

Part 2A of Form ADV: Firm Brochure

Item 1 Cover Page: Company Contact Information

- A. Company Name: Yellowstone Partners, LLC
- Business Address: 3340 Merlin Drive, Ste. 100
Idaho Falls, ID 83404
- Toll free phone: 800-252-3693
Local phone: 208-612-1000
Fax Number: 208-612-1031
Website: www.yellowstonepartners.com
General e-mail: service@yellowstonepartners.com
- B. Date of brochure: 3/11/2015
- C. This brochure provides information about the qualifications and business practices of Yellowstone Partners, LLC. If you have any questions about the contents of this brochure, please contact us at 208-612-1000 or service@yellowstonepartners.com. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about Yellowstone Partners also is available on the SEC's website at www.adviserinfo.sec.gov.
- D. Yellowstone Partners, LLC (hereafter referred to as "Yellowstone") is a Registered Investment Adviser with the United States Securities and Exchange Commission. Please be aware that this designation in no way implies any certain level of skill or training.

Item 2 Material Changes

This item is a summary of changes to the Brochure and discusses only specific material changes that have been made to the Brochure dated 6/19/2014. Below describes the changes made within the Brochure by item:

- Item 4 E: Assets under management ("AUM") have been updated. AUM as of 12/31/2014 is approximately \$732 million compared to \$643 the previous period.
- Item 5 A: Included fee schedule, removed performance based fees
- Item 6 A: Removed performance based fees
- Item 8 B: Added additional detail with regards to mutual fund analysis

At any time, you may view the current Firm Brochure on-line at the SEC's Investment Adviser Public Disclosure website at <http://adviserinfo.sec.gov>. You may also request a copy of this Firm Brochure at any time, by contacting us at (208) 612-1000.

Item 3 Table of Contents

Item 1: Cover Page: Company Contact Information.....	Page 1
Item 2: Material Changes.....	Page 1
Item 3: Table of Contents.....	Page 1
Item 4: Advisory Business.....	Page 2
Item 5: Fees and compensation.....	Page 2
Item 6: Performance-Based Fees and Side-By-Side Management.....	Page 4
Item 7: Types of clients.....	Page 4
Item 8: Methods of Analysis, Investment Strategies and Risk of Loss.....	Page 4
Item 9: Disciplinary Information.....	Page 4

Item 10: Other Financial Industry Activities and Affiliations.....	Page 5
Item 11: Code of Ethics, Interest in Client Transactions and Personal Trading.....	Page 6
Item 12: Brokerage Practices.....	Page 8
Item 13: Review of Accounts.....	Page 9
Item 14: Client Referrals and Other Compensation.....	Page 9
Item 15: Custody.....	Page 10
Item 16: Investment Discretion.....	Page 10
Item 17: Voting Client Securities.....	Page 10
Item 18: Financial Information.....	Page 10

Item 4 Advisory Business

- A. Yellowstone Partners, LLC has been in business since October 2005. Prior to the formation of Yellowstone Partners, the company's predecessor, The Fred Dowd Company had been open since 1972. The Ownership of Yellowstone Partners, LLC is as follows:

<u>Individual</u>	<u>Ownership Percentage</u>
David Hansen, President and CEO	90%
Cameron High, Chief Compliance Officer	5%
Richard Baird, Portfolio Manager	5%

- B. Yellowstone asks clients to complete a Risk Tolerance Questionnaire which describes the level or risk in which they are comfortable in assuming. From there, we will begin to manage the client accounts on a discretionary basis to adhere to the requirements spelled out on that Risk Tolerance Questionnaire. No publications or reports are issued for which a fee is charged. The majority of income received is a result of advisory fees as a percentage of assets under management though some income is received from hourly charges and fixed fees. Generally, the types of investments that Yellowstone typically invests in are United States and International Equity securities (both listed and over the counter), Mutual Funds, Corporate debt securities, Municipal Securities and United States Government securities. A very small percentage (less than 2%) of our overall investments is invested in certificates of deposit, variable annuities and options on securities. Clients may terminate services at any time by informing the office in writing.
- C. Yellowstone tailors its advisory services to the individual needs of its clients. The way that we achieve this is to have clients complete a Risk Tolerance Questionnaire or sometimes referred to as an Investment Policy Statement, to assist us in determining their requested risk tolerance. We sometimes will assist clients in answering this questionnaire; however, the main purpose in completing it is to provide us with further detail with respect to the client's needs and wishes. After the Questionnaire has been completed, we will use this document to begin to construct the clients tailored portfolio. Clients may impose restrictions on investing in certain securities or types of securities at their discretion. These requests will be required by the client in writing.
- D. Yellowstone does not participate in a wrap fee program.
- E. As year-end 12/31/2014 Yellowstone Partners' assets under management totals \$732,300,000. This represents \$701,900,000 of Discretionary Assets under management totaling approximately 2,400 accounts and \$30,400,000 of Non-Discretionary Assets under management totaling approximately 110 accounts.

