

Arbor Capital Management, Inc.

Appendix I - Wrap Fee Program Brochure

This brochure provides information about the qualifications and business practices of Arbor Capital Management, Inc.. If you have any questions about the contents of this brochure, please contact us at (907) 222-7581 or by email at: mkolesky@acminc.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 Arbor Capital Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Arbor Capital Management, Inc.'s CRD number is: 111362

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Registration does not imply a certain level of skill or training.

Version Date: March 3, 2015

Item 2: Material Changes

Since the last update of this document Ty Schommer has become an owner of Arbor Capital Management, Inc. as of January 1, 2015.

Item 3: Table of Contents

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Item 4: Services Fees and Compensation

Arbor Capital Management, Inc. (hereinafter "ACM") offers the following services to advisory clients:

A. Description of Services

ACM sponsors a wrap fee program for certain investment management service clients. This wrap fee program allows ACM to manage client accounts for a single fee that includes portfolio management services and custodial costs. ACM will pay Schwab the transaction/executions costs associated with equities transactions, therefore, a potential disincentive to trade securities may be presented. The fees are payable quarterly in advance and the final schedule for this program is represented below:

Mutual Fund Product

Portfolio Services	Annual Fee
\$250,000 - \$500,000	1.00%
\$500,000 - \$1,000,000	0.90%
Over \$1,000,000	0.80%

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with ten days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

B. Contribution Cost Factors

The program may cost the client more or less than purchasing such services separately. There are several factors that bear upon the relative cost of the program including the cost of the services if provided separately and the trading activity in the client's account.

C. Additional Fees

Clients who participate in the wrap fee program will not have to pay for transaction or trading fees. However, clients are still responsible for all other account fees which include but are not limited to; such as annual IRA fees to the custodian, termination fees if the account is moved to another broker, third party adviser fees, mark up and mark downs, and wire fees.

D. Compensation of Client Participation

Neither ACM, nor any representatives of ACM receive any additional compensation for the participation of client's in the wrap fee program. However, compensation received may be more than what would have been received if client paid separately for investment advice, brokerage, and to other services. Therefore, ACM may have a financial incentive to recommend the wrap fee program to clients.

Item 5: Account Requirements and Types of Clients

ACM generally provides its wrap fee program services to the following types of clients:

- ❖ Individuals
- ❖ High-Net-Worth Individuals
- ❖ Pension and Profit Sharing Plans
- ❖ Trusts, Estates, or Charitable Organizations
- ❖ Corporations or Business Entities

Minimum Account Size

There is an account minimum, \$400,000, which may be waived by the investment advisor, based on the needs of the client and the complexity of the situation.

Item 6: Portfolio Manager Selection and Evaluation

A. Selecting/Reviewing Portfolio Managers

ACM will not select any outside portfolio managers for management of this wrap fee program. Matthew Blair Kolesky and Ty Schommer are the portfolio managers for this wrap fee program.

1. Standards Used to Calculate Portfolio Manager Performance

ACM will use industry standards to calculate portfolio manager performance.

2. Review of Performance Information

ACM reviews the performance information to determine and verify its accuracy and compliance with presentation standards. The performance information is reviewed quarterly and is reviewed by ACM

3. Review of Performance Information

No third-party reviews portfolio manager performance information, and/or that performance information may not be calculated on a uniform and consistent basis.

B. Related Persons

ACM is the only investment advisor in the program. Because of this ACA has an incentive to recommend its own program over other programs that might be available.

C. Advisory Business

ACM offers investment supervisory services to its wrap fee program participants as detailed in Section 4 above. ACM limits its money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, third party money managers, REITs, insurance products including annuities, government securities. ACM may use other securities as well to help diversify a portfolio when applicable.

