



72 Hertzl Street  
Ra-anana, Israel  
+972 533-38-4613  
+1 307-224-4144  
[ralphleib@613-capital.com](mailto:ralphleib@613-capital.com)

**Firm Brochure**  
(Part 2A and 2B of Form ADV)

December 23, 2014

This Brochure provides information about the qualifications and business practices of 613 Capital, LLC, hereafter known as “Firm”. If you have any questions about the contents of this Brochure, please contact us at +972 533-38-4613 or by email at [ralphleib@613-capital.com](mailto:ralphleib@613-capital.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.

Advisor is a registered investment adviser. Registration of an investment adviser does not imply any level of skill or training. The oral and written communications of an Adviser provide you with information about which you determine to hire or retain an Adviser.

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

## Item 2: Material Changes

This Brochure dated December 23, 2014 is a new document prepared according to requirements and rules. Since the date of the last update of the Brochure (July 7, 2014), the following material changes have been made:

- In Item 4, the Firm deleted reference to annual management fee range of .80% to 3.00% as the actual range of fees is 1.0% to 2.50%. The fee range is articulated in Item 5.
- In Item 4, the Firm deleted reference to providing financial planning services. The Firm will solely offer investment management services.
- In Item 4, the Firm has added language stating that it has discretionary authority in the selection of the broker/dealer to be used. The Firm further indicates that it uses Wells Fargo Securities and Interactive Brokers as broker/dealers. This was not previously articulated.
- In Item 4, the Firm previously stated that it was not affiliated with entities that sell financial products or services. This is no longer the case as the firm is affiliated, by way of common ownership, with 613 Capital General Partners, Ltd., which serves as the general partner to the Rhovest Global Quality Fund, L.P. ("Rhovest") in making investment decisions.
- Complete details of this relationship is described in Item 10.
- In item 5, the frequency of billing has been edited. The Firm currently bills daily or monthly a Client's account for annual management fees. Previously, the Brochure stated monthly or quarterly.
- In Item 5, the option of paying annual management fees by check or wire has been added in addition direct debiting of the Client's account(s).
- In Item 5, the Firm has added language addressing in period contributions. Specifically, the Brochure states "The Firm does not pro-rate fees for in period contributions unless at the discretion of the Firm or upon mutual agreement between the Firm and Client".
- In Item 6, the Firm has added language explaining how the Firm seeks to review and mitigate the potential for Clients paying incentive fees being placed in riskier investments for the sole purpose of generating additional fees to the Firm.
- In Item 11, the Firm has updated its personal securities trading policy allowing its agents to conduct transactions in securities recommended to Clients. Further, the Firm indicates that it does not engage in principal trading or agency cross transactions, except in accordance with applicable rules, regulations and SEC staff interpretations, and provides a general overview of the Firm's Code of Business Conduct and Ethics.
- In Item 12, the Firm has substantially reduced language concerning soft dollars; however, the Firm has not materially changed its policies or practices with respect to soft dollars.
- In Item 13, the Firm has changed its frequency of formal account reviews from annually to quarterly. The Firm continues to monitor Client accounts on a continuous basis.

Pursuant to regulations, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 30 days of any material changes. We may further provide other ongoing disclosure information about material changes as necessary. We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge. Currently, our Brochure may be requested by contacting our firm at +972 533-38-4613.

Additional information about Advisor is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with Advisor who are registered, or are required to be registered, as investment adviser representatives of Advisor.

