

**Part 2A of Form ADV: *Firm Brochure***

**Envision Capital Management, Inc.**

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12/31/14

This brochure provides information about the qualifications and business practices of Envision Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at 310-445-3252 or [envision@envisioncap.com](mailto:envision@envisioncap.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 Envision Capital Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 107150.

## Item 2 Material Changes

12-31-14

No Material Changes

06-16-2014

No Material Changes

12-31-2013

No Material Changes

07-30-2013

Address/Location/Operating Hours Change

2013

No material changes

2012

The only material change in this years update is Item 18 & Item 9; We have added a paragraph regarding problems that have arisen with our mistaken corporate identity. There is a firm named Envision Capital Management, LLC (we are Inc.), also in Southern California and also registered with the SEC. This firm has **no affiliation** with us.

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 01/21/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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## **Item 4    Advisory Business**

Envision Capital Management, Inc. is a SEC-registered investment adviser with its principal place of business located in California. Envision Capital Management, Inc. began conducting business in 1995.

Listed below are the firm's principal shareholders (i.e., those individuals and/or entities controlling 25% or more of this company).

- Marilyn Maxine Cohen, President, CEO

Envision Capital Management, Inc. offers the following advisory services to our clients:

### **INVESTMENT SUPERVISORY SERVICES ("ISS") INDIVIDUAL PORTFOLIO MANAGEMENT**

Our firm provides continuous advice to a client regarding the investment of client funds based on the individual needs of the client. Through personal discussions in which goals and objectives based on a client's particular circumstances are established, we develop a client's personal investment policy and create and manage a portfolio based on that policy. During our data-gathering process, we determine the client's individual objectives, time horizons, risk tolerance, and liquidity needs. As appropriate, we also review and discuss a client's prior investment history, as well as family composition and background.

We manage these advisory accounts on a discretionary basis. Account supervision is guided by the client's stated objectives (i.e., maximum capital appreciation, growth, income, or growth and income), as well as tax considerations.

Clients may impose reasonable restrictions on investing in certain securities, types of securities, or industry sectors.

Our investment recommendations are not limited to any specific product or service offered by a broker-dealer or insurance company and will generally include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit

- Municipal securities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in partnerships investing in other

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

### **AMOUNT OF MANAGED ASSETS**

As of 12/31/2014, we were actively managing \$320,695,569 of clients' assets on a discretionary basis.

## **Item 5 Fees and Compensation**

### **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT FEES**

Our annual fees for Investment Supervisory Services are based upon a percentage of assets under management which depends upon the bond sector: municipal bonds 43 basis points, investment grade corporates 60 basis points, split rated 75 basis points and high yield bonds 1%, for accounts \$500,000 to \$5,000,000. Fees are negotiated for accounts over \$5,000,001.

Our fees are billed quarterly, in advance, at the beginning of each calendar quarter based upon the value (market value or fair market value in the absence of market value), of the client's account at the end of the previous quarter. Fees will be debited from the account in accordance with the client authorization in the Client Services Agreement. The ability to debit fees from client accounts; should in no way be construed as actual or constructive custody of client accounts.

A minimum of \$500,000 of assets under management is required for this service. This account size may be negotiable under certain circumstances. Envision Capital Management, Inc. may group certain related client accounts for the purposes of achieving the minimum account size and determining the annualized fee.

**Limited Negotiability of Advisory Fees:** Although Envision Capital Management, Inc. has established the aforementioned fee schedule(s), we retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs will be



considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets; related accounts; portfolio style, account composition, reports, among other factors. The specific annual fee schedule will be identified in the contract between the adviser and each client.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm.

## GENERAL INFORMATION

***Termination of the Advisory Relationship:*** A client agreement may be canceled at any time, by either party, for any reason upon receipt of 30 days written notice. As disclosed above, certain fees are paid in advance of services provided. Upon termination of any account, any prepaid, unearned fees will be promptly refunded. In calculating a client's reimbursement of fees, we will pro rate the reimbursement according to the number of days remaining in the billing period.

***Mutual Fund Fees:*** All fees paid to Envision Capital Management, Inc. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds and/or EFTs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

***Additional Fees and Expenses:*** In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

***Grandfathering of Minimum Account Requirements:*** Pre-existing advisory clients are subject to Envision Capital Management, Inc.'s minimum account requirements and advisory fees in effect at the time the client entered into the advisory relationship. Therefore, our firm's minimum account requirements will differ among clients.