Item 5 Fees and Compensation

- A. The following is a representation of a standardized investment management fee schedule. Due to the fact that fees are negotiable, actual fees charged may differ from what is described below.

For equity accounts

<u>Assets Under Management</u>	<u>Annual Fee</u>
Under \$1,000,000	2.00%
\$1,000,000 - \$5,000,000	1.88%
Over \$5,000,000	1.80%

For fixed income accounts

<u>Assets Under Management</u>	<u>Annual Fee</u>
Under \$1,000,000	1.00%
\$1,000,000 - \$5,000,000	0.88%
Over \$5,000,000	0.80%

For smaller accounts, Yellowstone may assess an annual advisor fee in addition to the fees described above of up to 2%. Fees are negotiable and may be lower than what is described above.

Effective January 1, 2015 Yellowstone no longer charges performance based fees.

Some clients who have assets invested in mutual funds and variable annuities also indirectly incur management fees and other expenses in the portfolios they invest..

Although the standard fee is what Yellowstone typically charges advisory fees may be negotiable.

- B. For most clients, advisory fees are deducted from their account. This is the standard method for how fees are paid. At the client's request however, Yellowstone allows for management fees to be paid with a check. This must be requested from the client in writing.
- C. In addition to the management fees described above in Item 5, Section A, clients may also be charged additional fees such as custodian fees and mutual fund expenses. Clients will also be charged transaction costs for any trades placed at the individual custodians.
- D. Quarterly management fees are billed in advance at the beginning of each quarter. When the firm switched from billing in arrears to advance in July of 2009, some clients chose to remain being billed in arrears. In the event a client is charged for advisory fees in advance and then terminates the investment contract with the firm, a pro-rata refund will be deposited into the clients account for the number of days charged without management. In cases where a client is charged an annual advisor fee, that fee is charged in arrears.
- E. Certain of our employees are Registered Representatives with Crown Capital Securities, L.P. ("CCS") based out of Orange California. They receive compensation in the form of commission from CCS for selling securities products including but not limited to Mutual Funds, Variable Annuities and Variable Life Insurance Policies. These Registered Representatives additionally occasionally sell fixed Life Insurance products. Due to this fact, we recognize that this practice presents a conflict of interest and gives some of the firm's employees an incentive to recommend investment products based on the compensation received rather than on a client's need. How we address this conflict is to retain and review all orders for such securities and verify that there is an economic benefit for the client through the transaction. In addition to this practice, the firm closely corresponds with CCS so that two separate entities are able to view and verify the economic benefit for the client in such a transaction. Clients of Yellowstone have the option to purchase investment products that we recommend through other brokers or agents that are not affiliated with the CCS. Commissions are disclosed on transaction confirmations which clients receive from CCS. In addition, a few representatives of Yellowstone Partners are also licensed Life Insurance Producers which may or may not sell life insurance to Yellowstone clients. The total amount of time used in selling life insurance products is less than 1%.

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

- A. As noted in Item 5 Section A, Yellowstone does not charge performance based fees.

Item 7 Types of Clients

- B. Yellowstone generally provides investment advice to High Net Worth Individuals as well as non High Net Worth individuals, Banks or thrift institutions, Pension and profit sharing plans, trusts, estates, charitable organizations, corporations or other business entities other than those listed above. In circumstances where one of Yellowstone's specialized investment strategies is advised, it is recommended that clients meet the minimum initial investment assigned to the respective strategies. Each strategy is unique and therefore will be assigned a different minimum based on holdings and turnover. Accounts that don't meet the recommended minimum can be evaluated on a case-by-case basis.