### **Item 3: Table of Contents**

<b>Item 2:</b>	<b>Material Changes .....</b>	<b>ii</b>
<b>Item 3:</b>	<b>Table of Contents .....</b>	<b>TOC1</b>
<b>Item 4:</b>	<b>Advisory Business .....</b>	<b>1</b>
<b>Item 5:</b>	<b>Fees and Compensation .....</b>	<b>1</b>
<b>Item 6:</b>	<b>Performance-Based Fees and Side-by-Side Management .....</b>	<b>3</b>
<b>Item 7:</b>	<b>Types of Clients .....</b>	<b>3</b>
<b>Item 8:</b>	<b>Methods of Analysis, Investment Strategies and Risk of Loss.....</b>	<b>3</b>
<b>Item 9:</b>	<b>Disciplinary Information.....</b>	<b>6</b>
<b>Item 10:</b>	<b>Other Financial Industry Activities and Affiliations .....</b>	<b>6</b>
<b>Item 11:</b>	<b>Code of Ethics, Participation or Interest in Client Transactions and Personal Trading.....</b>	<b>7</b>
<b>Item 12:</b>	<b>Brokerage Practices .....</b>	<b>8</b>
<b>Item 13:</b>	<b>Review of Accounts.....</b>	<b>9</b>
<b>Item 14:</b>	<b>Client Referrals and Other Compensation .....</b>	<b>9</b>
<b>Item 15:</b>	<b>Custody .....</b>	<b>9</b>
<b>Item 16:</b>	<b>Investment Discretion .....</b>	<b>9</b>
<b>Item 17:</b>	<b>Voting Client Securities .....</b>	<b>9</b>
<b>Item 18:</b>	<b>Financial Information .....</b>	<b>10</b>
<b>Part 2B of Form ADV .....</b>		<b>11</b>

## **Item 4: Advisory Business**

### **About Us**

613 Capital, LLC was founded in August 2009 as a limited liability company under the laws of the State of Wyoming, United States of America. As of December 1, 2014, the Firm managed account(s) for four Clients totaling approximately \$1.4 million in assets, all of which are managed on a discretionary basis. The Firm is owned by Ralph Leib.

### **Investment Management Services**

The Firm provides Investment Management Services through separately managed accounts on a discretionary basis to Clients. The Firm will obtain pertinent information concerning the Client such as financial condition, investment objectives, and general risk characteristics. Thereafter, the Client will be responsible for the execution of an Investment Management Agreement defining the terms and conditions by which the Firm will manage the assets of the Client.

The Firm will tailor the Client's portfolio to the needs of the Client. Client reserves the right to impose restrictions or guidelines on the management of the Client's assets, including any limitations on the purchase or sale of particular securities. Client assets may be invested in all forms of equity or debt securities, financial instruments or agreements, including but not limited to domestic and foreign preferred and common stock (long and short), convertible securities, warrants, rights, money market instruments and funds, options, derivative instruments (long and short), exchange traded funds and money market investments. The Firm does not invest Client assets in variable annuities or variable life insurance nor does it recommend or provide advice on these products.

The discretionary authority allows the Firm to purchase, sell, invest, reinvest, exchange, and trade the assets in the account(s) of the Client, subject to any restrictions imposed by the Client. This means the Firm will have the authority to determine what securities and investments are to be bought or sold, the amount of transactions, and the timing of transactions. The Client is responsible for the selection of a broker/dealer for the custody of Client assets and the execution of transactions. At the present time, the Firm utilizes Wells Fargo Securities and Interactive Brokers as broker/dealers. The Firm imposes a minimum investment amount for obtaining the services of the Firm which is dealt with under Item 7.

Clients will receive account statements from the broker/dealer no less than quarterly concerning all transactions, balances and portfolio holdings within their account. At its discretion, the Firm may offer a performance report/summary of Client assets on a periodic basis. The Client is encouraged to compare any performance report/summary with account statements provided by the broker/dealer.

## **Item 5: Fees and Compensation**

### **Annual Management Fee**

The Firm will assess an annual management fee based on the assets under management by the Firm. For assets held at Interactive Brokers, who serves as the broker/dealer of record for the Client's assets, billing will take place daily based on the previous day's closing balance for the assets under management. For assets held at Wells Fargo Securities, billing will take place

monthly or quarterly based on the value of the assets under management as of the last business day of a calendar month. The Firm does not rate pro-rate fees for in period contributions unless at the discretion of the Firm or upon mutual agreement between the Firm and Client. All management fees are billed in arrears. Fees will range from 1.0% per annum to 2.50% per annum. Fees are negotiable.

The Client authorizes the Firm and the broker/dealer to deduct annual management fees from the Client account for assets maintained at Interactive Brokers in which the Firm is providing investment management services. The Client authorizes the Firm and broker/dealer to deduct annual management fees from their account at Wells Fargo Securities unless otherwise agreed to by the Firm that checks and/or wires are acceptable form of payment.