***Advisory Fees in General:*** Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

***Limited Prepayment of Fees:*** Under no circumstances do we require or solicit payment of fees in excess of \$1200 more than six months in advance of services rendered.



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

Envision Capital Management, Inc. does not charge performance-based fees.

## Item 7 Types of Clients

Envision Capital Management, Inc. provides advisory services to the following types of clients:

- Individuals and high net worth Individuals
- Investment companies (including mutual funds)
- Pension and profit sharing plans (Non-ERISA and Typically, an employee benefit plan is covered by ERISA **unless** it is (1) an individual retirement account or annuity established by an individual employee to which his/her employer does not contribute; (2) a plan which covers only the sole owner of a business (incorporated or unincorporated) and/or his/her spouse; (3) a partnership pension plan which covers only partners and their spouses. ERISA accounts include those established by pension plans, profit sharing and 401(k) plans and their trusts. Or ERISA if we are named as a fiduciary on their plan ERISA Bond)
- Charitable organizations
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain initial minimum account requirements, based on the nature of the service(s) being provided. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

### METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

**Charting.** In this type of technical analysis, we review charts of market and security activity in an attempt to identify when the market is moving up or down and to predict when how long the trend may last and when that trend might reverse.

**Fundamental Analysis.** We attempt to measure the intrinsic value of a security by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Fundamental analysis does not attempt to anticipate market movements. This presents a potential risk, as the price of a security can move up or down along with the overall market regardless of the economic and financial factors considered in evaluating the stock.

**Technical Analysis.** We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement.

Technical analysis does not consider the underlying financial condition of a company. This presents a risk in that a poorly-managed or financially unsound company may underperform regardless of market movement.

**Cyclical Analysis.** In this type of technical analysis, we measure the movements of a particular stock against the overall market in an attempt to predict the price movement of the security.

**Risks for all forms of analysis.** Our securities analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

## **INVESTMENT STRATEGIES**

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

**Long-term purchases.** We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class over time, regardless of the current projection for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantages of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

**Short-term purchases.** When utilizing this strategy, we purchase securities with the idea of



selling them within a relatively short time (typically a year or less). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Trading.** We purchase securities with the idea of selling them very quickly (typically within 30 days or less). We do this in an attempt to take advantage of our predictions of brief price swings.

Utilizing a trading strategy creates the potential for sudden losses if the anticipated price swing does not materialize. Moreover, under those circumstances, we are left with few options:

- having a long-term investment in a security that was designed to be a short-term purchase, or;
- the potential of having to take a loss.

In addition, because this strategy involves more frequent trading than does a longer-term strategy, there will be a resultant increase in brokerage and other transaction-related costs, as well as less favorable tax treatment of short-term capital gains.

**Short sales.** We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares on a future date at a certain price. Those borrowed shares are then sold. On the agreed-upon future date, we buy the same stock and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price has gone down since the shares were purchased from the original owner, the client account realizes the profit.

Short selling results in some unique risks:

1. *Losses can be infinite.* A short sale loses when the stock price rises, and a stock is not limited (at least, theoretically) in how high it can go. For example, if you short 100 shares at \$50 each, hoping to make a profit but the shares increase to \$75 per share, you'd lose \$2,500. On the other hand, the price of a stock cannot fall below \$0, which limits your potential upside.
2. *Short squeezes can wring out profits.* As stock prices increase, short seller losses also increase as sellers rush to buy the stock to cover their positions. This increase in demand, in turn, further drives the prices up.



3. *Timing.* Even if we are correct in determining that the price of a stock will decline, we run the risk of incorrectly determining when the decline will take place, i.e., being right too soon. Although a company is overvalued, it could conceivably take some time for the price to come down; during which you are vulnerable to interest, margin calls, etc.
4. *Inflation.* History has shown that over the long term, most stocks appreciate. Even if a company barely improves over time, inflation should drive its share price up somewhat. In fact, short selling may not be appropriate in times of inflation for that very reason, as prices may adjust upwards regardless of the value of the stock.

**Margin transactions.** We will purchase stocks or bonds for your portfolio with money borrowed from your brokerage account. This allows you to purchase more securities than you would be able to with your available cash, and allows us to purchase securities without selling other holdings.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a "margin call", and you will be required to sell your position in the security purchased on margin or add more cash to the account. In some circumstances, you may lose more money than you originally invested.