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

- A. Yellowstone Partners security analysis method includes charting, fundamental, technical and cyclical methods. Please be aware that investing involves risk of loss and you can lose money.
- B. All investments including individual stocks, individual bonds, mutual funds, exchange traded funds (ETFs) and the specialized strategies that Yellowstone invests in contain material risks. The specialized equity strategies include the following equity strategies. Yellowstone Opportunity, Focused Opportunity, Disciplined Value and Laffer Dividend Growth. These strategies involve frequent trading of securities which can affect investment performance due to increased transaction costs and potential tax implications. This may include short-term gains which are taxed at a higher rate. Yellowstone also offers a Municipal Bond strategy in which it invests directly into individual bonds for its clients. Although these securities are less frequently traded than our equity strategies, it should be noted that transaction costs for this security can affect performance and potential tax implications. Yellowstone is not a tax advisor nor does it offer tax advice to its clients. Clients are strongly encouraged to seek their own advice from an outside professional tax advisor.

Yellowstone Partners mutual fund analysis method includes Performance analysis; Upside versus downside capture, bear market versus bull market performance and performance versus benchmark and category. Yellowstone Partners also review mutual funds for their corporate culture including the compensation of the portfolio management team, compensation of the fund board of trustees and the review of the total amount of personal investment in the fund of the portfolio management team and board of trustees. Other items of review include portfolio turnover analysis, tax efficiency analysis, assets under management analysis, ownership structure of the fund, portfolio management team analysis with regards to education and business experience, review of independent research reports and reviewing conference calls and interviews provided by the fund company.

- C. Yellowstone primarily recommends individual securities (i.e., Individual Stocks and Individual Bonds), Mutual Funds, ETFs and with all of these investments there is a risk that they may lose value.

Item 9 Disciplinary Information

- A. No member of Yellowstone or its Management has been involved in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction.
 - 1. No member of Yellowstone or its Management has convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;

2. No member of Yellowstone or its Management is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
 3. No member of Yellowstone or its management was found to have been involved in a violation of an investment-related statute or regulation; or
 4. No member of Yellowstone or its management was the subject of any *order*, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, your firm or a *management person* from engaging in any *investment-related* activity, or from violating any *investment-related* statute, rule, or *order*.
- B. No member of Yellowstone or its management is or has been involved in an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which your firm or a management person
1. No member of Yellowstone or its management were found to have caused an investment-related business to lose its authorization to do business; or
 2. No member of Yellowstone or its management were found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
 - (a) denying, suspending, or revoking the authorization of your firm or a management person to act in an investment-related business;
 - (b) barring or suspending your firm's or a management person's association with an investment-related business;
 - (c) otherwise significantly limiting your firm's or a management person's investment related activities; or
 - (d) imposing a civil money penalty of more than \$2,500 on your firm or a management person.
- C. A self-regulatory organization (SRO) proceeding in which your firm or a management person
1. No member of Yellowstone or its management was found to have caused an investment-related business to lose its authorization to do business; or
 2. No member of Yellowstone or its management was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment related activities; or (iii) fined more than \$2,500.

Item 10 Other Financial Industry Activities and Affiliations

- A. As discussed in Item 5 Section E of this brochure, certain of our employees are registered representatives of CCS which is a FINRA member broker dealer. The individuals currently registered are Cameron High, Don Wiscomb, Brock Bowden, Mark Johnson and Patrick Jenkins. It should be noted that Mr. High is a member of the firm's management team as Chief Compliance Officer.
- B. None of Yellowstone Partners management team is registered, or has an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

- C. As discussed in Item 10 Section A above, certain individuals of Yellowstone are registered representatives of CCS. Yellowstone does not have an associated person who is one of the following:

1. futures commission merchant, commodity pool operator, or commodity trading advisor
2. banking or thrift institution
3. accountant or one who provides accounting services
4. pension consultant
5. real estate broker or dealer
6. sponsor or syndicator of limited partnerships.