The Firm, in its sole discretion, may waive its minimum fee and/or charge a lesser Management 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.).

### **Incentive Fee**

The Client will also be subject to an incentive fee to compensate the Firm for performance achieved in a Client's account(s). The incentive fee may reach 20% of the increase in the net asset value of Client's assets under management. The incentive fee may be subject to a high water mark or loss carry forward provision. The incentive fee is earned and paid on either a monthly, quarterly or annual basis based on the performance of the Firm for each monthly, quarterly or annual period. There may not be any deduction from the incentive fee for losses in subsequent years. This means that the Firm may profit significantly for good performance during one monthly, quarterly or annual period but will not be penalized for poor performance during later annual periods.

### **Other Fees**

The Client may incur additional charges from the custodian maintaining the Client's Account(s). Such fees include account maintenance fees, safekeeping fees, administrative fees, transfer fees, and transaction expenses, such as ticket charges and mailing and posting charges. Further, certain securities products may be subject to management or other administrative and distribution fees. For example, Mutual funds and exchange Traded funds generally charge a management fee for their services as investment managers. The management fee is called an expense ratio. For example, an expense ratio of 0.50 means that the mutual fund company charges 0.5% for their services.

Other fees are the obligation of the Client and are in addition to the fees paid by a Client for services of the Firm.

### **Delinquent Fees**

The Firm reserves the right to stop work on behalf of a Client that is more than 60 days overdue.

### **Termination**

The Investment Management agreement may be terminated by either party to the agreement subject to 30 days written prior notice to the other party prior to the end of the initial term or the end of any renewal term. The termination date shall be deemed to occur as of the termination

date set forth in such notice sent to the other party. As all fees are billed in arrears, the Client will not be subject to any refunds for fees billed prior to the termination date. Any fees charged after the termination date will be subject to a full refund.

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

The receipt of an incentive fee, as discussed in Item 5, represents a performed based fee. The incentive fee is in addition to the annual management fees above discussed. The incentive fee comprises a profit sharing arrangement based on the performance of the underlying investment strategies. You should be aware that such a compensation arrangement might create an incentive for the Firm to make investments that are riskier or more speculative than would be the case in the absence of an incentive fee. However, to mitigate such risk, the overall portfolio risk is limited in the Mandate section of the Investment Management Agreement. The Chief Compliance Officer will no less than quarterly review Clients' accounts in making an assessment that strategies and investments on behalf of the Client are commiserate with the portfolio risks agreed to in the Mandate section of the Investment Management Agreement. Further, in the event that a Client is not subject to an incentive fee, the Chief Compliance Officer will review the Client's account(s) relative to other Client's account(s) to affirmatively determine that such Client is not being disadvantaged for investment opportunities relative to Client account(s) that are subject to an incentive fee.

## **Item 7: Types of Clients**

The Firm generally provides investment advice to individuals, funds, or trusts. Client relationships vary in scope and length of service. The Firm does impose minimum account size requirements. For non-Australian investors, the minimum amount is USD \$100,000. For Australian investors, the minimum amount AUD \$500,000, unless supported by an audit certificate stating that the clients assets are greater than AUD \$2,500,000 or that they have combined earnings of AUD \$250,000 for the prior two years, in which case the minimum is USD \$100,000.

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

### **Methods of Analysis**

Security analysis methods may include charting, fundamental analysis, technical analysis, and cyclical analysis. The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, stock broker reports and company press releases.

### **Investment Strategies**

The Firm seeks to achieve long-term, positive and reasonable returns (capital and income) with reduced market volatility. This is achieved predominantly through a long equity approach investing in quality companies and hedged by using option strategies and shorting equities where appropriate. The Manager will utilize derivatives as part of the funds risk management process, to enhance returns, and hedge or reduce downside risk. It is important to note that

investing in the Fund contains material risk and that positive returns may not be achieved and cannot be guaranteed.

The Investment Process focuses on identifying quality companies with long-term historical track records of shareholder wealth creation. This is achieved through analysis by the Manager, utilizing where available, ten (10) years of financial history. The analysis includes assessment of the company's return on equity, free cash flow generation, increase in book value and dividend growth.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, margin transactions, and option writing (including covered options, uncovered options or spreading strategies). Where trading is more frequent and short-term in nature, this could lead to increased brokerage, transaction costs and taxes, which could impact on performance. The strategy uses leverage and derivatives.