**Option writing.** We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price, time and other factors.



A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

**Risk of Loss.** Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

## Item 9 Disciplinary Information

We are required to disclose any legal or disciplinary events that are material to a client's or prospective client's evaluation of our advisory business or the integrity of our management.

Our firm and our management personnel have no reportable disciplinary events to disclose.

***In a case of mistaken corporate identity however, a firm by the name of Envision Capital Management, LLC NOT Inc. may have legal or disciplinary activities. We are in no way affiliated with that firm.***

## Item 10 Other Financial Industry Activities and Affiliations

Clients should be aware that the receipt of additional compensation by Envision Capital Management, Inc. and its management persons or employees creates a conflict of interest that may impair the objectivity of our firm and these individuals when making advisory recommendations. Envision Capital Management, Inc. endeavors at all times to put the interest of its clients first as part of our fiduciary duty as a registered investment adviser; we take the following steps to address this conflict:

- we disclose to clients the existence of all material conflicts of interest, including the potential for our firm and our employees to earn compensation from advisory clients in addition to our firm's advisory fees;
- we disclose to clients that they are not obligated to purchase recommended investment products from our employees or affiliated companies;
- we collect, maintain and document accurate, complete and relevant client background information, including the client's financial goals, objectives and risk tolerance;
- our firm's management conducts regular reviews of each client account to verify that all recommendations made to a client are suitable to the client's needs and circumstances;
- we require that our employees seek prior approval of any outside employment activity so that we may ensure that any conflicts of interests in such activities are properly addressed;
- we periodically monitor these outside employment activities to verify that any conflicts of



interest continue to be properly addressed by our firm; and

- we educate our employees regarding the responsibilities of a fiduciary, including the need for having a reasonable and independent basis for the investment advice provided to clients.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business conduct that we require of our employees, including compliance with applicable federal securities laws.

Envision Capital Management, Inc. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the review of quarterly securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Envision Capital Management, Inc.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to [envision@envisioncap.com](mailto:envision@envisioncap.com), or by calling us at 310-445-3252.

Envision Capital Management, Inc. and individuals associated with our firm are prohibited from engaging in principal transactions.

Envision Capital Management, Inc. (ECM) does occasionally effect cross transactions between advisory clients. These transactions, which involve fixed income securities, are often effected to meet the short-term cash needs of a particular client or to liquidate the account of a client who is terminating ECM's services. Securities being sold are only purchased for another client when they are attractively priced and meet the purchasing client's objectives. ECM obtains independent prices for these securities from various broker-dealers. ECM does not receive commissions or any other compensation with respect to these transactions.



A client can choose not to participate in cross transactions by simply checking the appropriate box on the ECM Advisory Agreement. This allows the client to be in a position to make a reasonable determination about cross transactions. Clients are given a yearly option to opt out/in. All cross transaction trades clearly state on the confirmation "THIS IS A CROSS TRADE". Clients are annually sent a reminder they can opt out of cross transactions at anytime.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

Our firm and/or individuals associated with our firm may buy or sell for their personal accounts securities identical to or different from those recommended to our clients. In addition, any related person(s) may have an interest or position in a certain security(ies) which may also be recommended to a client.

It is the expressed policy of our firm that no person employed by us may purchase or sell any security prior to a transaction(s) being implemented for an advisory account, thereby preventing such employee(s) from benefiting from transactions placed on behalf of advisory accounts.

## **Item 12 Brokerage Practices**

For discretionary clients, Envision Capital Management, Inc. requires these clients to provide us with written authority to so that our firm can determine the broker dealer to use and the commission costs that will be charged to these clients for these transactions.

Envision Capital Management, Inc. does not have any soft-dollar arrangements and does not receive any soft-dollar benefits.

Brokers that we select to execute transactions may from time to time refer clients to our firm. Envision Capital Management, Inc. will not make commitments to any broker or dealer to compensate that broker or dealer through brokerage or dealer transactions for client referrals; however, a potential conflict of interest may arise between the client's interest in obtaining best price and execution and Envision Capital Management, Inc.'s interest in receiving future referrals.

Envision Capital Management, Inc. conducts periodic reviews, analyzing price mark-ups and commissions offered by the various brokers used and volume of client commissions directed to each broker. Moreover, we perform a qualitative ranking of all brokers used by interviewing and/or polling our trading staff.