Investment Supervisory Services

ACM offers ongoing portfolio management services based on the individual goals, objectives, time horizon, and risk tolerance of each client. ACM creates an Investment Policy Statement for each client, which outlines the client's current situation (income, tax levels, and risk tolerance levels) and then constructs a plan (the Investment Policy Statement) to aid in the selection of a portfolio that matches each client's specific situation. Investment Supervisory Services include, but are not limited to, the following:

- Investment strategy
- Asset allocation
- Risk tolerance
- Personal investment policy
- Asset selection
- Regular portfolio monitoring

ACM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. ACM will request discretionary authority from clients in order to select securities and execute transactions without

permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Portfolio Services	Annual Fee
Personal Investment Strategy or Customized Investment Strategy	1.25%
Income Producing Strategy	1.00%
Aegis Strategy	1.00%

OR

Equities		Equity ETFs & Mutual Funds		Fixed Income/Cash	
Amount	Annual Fee	Amount	Annual Fee	Amount	Annual Fee
First \$250,000	1.750%	All	1.000%	All	0.500%
Next \$250,000	1.500%				
Next \$500,000	1.375%				
Next \$1,000,000	1.250%				
Next \$3,000,000	1.125%				
Remainder	1.00%				

These fees are negotiable and the final fee schedule is attached as Exhibit II of the Investment Advisory Contract. Fees are paid quarterly in advance, and clients may terminate their contracts with fifteen days' written notice. Refunds are given on a prorated basis, based on the number of days remaining in a quarter at the point of termination. Clients may terminate their contracts without penalty, for full refund, within 5 business days of signing the advisory contract. Advisory fees are withdrawn directly from the client's accounts with client written authorization.

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

ACM does not charge fees that are based upon a share of capital gains or capital appreciation of client assets. We provide investment advisory services to other clients in addition to you. Not all clients receive the same investment advice, nor do they pay the same fee. We will act in the best interests of each of our clients at all times.

Client Tailored Services and Client Imposed Restrictions

ACM offers the same suite of services to all of its clients. However, specific client financial plans and their implementation are dependent upon the client Investment Policy Statement, or substantially similar materials, which outlines each client's current situation (income, tax levels, and risk tolerance levels) and is used to construct a client specific plan to aid in the selection of a portfolio that matches restrictions, needs, and targets.

Clients may impose restrictions in investing in certain securities or types of securities in accordance with their values or beliefs. However, if the restrictions prevent ACM from properly servicing the client account, or if the restrictions would require ACM to deviate from its standard suite of services, ACM reserves the right to end the relationship.

Wrap Fee Programs

ACM sponsors a wrap fee program; which is an investment program where the investor pays one stated fee that includes management fees, transaction costs, fund expenses, and any other administrative fees. ACM does not manage those wrap fee accounts any differently than non-wrap fee accounts. A portion of the fees paid to the wrap account program will be given to ACM as a management fee.

Methods of Analysis and Risk of Loss

ACM's methods of analysis include fundamental analysis, technical analysis, and cyclical analysis.

Fundamental analysis involves the analysis of financial statements, the general financial health of companies, and/or the analysis of management or competitive advantages.

Technical analysis involves the analysis of past market data; primarily price and volume.

Cyclical analysis involved the analysis of business cycles to find favorable conditions for buying and/or selling a security.

Fundamental analysis concentrates on factors that determine a company's value and expected future earnings. This strategy would normally encourage equity purchases in stocks that are undervalued or priced below their perceived value. The risk assumed is that the market will fail to reach expectations of perceived value.

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is

that markets do not always follow patterns and relying solely on this method may not work long term.

Cyclical analysis assumes that the markets react in cyclical patterns which, once identified, can be leveraged to provide performance. The risks with this strategy are two-fold : 1) the markets do not always repeat cyclical patterns and 2) if too many investors begin to implement this strategy, it changes the very cycles they are trying to take advantage of.

Investment Strategies and Risk of Loss

ACM uses long term trading, short term trading, margin transactions, and options writing (including covered options, uncovered options, or spreading strategies).

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Long term trading is designed to capture market rates of both return and risk. Frequent trading, when done, can affect investment performance, particularly through increased brokerage and other transaction costs and taxes.

Short term trading, margin transactions and options writing generally hold greater risk and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Voting Client Proxies

ACM will not ask for, nor accept voting authority for client securities. Clients will receive proxies directly from the issuer of the security or the custodian. Clients should direct all proxy questions to the issuer of the security.

