50%
All Assets over \$1,000,000	1.20%

Breiter Capital's annual investment advisory fee shall include investment advisory services, and, to the **extent specifically requested** by the client, financial planning and consulting services. In the event that the client requires extraordinary planning and/or consultation services (to be determined in the sole discretion of Breiter Capital), Breiter Capital may determine to charge for such additional services, the dollar amount of which shall be set forth in a separate written notice to the client.

- B. Clients may elect to have Breiter Capital's advisory fees deducted from their custodial account. Both Breiter Capital's *Investment Advisory Agreement* and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of Breiter Capital's investment advisory fee and to directly remit that management fee to Breiter Capital in compliance with regulatory procedures. In the limited event that Breiter Capital bills the client directly, payment is due upon receipt of Breiter Capital's invoice. Breiter Capital shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.

- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, Breiter Capital shall generally recommend that Charles Schwab and Co., Inc. ("Schwab") serve as the broker-dealer/custodian for client investment management assets. Broker-dealers such as Schwab charge brokerage commissions and/or transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). In addition to Breiter Capital's investment management fee, brokerage commissions and/or transaction fees, clients will also incur, relative to all mutual fund and exchange traded fund purchases, charges imposed at the fund level (e.g. management fees and other fund expenses).
- D. Breiter Capital's annual investment advisory fee shall be prorated and paid quarterly, in advance, based upon the market value of the assets on the last business day of the previous quarter. Breiter Capital generally requires a minimum asset level of \$100,000 for investment advisory services. Breiter Capital, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

The *Investment Advisory Agreement* between Breiter Capital and the client will continue in effect until terminated by either party by written notice in accordance with the terms of the *Investment Advisory Agreement*. Upon termination, Breiter Capital shall refund the pro-rated portion of the advanced advisory fee paid based upon the number of days remaining in the billing quarter.

- E. Neither Breiter Capital, nor its representatives, accepts compensation from the sale of securities or other investment products.

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

Neither Breiter Capital nor any supervised person of Breiter Capital accepts performance- based fees.

Item 7 Types of Clients

Breiter Capital's clients shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations. Breiter Capital generally requires a minimum asset level of \$100,000 for investment advisory services. Breiter Capital, in its sole discretion, may reduce its investment management fee and/or reduce or waive its minimum asset requirement based upon certain criteria (i.e. anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, negotiations with client, etc.).

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

- A. Breiter Capital may utilize the following methods of security analysis:
- Charting - (analysis performed using patterns to identify current trends and trend reversals to forecast the direction of prices)
 - Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
 - Technical – (analysis performed on historical and present data, focusing on price and

trade volume, to forecast the direction of prices)

Breiter Capital may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Margin Transactions (use of borrowed assets to purchase financial instruments)
- Options (contract for the purchase or sale of a security at a predetermined price during a specific period of time)

Please Note: Investment Risk. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by Breiter Capital) will be profitable or equal any specific performance level(s). **Please Note:** Investing in securities involves risk of loss that clients should be prepared to bear.

- B. Breiter Capital's methods of analysis and investment strategies do not present any significant or unusual risks.

However, every method of analysis has its own inherent risks. To perform an accurate market analysis Breiter Capital must have access to current/new market information. Breiter Capital has no control over the dissemination rate of market information; therefore, unbeknownst to Breiter Capital, certain analyses may be compiled with outdated market information, severely limiting the value of Breiter Capital's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

Breiter Capital's primary investment strategies – Long-Term Purchases and Short-Term Purchases - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy.

In addition to the fundamental investment strategies discussed above, Breiter Capital may also implement and/or recommend use of margin and/or options transactions; each of these strategies has a high level of inherent risk. (*See discussion below*).

Margin is an investment strategy with a high level of inherent risk. A margin transaction occurs when an investor uses borrowed assets to purchase financial instruments. The investor generally obtains the borrowed assets by using other securities as collateral for the borrowed sum. The effect of purchasing a security using margin is to magnify any gains or losses sustained by the purchase of the financial instruments on margin. **Please Note:** To the extent that a client authorizes the use of margin, and margin is thereafter employed by Breiter Capital in the management of the client's investment portfolio, the market value of the client's account and corresponding fee payable by the client to Breiter Capital may be increased. 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 *may* correspondingly increase the management fee payable to Breiter Capital. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

The use of options transactions as an investment strategy involves a high level of inherent risk.

Option transactions establish a contract between two parties concerning the buying or selling of an asset at a predetermined price during a specific period of time. During the term of the option contract, the buyer of the option gains the right to demand fulfillment by the seller. Fulfillment may take the form of either selling or purchasing a security depending upon the nature of the option contract. Generally, the purchase or the recommendation to purchase an option contract by Breiter Capital shall be with the intent of offsetting/ "hedging" a potential market risk in a client's portfolio. **Please Note:** Although the intent of the options-related transactions that may be implemented by Breiter Capital is to hedge against principal risk, certain of the options-related strategies (i.e. straddles, short positions, etc.), may, in and of themselves, produce principal volatility and/or risk. Thus, a client must be willing to accept these enhanced volatility and principal risks associated with such strategies. In light of these enhanced risks, client may direct Breiter Capital, in writing, not to employ any or all such strategies for his/her/their/its accounts.