Dave Hansen and Richard Baird are dual employees of Yellowstone Partners and American Independence Financial Services, LLC (American Independence), an SEC-registered investment adviser; therefore, Yellowstone Partners does have an associated person who is associated with another investment adviser or financial planner and an investment company or other pooled investment vehicle. Their duties for American Independence are similar in nature to those being performed at Yellowstone Partners. The investment strategy used for American Independence clients, for one of American Independence's proprietary mutual funds and certain of their separately managed accounts, are similar to those used for Yellowstone clients. The management of investments for clients is done at the same time for both firms. A conflict of interest may exist in managing the accounts of American Independence clients and Yellowstone clients based on different fee rate schedules. Currently, American Independence does not receive performance fees from any client account. Policies and procedures are in place to limit the potential conflicts of interest, including trade aggregation and oversight of such trading by compliance personnel. One of these policies for example randomizes trading executions across separately managed account platforms.

Those individuals who are Registered Representatives of CCS also have producer licenses with insurance companies. Some of these companies include but are not limited to Beneficial Financial Group, ING, AXA Equitable, Nationwide, Principal and John Hancock.

Yellowstone does have an associate who is a lawyer. Michael Dustin is a lawyer and currently is working in Idaho Falls, Idaho as an employee of the firm.

- D. Yellowstone does not recommend or select other investment advisers for its clients and or receive compensation directly or indirectly from those advisers that creates a material conflict of interest. Please refer to Item 11 Section B for compensation received by certain employees who manage a mutual fund, which Yellowstone may recommend to its clients.

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

- A. Pursuant to SEC rule 204A-1, Yellowstone has adopted a Code of Ethics. This statement has been distributed to all associated persons and other employees. It is signed, dated, and filed with the insider trading compliance materials. There are provisions adopted for restricting access to files, providing continuing education, restricting and /or monitoring trading on those securities of which our employees may have material nonpublic information, requiring all of our employees to conduct their trading through a specified broker or reporting all transactions promptly to us, and monitoring the securities trading of the firm, our employees and associated persons.

The Code works in conjunction with our written Statement of Policy and Procedures (the "Statement") designed to detect and prevent insider trading and to govern personal securities trading. Such statement, among other things, forbids any associated person or employee from trading, either personally or on behalf of others on material non-public information or communicating material non-public information to others in violation of the law (i.e., insider trading). It also sets forth our policy that clients' interests are always placed ahead of any personal interest. Our policy requires our associated persons and other employees to

either place trades within the block trade placed for clients or at substantially different days and times from client purchases. It also requires them to report their personal securities transactions to management on a periodic basis. We believe that the Code and Statement designed to detect and prevent insider trading and to govern personal securities trading are appropriate to prevent or eliminate potential conflicts of interest situations between us, our employees and our clients. However, clients should be aware that no set of rules can possibly anticipate or relieve all potential conflicts.

As a professional organization serving the public in the area of asset management, we are guided in its actions by the highest ethical and professional standards and subscribes to the Code of Ethics and Standards of Professional Conduct adopted by the CFA Institute as stated below:

1. The general conduct of our associated persons and other employees must at all times reflect the professional nature of the business we are in. Our personnel are judicious, accurate, objective and reasonable in dealing with both clients and other parties. The personal integrity of all our associated persons and other employees must be beyond the slightest shadow of a doubt.
2. All our associated persons and other employees must act within the spirit and the letter of all relevant federal, state and local laws and regulations pertaining to a registered investment adviser and to the general conduct of business.
3. At all times, the interest of our clients has precedence over personal interests. This applies particularly in the case of purchases and sales of stocks and other securities that are owned, purchased or sold in the advisory and fiduciary accounts that we service.
4. We have adopted Insider Trading Policies which set parameters for the establishment, maintenance and enforcement of policies and procedures to detect and prevent the misuse of material non-public information by our personnel. The Insider Trading Policies are in addition to and do not supersede this Code of Ethics and Professional Standards.
5. All our associated persons and other employees shall notify us as required by the Adviser's Statement of Policy and Procedures Designed to Detect and Prevent Insider Trading and to Govern Personal Securities Trading, of any securities transactions in which he or she may have any beneficial interest and any such transaction effected by, for, or on behalf of, any member of their household. All our associated persons and other employees will file a complete report of all securities transactions effected during a calendar quarter for his or her own account, or for the account of his or her immediate family, not later than 10 days after the end of the calendar quarter in which the transaction was effected. These reports will be kept on file in accordance with applicable regulatory requirements.
6. When an associated person or employee finds that his or her personal interests conflict with our clients or our interests, he or she will report the conflict promptly to us for resolution.
7. Our recommendations and actions are confidential and private matters between ourselves and our clients. Accordingly, it is our policy to prohibit, prior to general public release, the transmission, distribution or communication of any information regarding securities transactions of client accounts except to broker/dealers or other custodians of client assets in the ordinary course of business. In addition, no information obtained during the course of employment regarding particular securities (including reports and recommendations by us) may be transmitted, distributed, or communicated to anyone who is not affiliated with us, without our prior written approval.
8. The policies and guidelines set forth in this Code of Ethics must be strictly adhered to by all our associated persons and employees. Severe disciplinary actions, including dismissal, may be imposed for violations of this Code of Ethics and Professional Standards.