### **Risk of Loss**

Investing in securities involves the risk of loss that Clients should be prepared to bear. Clients investing through separately managed accounts should be aware that the investment strategy used by the Firm involves significant risks, including the potential loss of all the capital invested.

### **General Investment Risks**

Clients face the following investment risks:

- **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 not buy as much as 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.

## **Risks Pertaining to Derivative Instruments**

The Firm will use various derivative instruments. While the judicious use of derivative instruments can be beneficial, such instruments also involve risks different from, and, in certain cases, greater than, the risks presented by more traditional investments. The following is a general discussion of important risk factors and issues concerning the use of derivatives that investors should understand before investing with the Firm:

- **Market Risk.** This is the general risk, attendant to all investments that the value of a particular investment will change in a way detrimental to the Client's interests.
- **Management Risk.** Derivatives are highly specialized instruments that require investment techniques and risk analyses different from those associated with equities and bonds. The use of a derivative instrument requires an understanding not only of the underlying instrument but also of the derivative itself, without the benefit of observing the performance of the derivative under all possible market conditions. In particular, the use and complexity of derivatives require the maintenance of adequate controls to monitor the transactions entered into, the ability to assess the risk that a derivative adds to the Client's portfolio and the ability to forecast price, interest rate or currency rate movements correctly.
- **Tracking Risk.** When used for hedging purposes, an imperfect or variable degree of correlation between price movements of the derivative instrument and the underlying investment sought to be hedged may prevent the Firm from achieving the intended hedging effect or expose the Client's portfolio to the risk of loss.
- **Liquidity Risk.** Derivative instruments, especially when traded in large amounts, may not be liquid in all circumstances, so that in volatile markets the Firm may not be able to close out a position without incurring a loss. In addition, daily limits on price fluctuations and speculative position limits on exchanges on which the Investment Manager may conduct its transactions in derivative instruments may prevent prompt liquidation of positions, subjecting the Client's portfolio to the potential of greater losses.
- **Leverage.** Trading in derivative instruments can result in large amounts of leverage. Thus, the leverage offered by trading in derivative instruments will magnify the gains and losses experienced by the Client's portfolio and could cause the Client's portfolio's Net Asset Value to be subject to wider fluctuations than would be the case if the Firm did not use the leverage feature in derivative instruments.
- **Margin Borrowing.** Increases returns to investors if the Client's portfolio earns a greater return on leveraged investments than the Client's portfolio cost of such leverage. However, the use of margin borrowing exposes the Client's portfolio to additional levels of risk including (i) greater losses from investments than would otherwise have been the case had the Firm not borrowed to make the investments, (ii) margin calls or changes in margin requirements may force premature liquidations of investment positions and (iii) losses on investments where the investment fails to earn a return that equals or exceeds

the Client's portfolio cost of leverage related to such investments. In case of a sudden, precipitous drop in value of the Client's account(s) the Client's Investment Account Assets might not be able to liquidate assets quickly enough to repay its borrowings, further magnifying the losses incurred by the Client.

### **Risks Pertaining to the Use of Leverage**

When deemed appropriate by the Firm and subject to applicable regulations, the Firm may use leverage in its investment program, including the use of borrowed funds and investments in certain types of options, such as puts, calls and warrants, which may be purchased for a fraction of the price of the underlying securities while giving the purchaser the full benefit of movement in the market of those underlying securities. While such strategies and techniques increase the opportunity to achieve higher returns on the amounts invested, they also increase the risk of loss. To the extent the Client's portfolio purchases securities with borrowed funds, its net assets will tend to increase or decrease at a greater rate than if leverage were not used.

The level of interest rates generally, and the rates at which funds may be borrowed in particular, could affect the operating results of the Firm. If the interest expense on borrowings were to exceed the net return on the portfolio securities purchased with borrowed funds, the Client's portfolio use of leverage would result in a lower rate of return than if the Client's portfolio were not leveraged.

If the amount of borrowings which the Client's portfolio may have outstanding at any one time is large in relation to its capital, fluctuations in the market value of the Client's portfolio will have disproportionately large effects in relation to the Client's portfolio's capital and the possibilities for profit and the risk of loss will therefore be increased.