- C. Currently, Breiter Capital primarily allocates client investment assets among various individual equity, debt and fixed income securities, mutual funds and/or exchange traded funds, on a discretionary basis in accordance with the client's designated investment objective(s).

Breiter Capital may allocate investment management assets of its client accounts, on a discretionary basis, among one or more asset allocation programs. The asset allocation programs comply with the requirements of Rule 3a-4 of the Investment Company Act of 1940. Rule 3a-4 provides similarly managed investment programs, with a non-exclusive safe harbor from the definition of an investment company. In accordance with Rule 3a-4, the following disclosure is specifically applicable to Breiter Capital's management of client assets:

1. **Initial Interview** – at the opening of the account, Breiter Capital, through its designated representatives, shall obtain from the client information sufficient to determine the client's financial situation and investment objectives;
2. **Individual Treatment** – the client's account is managed on the basis of the client's financial situation and investment objectives;
3. **Quarterly Notice** – at least quarterly Breiter Capital shall notify the client to advise Breiter Capital whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account;
4. **Annual Contact** – at least annually, Breiter Capital shall contact the client to determine whether the client's financial situation or investment objectives have changed, or if the client wants to impose and/or modify any reasonable restrictions on the management of his/her/its account.
5. **Consultation Available** – Breiter Capital shall be reasonably available to consult with the client relative to the status of the client's account;
6. **Quarterly Statement** – the client shall be provided with a quarterly report for the account for the preceding period;
7. **Ability to Impose Restrictions** – the client shall have the ability to impose reasonable restrictions on the management of the account, including the ability to instruct Breiter Capital not to purchase certain securities;
8. **No Pooling** – the client's beneficial interest in a security does not represent an undivided interest in all the securities held by the custodian, but rather represents a direct and beneficial interest in the securities which comprise the client's account;

9. **Separate Account** - a separate account is maintained for the client with the Custodian; and

10. **Ownership** – each client retains indicia of ownership of the account (e. g. right to withdraw securities or cash, exercise or delegate proxy voting, and receive transaction confirmations).

Breiter Capital believes that its annual investment management fee is reasonable in relation to: (1) the advisory services provided under the *Investment Advisory Agreement*; and (2) the fees charged by other investment advisers offering similar services/programs. However, Breiter Capital's annual investment management fee may be higher than that charged by other investment advisers offering similar services/programs. In addition to Breiter Capital's annual investment management fee, the client will also incur charges imposed directly at the mutual and exchange traded fund level (e.g., management fees and other fund expenses). **Please Note:** Breiter Capital's investment programs may involve above-average portfolio turnover which could negatively impact upon the net after-tax gain experienced by an individual client in a taxable account.

These allocation models include the following:

Dynamic Growth

An active allocation strategy investing across multiple asset classes with an emphasis on capital growth will be employed. The use of several different asset classes provides diversification with a goal of reduced volatility. Active risk control is provided monitoring each asset class independently using a quantitative process to identify the times to be invested in that asset class or the time to reduce or eliminate the position in the portfolio. The portfolio may be positioned in a significant (potentially up to 100 percent) cash position as a defense against broad based multi-asset class declines.

Individual equities and bonds, mutual funds, exchange traded funds (ETF's) or notes (ETN's) will be considered to gain exposure to the desired asset classes. In addition mutual funds, ETF's & ETN's may be used to invest in alternative strategies such as (but not limited to) absolute return, hedge funds or inverse correlation, when deemed appropriate.

This approach has a primary goal of capital appreciation with moderate volatility. Income is a secondary consideration. The program is appropriate for investors with a five year time horizon or longer, and who can absorb fluctuation of principal value over short periods of time without the need for emotionally based decision making in reaction to short-term events.

Dynamic Balanced

An active allocation strategy investing across multiple asset classes with a roughly equal emphasis on income production and capital growth will be employed. The use of several different asset classes provides diversification with a goal of reduced volatility. Active risk control is provided by monitoring each asset type independently using a quantitative process to identify the times to be fully invested in that asset class, or when to reduce or eliminate the position in the portfolio. The portfolio may be positioned in a significant (potentially up to 100 percent) cash position as a defense against broad based multi-asset class declines.

Individual equities and bonds, mutual funds, exchange traded funds (ETF's) or notes (ETN's) will be considered to gain exposure to the desired asset classes. In addition mutual funds, ETF's & ETN's may be used to invest in alternative strategies such as (but not limited to) absolute return, hedge funds, or inverse correlation, when deemed appropriate.