Yellowstone Partners will provide a copy of its code of ethics to any client or prospective client upon request.

- B. Dave Hansen and Richard Baird are registered jointly with Yellowstone Partners as well as American Independence Financial Services, LLC based out of New York, NY. These individuals manage the American Independence Stock Fund (IFCSX, ISFSX and ISISX) and will receive compensation in the form of a salary for its management. We recognize that this poses a potential conflict of interest in that clients may invest in the mutual fund within their advisory account and pay advisory fees to Yellowstone in addition to the underlying management expense of the mutual fund itself. Generally, Yellowstone will use the mutual fund in accounts which we manage with less than \$100,000 in assets.
- C. Yellowstone Partners does allow associated persons to invest in the same securities (or related securities, *e.g.*, warrants, options or futures) that we or a related person recommends to clients. As mentioned above, our Code of Ethics require associated persons to either place trades within the block trade placed for clients or at substantially different days and times from client purchases.
- D. Yellowstone Partners places its associated under the mandate that Client Priority is to remain in connection with all personal securities transactions. Employees must first give priority on all purchases and sales of securities to Yellowstone Partner's clients. Prior to the execution of transactions for their proprietary accounts and personal trading must be conducted so as not to conflict with the interests of a client. Clients must always receive the best price, in relation to employees, on same day transactions. The firm buys and sells the same securities for its 401(k) Retirement plan account that it holds within client portfolios. To ensure there is no front running within the 401(k) all trades are executed in a block trade or are executed at significantly different days and times.

Item 12 Brokerage Practices

- A. Our overriding objective in effecting transactions for client accounts is to obtain the best combination of price and execution. The best net price is an important factor, but we also consider the full range and quality of a broker's services, including the value of research provided, execution, clearance and settlement capabilities, commission rates, financial responsibility, and responsiveness to us.
 - 1. Yellowstone Partners receives Research and Other Soft Dollar Benefits. The United States Securities and Exchange Commission has defined soft dollar practices as arrangements under which products or services other than execution of securities transactions are obtained by an adviser from or through a broker-dealer in exchange for the direction of client brokerage transactions to the broker-dealer. An individual or firm must exercise "investment discretion" over an account in order to use client commission to obtain research under Section 28(e) of the Exchange Act. Some of the soft dollar benefits that the firm receives are research, both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party. The soft dollars that the firm receives are used to receive research, pay for research costs (I.E Bloomberg Terminal, Thompson One, Holt) or attend research conferences offered by the broker-dealer.
 - a. When Yellowstone uses client brokerage commissions (or markups or markdowns) to obtain research of other products or services, we receive a benefit because we do not have to produce or pay for the research, products or services.
 - b. Yellowstone may have an incentive to select or recommend a broker-dealer based on our interest in receiving the research or other products or services, rather than on our clients interest in receiving most favorable execution.
 - c. Yellowstone does not cause clients to pay commissions (or markups or markdowns) higher than those charged by other broker-dealers in return for soft dollar benefits (known as paying up).
 - d. Yellowstone uses soft dollar benefits to service all of its clients' accounts including those clients who may not have paid commissions relating to the soft dollars.
 - e. The types of products and services that Yellowstone has acquired with client brokerage

commissions within the last fiscal year are: Research software such as Bloomberg, Holt, S&P Fair Value and Morningstar. In addition to this research technology, Yellowstone also receives research conference credits in which certain of Yellowstone employees attend research conferences offered by the brokers used to place trades.