Item 7: Client Information Provided to Portfolio Managers

Matthew Blair Kolesky and Ty Schommer are the portfolio managers for this wrap fee program. All client information that is collected, including basic information, risk tolerance, sophistication level, and income level will be collected by Matthew Blair Kolesky and Ty Schommer. As that information changes and is updated, Matthew Blair Kolesky and Ty Schommer will have immediate access to that information once collected.

Item 8: Client Contact with Portfolio Managers

ACM places no restrictions on client ability to contact its portfolio managers. Matthew Blair Kolesky and Ty Schommer can be contacted during regular business hours and their contact information is on the cover page of their ADV 2B supplement brochure documents.

Item 9: Additional Information

A. Disciplinary Action and Other Financial Industry Activities

Criminal or Civil Actions

There are no criminal or civil actions to report.

Administrative Proceedings

In 2011 we failed to update our disclosure materials to reflect changes in the company's ownership structure. The inaccurate disclosure materials were provided to clients and prospective clients. We also failed to renew our company's notice filing and investment advisor representative state registrations. In 2013, we agreed to a Consent Order with the State of Alaska and paid penalties to the state totaling \$7,000.

Self-regulatory Organization (SR) Proceedings

There are no self-regulatory organization proceedings to report.

Registration as a Broker/Dealer or Broker/Dealer Representative

Neither ACM nor its representatives are registered as or have pending applications to become a broker/dealer or as representatives of a broker/dealer.

Registration as a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor

Neither ACM nor its representatives are registered as or have pending applications to become a Futures Commission Merchant, Commodity Pool Operator, or a Commodity Trading Advisor.

Registration Relationships Material to this Advisory Business and Possible Conflicts of Interests

Neither ACM nor its representatives have any material relationships to this advisory business that would present a possible conflict of interest.

Selection of Other Advisors or Managers and How This Adviser is Compensated for Those Selections

ACM does not utilize nor select other advisors or third party managers. All assets are managed by ACM management.

B. Code of Ethics, Client Referrals and Financial Information

Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Our Code of Ethics is available free upon request to any client or prospective client.

Investing Personal Money in the Same Securities as Clients

From time to time, representatives of ACM may buy or sell securities for themselves that they also recommend to clients. This may provide an opportunity for representatives of ACM to buy or sell the same securities before or after recommending the same securities to clients resulting in representatives profiting off the recommendations they provide to clients. Such transactions may create a conflict of interest. ACM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

Client accounts are reviewed at least quarterly by Matthew Blair Kolesky and Ty Schommer. The chief advisors are instructed to review clients' accounts with regards to their investment policies and risk tolerance levels. All accounts at ACM are assigned to these reviewers.

Factors That Will Trigger a Non-Periodic Review of Client Accounts

Reviews may be triggered by material market, economic or political events, or by changes in client's financial situations (such as retirement, termination of employment, physical move, or inheritance).

Content and Frequency of Regular Reports Provided to Clients

Each client will receive at least quarterly a written report detailing the client's account which may come from the custodian.

Economic Benefits Provided by Third Parties for Advice Rendered to Clients (Includes Sales Awards or Other Prizes)

ACM does not receive any economic benefit, directly or indirectly from any third party for advice rendered to ACM clients.

Compensation to Non – Advisory Personnel for Client Referrals

ACM has entered into written arrangements where it will pay individuals or entities not associated with us for successful referrals of new clients. The money paid to these other individuals or entities is a percentage of the investment advisory fees that the new client pays us or the value of accounts under our management. Because these non-associated individuals or entities receive payment for successful referrals a conflict of interest exists between prospective clients and the referrer. The compensation arrangement between ACM and the referrer is disclosed to prospective clients before they enter into investment advisory relationships with us.

Balance Sheet

ACM does not require nor solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore does not need to include a balance sheet with this brochure.

Financial Conditions Reasonably Likely to Impair Ability to Meet Contractual Commitments to Clients

Neither ACM nor its management have any financial conditions that are likely to reasonably impair our ability to meet contractual commitments to clients.

Bankruptcy Petitions in Previous Ten Years

ACM has not been the subject of a bankruptcy petition in the last ten years.

Item 10: Requirements for State Registered Advisers

A. Material Relationships That Management Persons Have With Issuers of Securities (If Any)

Neither ACM, nor its management persons, has any relationship or arrangement with issuers of securities.