The objective is a combination of capital appreciation and income, with limited volatility. The program is appropriate for investors with a five year time horizon or longer, and who can absorb

moderate fluctuation of principal value over short periods of time without the need for emotionally based decision making in reaction to short-term events.

Dynamic Income

An active allocation strategy investing across multiple asset classes with an emphasis on the production of income will be employed. The use of several different asset classes provides diversification with a goal of reduced volatility. Active risk control is provided by monitoring each asset type independently using a quantitative process to identify the times to be fully invested in that asset class, or when to reduce or eliminate the position in the portfolio. The portfolio may be positioned in a significant (potentially up to 100 percent) cash position as a defense against broad based multi-asset class declines.

Individual equities and bonds, mutual funds, exchange traded funds (ETF's) or notes (ETN's) will be considered to gain exposure to the desired asset classes. In addition mutual funds, ETF's & ETN's may be used to invest in alternative strategies such as (but not limited to) absolute return, hedge fund, or inverse correlation, when deemed appropriate.

This approach has a primary goal of producing current income with low portfolio volatility. Capital Appreciation is a secondary objective. The program is appropriate for investors with a five year time horizon or longer, and who can absorb some fluctuation of principal value over short periods of time without the need for emotionally based decision making in reaction to short-term events.

Elite Dividend Portfolio

A strategy investing in dividend paying common stocks with an emphasis on growth and an increasing income stream. A quantitative selection process is used to rank and select companies for inclusion in the Elite Dividend Portfolio. The emphasis for selection is based on duration of a company's history of dividend payments and dedication to regular increases in these payments. Other factors are considered to assess the ability of a company to continue to increase dividend payments in the future.

It is expected this strategy will exhibit below average volatility compared to major stock indexes, but as an equity-based portfolio it will fluctuate in value, potentially in a significant manner. Cash levels may be increased in the portfolio based on the advisor's quantitative assessment of the risk of a stock market decline, but generally this strategy will stay moderately to fully invested.

The Elite Dividend Portfolio has a primary goal of capital appreciation with moderate volatility and a growing income stream from dividend payments over time. The program is appropriate for investors with a five year time horizon or longer, and who can absorb fluctuation of principal value over short periods of time without the need for emotionally based decision making in reaction to short-term events.

Item 9 Disciplinary Information

Breiter Capital has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither Breiter Capital, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.
- B. Neither Breiter Capital, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. Breiter Capital does not have any relationship or arrangement that is material to its advisory business or to its clients with any related person.
- D. Breiter Capital does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. Breiter Capital maintains an investment policy relative to personal securities transactions. This investment policy is part of Breiter Capital's overall Code of Ethics, which serves to establish a standard of business conduct for all of Breiter Capital's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

Breiter Capital also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by Breiter Capital or any person associated with Breiter Capital.

- B. Neither Breiter Capital nor any related person of Breiter Capital recommends, buys, or sells for client accounts, securities in which Breiter Capital or any related person of Breiter Capital has a material financial interest.
- C. Breiter Capital and/or representatives of Breiter Capital *may* buy or sell securities that are also recommended to clients. This practice may create a situation where Breiter Capital and/or representatives of Breiter Capital are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as "scalping" (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if Breiter Capital did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, "front-running" (i.e., personal trades executed prior to those of Breiter Capital's clients) and other potentially abusive practices.

Breiter Capital has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of Breiter Capital's "Access Persons". Breiter Capital's securities transaction policy requires that an Access Person of Breiter Capital must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person's current securities holdings at least once each twelve (12) month period thereafter on a date Breiter Capital selects; provided, however that at any time that

Breiter Capital has only one Access Person, he or she shall not be required to submit any securities report described above.

- D. Breiter Capital and/or representatives of Breiter Capital *may* buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where Breiter Capital and/or representatives of Breiter Capital are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11.C, Breiter Capital has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Breiter Capital's Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that Breiter Capital recommend a broker- dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct Breiter Capital to use a specific broker-dealer/custodian), Breiter Capital generally recommends that investment management accounts be maintained at *Schwab*. Prior to engaging Breiter Capital to provide investment management services, the client will be required to enter into a formal *Investment Advisory Agreement* with Breiter Capital setting forth the terms and conditions under which Breiter Capital shall manage the client's assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that Breiter Capital considers in recommending *Schwab* (or any other broker-dealer/custodian to clients) include historical relationship with Breiter Capital, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Breiter Capital's clients shall comply with Breiter Capital's duty to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where Breiter Capital determines, in good faith, that the commission/transaction fee is 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 broker-dealer's services, including the value of research provided, execution capability, commission rates, and responsiveness. Accordingly, although Breiter Capital will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Breiter Capital's investment management fee. Breiter Capital's best execution responsibility is qualified if securities that it purchases for client accounts are mutual funds that trade at net asset value as determined at the daily market close.