Any investment gains made with the additional monies borrowed will generally cause the net asset value of the Client's portfolio to rise more rapidly than would otherwise be the case. Conversely, if the investment performance of the additional moneys borrowed fails to cover their cost to the Client's portfolio, the net asset value of the Client's portfolio will generally decline faster than would otherwise be the case.

### **Item 9: Disciplinary Information**

The Firm and its employees have not been involved in or subject to any legal or disciplinary events.

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

The Firm is not registered with nor has an application pending as a broker/dealer, futures commission merchant, commodity pool operator, or a commodity trading advisor. No agent(s) of the Firm serve as a representative to any of these entity types. Further, the Firm does not utilize nor select other investment advisors or third party managers. All assets are managed by the Firm.

Ralph Leib, owner and an investment manager of the Firm, is part-owner of 613 Capital General Partners, Ltd. ("Partners"), a limited liability company incorporated under the laws of the British Virgin Islands on June 3, 2014. Partners serve as the general partner to the Rhovest Global Quality Fund, L.P. ("Rhovest"), a British Virgin Islands limited partnership formed on June 18, 2014. Rhovest is an open-ended investment vehicle designed to permit investors to participate

in a professionally managed portfolio. Rhovest is designed to generate long-term, risk adjusted returns using the same investment philosophy and approach as the Firm. Pursuant to the Limited Partnership Agreement, Partners is responsible for all investment decisions for Rhovest on a discretionary basis. This presents a conflict of interest. Ralph Leib, as owner and involved in the day-to-day functions of Partners, will be allocating at least a portion of his time to Partners. This may disadvantage Clients of the Firm in that Ralph Leib has additional responsibilities that will require time to be spent on Partners that could otherwise be spend on the Firm and its Clients. Further, Ralph Leib will be compensated through Partners thus giving a financial incentive for performing work on behalf of Partners in lieu of the Firm's Clients. This could potentially impact the amount of time allocated to reviewing Client accounts, researching opportunities, and in managing the Client's account(s). To mitigate such risk(s), the Firm has established procedures that require, at a minimum, certain acts and responsibilities of the Firm and its agents to ensure that the fiduciary responsibility of the Firm and its agents are carried out in an effective and compliant manner.

The Firm has a contractual agreement with Wells Fargo Securities and Interactive Brokers for them to serve as broker/dealer for the assets of a Client. The Firm does not have direct or indirect ownership or control over these firms. Details concerning the selection of broker/dealers are provided in Item 12.

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

The Firm has adopted a written Code of Business Conduct and Ethics describing its high standard of business conduct, and fiduciary duty to its Clients. The Code of Business Conduct and Ethics includes provisions relating to the confidentiality of Client information, a prohibition on insider trading, restrictions on initial public offerings, and personal securities trading procedures, among other things. Clients or prospective clients may request a copy of the Firm's Code of Business Conduct and Ethics by contacting Ralph Leib.

The Firm does not recommend that Clients buy or sell any security in which a related person to the Firm has a material financial interest. From time to time, agent(s) of the Firm may buy or sell securities for their own accounts in securities which are recommended and/or purchased for Clients. This presents a conflict of interest as the Firm's agent(s) could receive an execution for a transaction for an account in which they have financial interest that is superior to that received by a Client. To address this conflict, the Code of Business Conduct and Ethics is designed to ensure that the personal securities transactions as well as all activities and interests of the Firm and its agent(s) will not interfere with making decisions in the best interest of advisory clients. The Firm requires agent(s) to seek approval from the Chief Compliance Officer prior to conducting a securities transaction for the personal account(s).

The Firm and its agents may effect agency cross securities transactions for Client accounts. An agency cross transaction is defined as a transaction where a person acts as an investment adviser in relation to a transaction in which the investment adviser, or any person controlled by or under common control with the investment adviser, may buy/sell a security of one Client to another Client. Agency cross transactions will be valued as of the last sale price of the subject security on a given date. The Firm will not receive any commissions or transaction-related fees for agency cross transactions. The Firm does not permit agency cross transactions involving affiliates, investment companies, or ERISA accounts. Agency cross transactions are permitted as they may enable the Firm to achieve better executions for Clients.