Envision Capital Management, Inc. will utilize block trades where possible and when advantageous to clients. This methodology of trading permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute bond and equity trades in a timelier, more equitable manner, at an average price. Envision Capital Management, Inc. will typically aggregate



trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Envision Capital Management, Inc.'s block trading policy and procedures are as follows:

- 1) Transactions for any client account may not be aggregated for execution if the practice is prohibited by or inconsistent with the client's advisory agreement with Envision Capital Management, Inc., or our firm's order allocation policy.
- 2) The trading desk in concert with the portfolio manager must determine that the purchase or sale of the particular security involved is appropriate for the client and consistent with the client's investment objectives and with any investment guidelines or restrictions applicable to the client's account.
- 3) The portfolio manager must reasonably believe that the order aggregation will benefit, and will enable Envision Capital Management, Inc. to seek best execution for each client participating in the aggregated order. This requires a good faith judgment at the time the order is placed for the execution. It does not mean that the determination made in advance of the transaction must always prove to have been correct in the light of a "20-20 hindsight" perspective. Best execution includes the duty to seek the best quality of execution, as well as the best net price.
- 4) Prior to entry of an aggregated order, a written order ticket must be completed which identifies each client account participating in the order and the proposed allocation of the order, upon completion, to those clients.
- 5) If the order cannot be executed in full at the same price or time, the securities actually purchased or sold by the close of each business day must be allocated pro rata among the participating client accounts in accordance with the initial order ticket or other written statement of allocation. However, adjustments to this pro rata allocation may be made to participating client accounts in accordance with the initial order ticket or other written statement of allocation. Furthermore, adjustments to this pro rata allocation may be made to avoid having odd amounts of shares held in any client account, or to avoid excessive ticket charges in smaller accounts.
- 6) Generally, each client that participates in the aggregated order must do so at the average price for all separate transactions made to fill the order, and must share in the commissions on a pro rata basis in proportion to the client's participation. Under the client's agreement with the custodian/broker, transaction costs may be based on the number of shares traded for each client.
- 7) If the order will be allocated in a manner other than that stated in the initial statement of allocation, a written explanation of the change must be provided to and approved by the Chief Compliance Officer no later than the morning following the execution of the aggregate trade.
- 8) Envision Capital Management, Inc.'s client account records separately reflect, for each account in which the aggregated transaction occurred, the securities which are held by, and bought and sold for, that account.
- 9) Funds and securities for aggregated orders are clearly identified on Envision Capital



Management, Inc.'s records and to the broker-dealers or other intermediaries handling the transactions, by the appropriate account numbers for each participating client.

10) No client or account will be favored over another.

## **Item 13 Review of Accounts**

### **INVESTMENT SUPERVISORY SERVICES INDIVIDUAL PORTFOLIO MANAGEMENT**

*REVIEWS:* While the underlying securities within Individual Portfolio Management Services accounts are continually monitored, these accounts are reviewed at least quarterly. Accounts are reviewed in the context of each client's stated investment objectives and guidelines. More frequent reviews may be triggered by material changes in variables such as the client's individual circumstances, or the market, political or economic environment.

These accounts are reviewed by: Marilyn Maxine Cohen who is the President and CEO.

*REPORTS:* In addition to the monthly statements and confirmations of transactions that clients receive from their broker-dealer, we provide quarterly reports summarizing account performance, balances and holdings.

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

### **CLIENT REFERRALS**

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

### **OTHER COMPENSATION**

It is Envision Capital Management, Inc.'s policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-

client in conjunction with the advisory services we provide to our clients.

## **Item 15 Custody**

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Our firm does not have actual or constructive custody of client accounts.

## **Item 16 Investment Discretion**

As previously disclosed in Item 4 of this brochure, our clients hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission.

Our discretionary authority includes the ability to do the following without contacting the client:

- Determine the security to buy or sell; and/or
- Determine the amount of the security to buy or sell
- Effect Crosstrades (unless the client has opted out)

Clients give us discretionary authority when they sign a discretionary agreement with our firm, and may limit this authority by giving us written instructions. Clients may also change/amend such limitations by once again providing us with written instructions.

## **Item 17 Voting Client Securities**

Envision Capital Management, Inc. monitors and responds to the complicated voting requirements for all fixed income securities held in client accounts. The firm will vote these proxies based on the best interests of our client. Our firm will provide clients with voting records upon request by contacting us at [envision@envisioncap.com](mailto:envision@envisioncap.com).