1. Research and Additional Benefits

Although not a material consideration when determining whether to recommend that a client utilize the services of a particular broker-dealer/custodian, Breiter Capital may receive from *Schwab* (or another broker-dealer/custodian) without cost (and/or at a discount) support services and/or products, certain of which assist Breiter Capital to better monitor and service client accounts maintained at such institutions. Included within the support services that may be obtained by Breiter Capital may be investment-related research, pricing information and market data, software and other technology that provide access to client account data, compliance and/or practice management-related publications, discounted or gratis consulting services, discounted and/or gratis attendance at conferences, meetings, and other educational and/or social events, marketing support, computer hardware and/or software and/or other products used by Breiter Capital in furtherance of its investment advisory business operations.

As indicated above, certain of the support services and/or products that *may* be received may assist Breiter Capital in managing and administering client accounts. Others do not directly provide such assistance, but rather assist Breiter Capital to manage and further develop its business enterprise.

Breiter Capital's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Breiter Capital to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Breiter Capital's Chief Compliance Officer, Thomas H. Breiter, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest such arrangement may create.

2. Breiter Capital does not receive referrals from broker-dealers.
3. Breiter Capital does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Breiter Capital will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Breiter Capital. As a result, client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Please Note: In the event that the client directs Breiter Capital to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be available through Breiter Capital.

Breiter Capital's Chief Compliance Officer, Thomas H. Breiter, remains available to address any questions that a client or prospective client may have regarding the above arrangement.

- B. To the extent that Breiter Capital provides investment management services to its clients, the transactions for each client account generally will be effected independently, unless Breiter Capital decides to purchase or sell the same securities for several clients at approximately the same time. Breiter Capital may (but is not obligated to) combine or "bunch" such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among Breiter Capital's clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. Breiter Capital shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Breiter Capital provides investment supervisory services, account reviews are conducted on an ongoing basis by Breiter Capital's Principals and/or representatives. All investment supervisory clients are advised that it remains their responsibility to advise Breiter Capital of any changes in their investment objectives and/or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with Breiter Capital on an annual basis.
- B. Breiter Capital *may* conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in client investment objectives and/or financial situation, market corrections and client request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Breiter Capital may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, Breiter Capital may receive an indirect economic benefit from *Schwab*. Breiter Capital, without cost (and/or at a discount), may receive support services and/or products from *Schwab*.

Breiter Capital's clients do not pay more for investment transactions effected and/or assets maintained at *Schwab* as a result of this arrangement. There is no corresponding commitment made by Breiter Capital to *Schwab* or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products as a result of the above arrangement.

Breiter Capital's Chief Compliance Officer, Thomas H. Breiter, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.

- B. If a client is introduced to Breiter Capital by either an unaffiliated or an affiliated solicitor, Breiter Capital *may* pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Investment Advisers Act of 1940, and any corresponding state securities law requirements. Any such referral fee shall be paid solely from Breiter Capital's investment management fee, and shall not result in any additional charge to the client. If the client is introduced to Breiter Capital by an unaffiliated solicitor, the solicitor, at the time of the solicitation, shall disclose the nature of his/her/its solicitor relationship, and shall provide each prospective client with a copy of Breiter Capital's written Brochure with a copy of the written disclosure statement from the solicitor to the client disclosing the terms of the solicitation arrangement between Breiter Capital and the solicitor, including the compensation to be received by the solicitor from Breiter Capital.

Custody

Breiter Capital shall have the ability to have its advisory fee for each client debited by the custodian on a quarterly basis. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian and/or program sponsor for the client accounts. Breiter Capital may also provide a written periodic report summarizing account activity and performance.

Please Note: To the extent that Breiter Capital provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by Breiter Capital with the account statements received from the account custodian. **Please Also Note:** The account custodian does not verify the accuracy of Breiter Capital's advisory fee calculation.

Item 16 Investment Discretion

The client can determine to engage Breiter Capital to provide investment advisory services on a discretionary basis. Prior to Breiter Capital assuming discretionary authority over a client's account, client shall be required to execute an *Investment Advisory Agreement*, naming Breiter Capital as client's attorney and agent in fact, granting Breiter Capital full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage Breiter Capital on a discretionary basis may, at anytime, impose restrictions, **in writing**, on Breiter Capital's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe Breiter Capital's use of margin, etc.).

Item 17 Voting Client Securities

- A. Breiter Capital does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.
- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact Breiter Capital to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. Breiter Capital does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. Breiter Capital is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. Breiter Capital has not been the subject of a bankruptcy petition.

Breiter's Chief Compliance Officer, Thomas H. Breiter, remains available to address any questions that a client or prospective client may have regarding the above arrangement and any corresponding perceived conflict of interest any such arrangement may create.