It is the Firm's policy to not effect principal transactions for Client accounts, except in accordance with applicable rules, regulations and SEC staff interpretations. Principal transactions are generally defined as transactions where an adviser, acting as principal for its own account or the account of an affiliated broker-dealer, buys from or sells any security to any Client.

## **Item 12: Brokerage Practices**

The Client is responsible for the selection of a broker/dealer to effect transactions in the Client's account. Broker/dealers are primarily chosen based on their ability to execute transactions; net prices for transactions; and potential trading ideas generated by the broker/dealer.

The Firm will recommend that Clients utilize the brokerage/custody services of Interactive Brokers or Wells Fargo Advisors, LLC ("Wells Fargo"). The Firm does not receive Client referrals, any referral fees, or transaction related fees, such as commissions, from using a particular custodian selected by the Client. The Firm is solely compensated in accordance to fees described in Item 5. In executing principal trades, and trades on behalf of the Firm's affiliate, Rhovest, the Firm and Rhovest will utilize the services of Wells Fargo. Rhovest is subject to minimum relationship fees for custody and brokerage with Wells Fargo. Any shortfall in meeting those minimum relationship fees during a particular month as a result of lack of trading and custody activity is borne by Rhovest. To the extent a Client determines to utilize the services of Wells Fargo, custody and brokerage fees paid by such Client will count toward meeting those minimum relationship fees. Accordingly, a Client's decision to utilize the custody and brokerage services of Wells Fargo could benefit Rhovest. Additionally, as part of its contractual agreements with custodian(s), the Firm may have access to research from broker/dealers. Any research received by the Firm and its agent(s) may be based on the volume of transactions routed through the broker/dealer. While the receipt of research may provide an incentive for the Firm to recommend or select a particular broker/dealer, the Firm does not base its decision on the selection on the receipt of such research. Any research obtained can be used by the Firm and its agent(s) in servicing Clients.

In the execution of transactions, the Firm will seek to execute transactions together in concert with other Client's transactions, i.e. bunched transactions. However, the Firm may conduct transactions for a Client on a Client by Client basis. This means that the Firm does not aggregate or bunch transactions in a particular security for multiple accounts. By not aggregating transactions into a single order for various Clients, multiple execution prices and increased transaction-related charges may result.

The Firm will not allow Clients to select the broker/dealer to be used other than Interactive Brokers or Wells Fargo for maintaining and executing assets and transactions, respectively unless otherwise agreed to by the Firm. Not all investment advisers require their clients to direct brokerage. By requiring Clients to use a specific broker/dealer, the Firm may be unable to achieve most favorable execution of Client transactions, which may cost the Client more money than if transactions were conducted through another broker/dealer. The Firm has adopted policies for the review of Client activity along with the quality of executions as part of its procedures on best execution to mitigate potential negative consequences to the Client.

### **Item 13: Review of Accounts**

Client accounts are monitored on a continuous basis with a formal review conducted at least quarterly by Ralph Leib, Managing Partner. Portfolio managers may review their assigned portfolios more frequently when market conditions dictate. Additional reviews may be provided at the Client's request. The broker/dealer typically sends Clients a confirmation of every securities transaction and a monthly or quarterly brokerage statement reflecting all transactions in the Client's account held by the custodian.

Other conditions that may trigger a review are changes in the tax laws, new investment information, material market events or movements, and changes in a Client's own situation.

### **Item 14: Client Referrals and Other Compensation**

The Firm does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them. As discussed in Item 12, the Firm will frequently select broker/dealers to be used. These broker/dealers may refer potential Clients to the Firm. The Firm does not compensate such broker/dealers or any third party for the referral of Clients.

### **Item 15: Custody**

The Firm does not serve as a qualified custodian. All Client assets are maintained with a qualified custodian. Clients will receive at least quarterly statements from the qualified custodian that holds and maintains Client's assets. The Firm urges you to carefully review such statements. The Firm may offer performance reports on a periodic basis. Clients are urged to compare the account statements received directly from their custodians to the performance report statements provided by the Firm.