As a matter of firm policy, we do not vote equity proxies on behalf of clients. Therefore,



although our firm may provide investment advisory services relative to client investment assets, 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. Clients are responsible for instructing each custodian of the assets, to forward to the client copies of all proxies and shareholder communications relating to the client's investment assets.

We do not offer any consulting assistance regarding equity proxy issues to clients.

## **Item 18 Financial Information**

Envision Capital Management, Inc. has no additional financial circumstances to report.

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to include a financial statement.

Envision Capital Management, Inc. has not been the subject of a bankruptcy petition at any time during the past ten years.

***In a case of mistaken corporate identity however, a firm by the name of Envision Capital Management, LLC NOT Inc. may have bankruptcy activities. We are in no way affiliated with that firm***

## **Part 2B of Form ADV: *Brochure Supplement***

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El Segundo, CA 90245

02/10/2011

**This brochure supplement provides information about Marilyn M. Cohen that supplements the Envision Capital Management, Inc.. brochure. You should have received a copy of that brochure. Please contact Marilyn M. Cohen if you did not receive Envision Capital Management, Inc.'s brochure or if you have any questions about the contents of this supplement.**

**Additional information about Marilyn M. Cohen is available of the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**



**Item 2. Educational Background and Business Experience**

Marilyn M. Cohen, President, Chief Executive Officer

Year of Birth: 1949

Education:

Ms. Cohen graduated from the University of California in 1972 with a Bachelor of Arts. She graduated from Pepperdine University in 1975 with a MBA

Business Background:

President and CEO of Envision Capital Management, Inc., 01/1995 to present.

**Item 3. Disciplinary Information**

Ms. Cohen does not have any history of disciplinary events.

**Item 4. Other Business Activities**

Ms. Cohen is not engaged in any other business or occupation.

**Item 5. Additional Compensation**

Ms. Cohen does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

**Item 6. Supervision**

The firm's Investment Committee is responsible for all supervision, formulation and monitoring of investment advice offered to clients. The Investment Committee consists of Marilyn M. Cohen, Member, President and Chief Executive Officer and Alex Anderson Jr., Member, Vice President of Portfolio Manager. These individuals can be reached at 310-445-3252. Ms. Lisa Nevolo, Executive Vice President and Chief Compliance Officer reviews all employee personal securities transactions on a quarterly basis, documents investment committee meetings, oversees all material investment policy changes, and conducts periodic testing to ensure that client objectives and mandates are being met. Ms. Cohen's personal securities transactions and client transactions are reviewed by Ms. Nevolo.

## **Part 2B of Form ADV: *Brochure Supplement***

Lisa A. Nevolo  
2301 Rosecrans Ave, Suite 4180  
El Segundo, CA 90245  
(310) 445-3252

Envision Capital Management, Inc.  
2301 Rosecrans Ave, Suite 4180  
El Segundo, CA 90245

02/10/2011

**This brochure supplement provides information about Lisa A. Nevolo that supplements the Envision Capital Management, Inc.. brochure. You should have received a copy of that brochure. Please contact Marilyn M. Cohen if you did not receive Envision Capital Management, Inc.'s brochure or if you have any questions about the contents of this supplement.**

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



**Item 2. Educational Background and Business Experience**

Lisa A. Nevolo, Executive Vice President, Chief Compliance Officer

Year of Birth: 1960

Education:

Ms. Nevolo attended Mercer County Community College, 1979 – 1980.  
She attended Ocean County College, 1980-1981.

Business Background:

Executive Vice President and CCO of Envision Capital Management, Inc., 03/1995 to present.

**Item 3. Disciplinary Information**

Ms. Nevolo does not have any history of disciplinary events.

**Item 4. Other Business Activities**

Ms. Nevolo is not engaged in any other business or occupation.

**Item 5. Additional Compensation**

Ms. Nevolo does not receive any additional compensation from third parties for providing investment advice to its clients and does not compensate anyone for client referrals.

**Item 6. Supervision**

Ms. Lisa A. Nevolo is responsible for among other things the compliance program for Envision Capital Management, Inc.. Ms. Nevolo is the Executive Vice President and Chief Compliance Officer and reviews all employee personal securities transactions on a quarterly basis, documents investment committee meetings, oversees all material investment policy changes, and conducts periodic testing to ensure that client objectives and mandates are being met. Ms. Nevolo's personal securities transactions are reviewed by Ms. Marilyn M. Cohen, Investment Committee Member, President and Chief Executive Officer. These individuals can be reached at 310-445-3252.