- f. The procedure that Yellowstone uses to direct client transactions to a particular broker-dealer in return for soft dollar benefits is based on an as needed basis. An example of this is that Yellowstone will place trades with a broker who provides software research credits if the license to the software is about to expire. This helps Yellowstone to maintain robust research services to in turn benefit its clients.
2. Brokerage for Client Referrals. Yellowstone Partners does not consider, in selecting or recommending Broker-dealers, whether we or a related person receives client referrals from a broker-dealer or third party.
- a. Yellowstone does not recommend a broker-dealer based on our interest in receiving client referrals. None of the brokers that Yellowstone has chosen to utilize offers a program which sends referrals to Yellowstone in exchange for brokerage transactions.
 - b. There is no procedure that Yellowstone follows to direct trades to brokers in return for referrals due to the fact described in Item 12 A,2,a above.

3. Directed Brokerage.

- a. Yellowstone Partners does not permit clients to direct brokerage. If a client requests or requires the firm to use a specified broker-dealer of their choice and Yellowstone does not place client accounts at that broker dealer, Yellowstone will not accept the clients account.
- B. Excluding individual transactional request, Yellowstone Partners uses block trades to aggregate the purchase or sale of securities for various client accounts. The description of a block trade is where Yellowstone will aggregate client trades into a single transaction through a broker to try to achieve even execution for all clients.

Item 13 Review of Accounts

- A. Portfolios are summarized by several computer systems on a monthly basis. The accounts are reviewed as to holdings, gain/loss, as well as average annual gain/loss from date of purchase. Yellowstone's Investment Adviser Representatives, review accounts on a periodic basis. Daily monitoring of the portfolios and their corresponding positions are monitored by Yellowstone's Portfolio Management Team and each accounts respective Investment Adviser Representative.
- B. Yellowstone Partners reviews accounts on a periodic basis.
- C. The clients receive monthly reports/statements directly from the custodian of the securities. These are delivered independently to the client's requested address from the firm's custodians including but not limited to; Raymond James, Fidelity, Charles Schwab and TD Ameritrade.

Item 14 Client Referrals and Other Compensation

- A. Yellowstone does not have someone who is not a client and benefits by providing Yellowstone investment advice therefore item 14A is not applicable.
- B. Yellowstone provides compensation to certain individuals who refer clients to Yellowstone for advisory services. These individuals are not investment professionals, are not allowed to provide investment advice and are not employees of Yellowstone. When a client is referred to Yellowstone, we have agreed to compensate the solicitor for these activities by paying the solicitor a referral fee. Yellowstone will not

charge a client referred to it by a solicitor an amount for the cost of obtaining the client. In these scenarios, clients will acknowledge full disclosure and consent to such a relationship by signing an Exhibit titled, "Arrangement between Yellowstone Partners, LLC and Solicitor".

Item 15 Custody

- A. Yellowstone does not have custody of client's funds or securities. A broker-dealer or other qualified custodian will send quarterly or more frequent account statements directly to clients of Yellowstone. Clients should carefully review these statements.

Item 16 Investment Discretion

- A. Yellowstone accepts discretionary authority to manage securities accounts on behalf of its clients. This means that Yellowstone has the ability to buy/sell securities according to its own discretion and judgment for the behalf of its clients and at the risk of the client. This also provides Yellowstone the authority to, in its sole discretion and at the client's risk, purchase, sell, exchange, convert and otherwise trade the funds, securities and other investments in the account. Clients enter into an Investment Agreement acknowledging the full extent of this discretionary authority and appoint Yellowstone as agent and attorney-in-fact with respect to the account.

Item 17 Voting Client Securities

- A. Yellowstone does not accept authority to vote client securities.
- B. Yellowstone Partners does not vote client proxies. Clients will receive proxy material directly from the custodian holding the client's account. Under circumstances where Yellowstone receives proxy material on behalf of a client involving any security held in the client's account, Yellowstone will promptly forward such material to the client's attention. It is the client's responsibility to vote his/her proxy(ies). Upon client request, Yellowstone will provide advice regarding proxy voting. Yellowstone will keep a record of: any advice given to a client regarding proxy voting, and any proxy material on behalf of a client and the steps taken to forward such material to the client.

Item 18 Financial Information

- A. Since Yellowstone does not require nor solicits prepayments of more than \$1,200 in fees per client, six months or more in advance, no balance sheet is required to be included in this brochure.
- B. Currently there are no financial conditions that are reasonably likely to impair Yellowstone's ability to meet contractual commitments to clients.
- C. Yellowstone has not been the subject of a bankruptcy petition at any time during the past ten years.