### **Item 16: Investment Discretion**

The Firm accepts discretionary authority to manage securities accounts on behalf of Clients. The Firm has the authority to determine, without obtaining specific Client consent, the securities to be bought or sold, and the amount of the securities to be bought or sold. The Firm does not consult with the Client prior to each trade. Discretionary trading authority facilitates placing trades in your accounts on your behalf so that we may promptly implement the investment policy that you have approved in writing. The Client is responsible for the selection of a broker/dealer.

### **Item 17: Voting Client Securities**

The Firm and its agent(s) do not have any authority to and does not vote proxies on behalf of Clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in Client portfolios. Clients will receive proxies directly from the issuer of the security or the custodian. When assistance on voting proxies is requested, the Firm will provide recommendations to the Client. If a conflict of interest exists, it will be disclosed to the Client.

## **Item 18: Financial Information**

The Firm has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to Clients and has not been the subject of a bankruptcy proceeding. The Firm does not solicit prepayment of fees per Client in advance.



Ralph Leib  
72 Hertzl Street  
Ra-anana, Israel  
+972 533-38-4613  
+1 307-224-4144  
ralphleib@613-capital.com

## **Investment Advisory Representative Brochure**

**(Part 2B of Form ADV)**

**December 23, 2014**

This Brochure Supplement provides information about Ralph Leib ("Leib") that supplements the Form ADV Part 2A Brochure. You should have received a copy of that Brochure. Please contact Ralph Leib if you did not receive 613 Capital LLC's Brochure or if you have any questions about the contents of this supplement. Additional information about Ralph Leib is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The CRD number for 613 Capital, LLC is 151489.

## **Item 2: Educational Background and Business Experience**

### **Year of Birth**

1971

### **Education**

- Bachelor of Commerce, University of Witwatersrand, South Africa, 1992,
- Bachelor of Accounting, University of Witwatersrand, South Africa, 1993

### **Business Background**

- 613 Capital General Partners Ltd, Director, 06/2014 to present
- 613 Capital, LLC, Managing Member, 08/2009 to present
- GESB, Senior Investment Strategist, 09/2004 to 08/2009
- Sanlam Investment Management, Portfolio Manager, Head of Unit Trusts, 01/2002 to 04/2004
- Sanlam Investment Management, Head of Technology Research, 07/2000 to 01/2002

## **Item 3: Disciplinary History**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Leib has not been the subject of any legal or any disciplinary events.

## **Item 4: Other Business Activities**

Ralph Leib is currently a part-owner and Director of 613 Capital General Partners, Ltd. ("Partners"), a British Virgin Islands company formed on June 3, 2014. Partners serve as the general partner to the Rhovest Global Quality Fund, L.P. ("Rhovest"), a British Virgin Islands limited partnership formed on June 18, 2014. Rhovest is an open-ended investment vehicle designed to permit investors to participate in a professionally managed portfolio. Pursuant to the Limited Partnership Agreement, Partners is responsible for all investment decisions for Rhovest on a discretionary basis. This presents a conflict of interest. Ralph Leib, as owner and involved in the day-to-day functions of Partners, will be allocating at least a portion of his time to Partners. This may disadvantage Clients of the Firm in that Ralph Leib has additional responsibilities that will require time to be spent on Partners that could otherwise be spend on the Firm and its Clients. Further, Ralph Leib will be compensated through Partners thus giving a financial incentive for performing work on behalf of Partners in lieu of the Firm's Clients. This could potentially impact the amount of time allocated to reviewing Client accounts, researching opportunities, and in managing the Client's account(s). To mitigate such risk(s), the Firm has established procedures that require, at a minimum, certain acts and responsibilities of the Firm and its agents to ensure that the fiduciary responsibility of the Firm and its agents are carried out in an effective and compliant manner.

## **Item 5: Additional Compensation**

Ralph Leib does not receive economic benefits in the form of awards, bonuses and prizes from any person or entity for providing advisory services and investment advice to a Client of the Firm.



## **Item 6: Supervision**

For investment management services, Client accounts are continuously monitored and are reviewed at least quarterly by Ralph Leib. Additional reviews may be triggered by material market, economic or political events, or by material changes in a Client's financial situation and circumstances. The broker/dealer provides no less than quarterly account statements concerning the Client's assets.