

FIRM BROCHURE

(Part 2A of Form ADV) March 16, 2015  
HAGIN Capital, LLC d/b/a HAGIN Investment Management

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This brochure provides information about the qualifications and business practices of HAGIN Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 212-355-0660 and/or at [info@haginim.com](mailto:info@haginim.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 HAGIN Capital, LLC, is also available on the SEC's website at:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

ITEM 1: COVER PAGE

Please refer to previous page.

ITEM 2: MATERIAL CHANGES

Below are the material changes in this brochure from the last annual updating amendment of Hagin Investment Management since February 22, 2014. Material changes relate to Hagin Investment Management's policies, practices or conflicts of interests only.

Item 4: Nathan Lee is no longer a portfolio manager or owner of the firm as of May 15, 2014. Kyle Cox, CFA is currently the lead portfolio manager.

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#### ITEM 4: ADVISORY BUSINESS

HCLLC, a Securities and Exchange Commission Registered Investment Adviser (RIA) located in New York City, provides investment research and advisory services. HCLLC was started in 2006 and is still privately owned by our founders and partners, Patrick R. Morris, Robert G. Morris, CFA, CFA, Kyle Cox, CFA Douglas Hill and Xioali Wang, PhD. The partners are active in a variety of community activities and professional organizations.

HCLLC provides individualized wealth management investment advisory services, fund management and institutional investment advisory. We offer a boutique approach where we tailor our recommendations to each client. Our approach begins through meeting with clients and understanding their specific goals and needs. Once we have a deep understanding of our clients objectives, we will create a customized portfolio of a broad array of securities to fit their objectives and risk tolerance. This is accomplished through the strategies listed in Item 8 below. Further information regarding the wealth management accounts can also be found in Items 12 & 16 below.

HCLLC provides investment management services for the Cottonwood Series Trust HAGIN Keystone Market Neutral Fund.

HCLLC's investment decisions are based on a combination of quantitative and fundamental research. To this effect, in addition to Patrick R. Morris the firm's Chief Executive Officer, HCLLC has five research and portfolio management professionals who spend their full time researching potential investment ideas, constructing portfolios and monitoring ongoing risk. Currently, the lead portfolio manager is Kyle Cox, CFA. Xioali Wang, PhD, is the acting head of research.

As of December 31, 2014, we manage more than \$75,812,000.00 for our clients. \$8,900,000.00 million is managed on a fully discretionary basis. The remaining \$66,912,000.00 is managed on a non-discretionary basis. HCLLC provides ongoing advice and makes specific recommendations and will take actions for the clients that are directly related to the management of these non-discretionary assets.

#### ITEMS 5: FEES AND COMPENSATION

For services discussed in the Investment Advisory Agreement (Agreement), clients pay us an annual advisory fee in accordance with the following schedule:

| Household Assets Under Management | Fee        |
|-----------------------------------|------------|
| First \$500,000                   | 1.50%      |
| \$500,001 to \$1,000,000          | 1.25%      |
| \$1,000,001 to \$5,000,000        | 1.00%      |
| \$5,000,001 and above             | Negotiable |

For purposes of calculating fees, we generally define a household as any number of people sharing a residence.

Fees will be paid quarterly in advance, based on the market value of the account on the last day of the previous quarter. Fees will generally be deducted directly from the client's account. For Separately Managed Accounts (SMA) for investors, we will have a management fee bill sent directly to the client.

Although HCLLC has established the aforementioned fee schedule, 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.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Discounts, not generally available to our advisory clients, may be offered to family members and friends of associated persons of our firm. Accounts opened during the quarter will be charged a pro-rated fee based on the number of days left in the period. Additionally, client deposits made during the quarter will be charged a contribution fee based on the number of days remaining in the quarter.

In addition to our advisory fee, clients may also incur certain charges imposed by third parties. Such imposed directly by a mutual fund, index fund, or exchange traded fund purchased for the account which shall be disclosed in each fund's prospectus (e.g. fund management fees and other fund expenses), fees imposed by, certain deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. The Broker-Dealer and/or the Custodian may receive payments from certain mutual funds pursuant to a 12b-1 distribution plan or other such plan as compensation for distribution or administrative services that are distributed from the fund's total assets. The 12b-1 fee arrangements will be disclosed upon client's request and are available in the applicable fund's prospectus. HCLLC does not participate in any fees other than advisory fees, except in the case of products managed by HCLLC. In those instances, the total fee assessed to a client (excluding performance fees) that is invested in a product managed by HCLLC and utilizing HCLLC advisory services shall not be greater than the agreed upon advisory fee as outlined in the Investment Advisory Agreement and which may generally follow the fee schedule outlined above. Please see custodial agreements, Investment Advisory Agreement and Item 12 below for additional information.

HCLLC or the client may terminate the Agreement at any time upon written notice to the other party. Clients shall have the right to terminate the Agreement(s) without obligation or penalty by delivering written notice to us within five (5) business days from the effective date of the Agreement. If a client terminates the Agreement within the five (5) business day period, the client will receive a full refund of all fees paid under the Agreement. If an Agreement is terminated after the five (5) day period, the client will be entitled to a pro rata refund of any prepaid fees based upon the number of days remaining in the quarter after the date upon which notice of termination is received.

Some clients may also invest in the HAGIN Zenith SMA and HAGIN Market Neutral SMA. The HAGIN Zenith SMA and HAGIN Market Neutral SMA separate accounts for which a Risk Disclosure Statement details all costs, services and rights, which will be provided to a client in advance, before any investment is made. The HAGIN Zenith SMA, charges up to a 2% annual management fee of the current value of each investor's Net Asset Value (NAV). The HAGIN Market Neutral SMA charges up to a 1.5% annual management fee of the current value of each investor's NAV. Annual management fees for Hagin Zenith SMA and Hagin Market Neutral SMA are charged pro-rata monthly in arrears based on the client's NAV at the start of business on the first business day of that month. Investments in the HAGIN Zenith SMA and HAGIN Market Neutral SMA may also be subject to an additional performance fee, which is described in Item 6 below as well as in the respective client advisory agreement for each investment. If an investor in either the HAGIN Zenith SMA or HAGIN Market Neutral SMA is also a wealth management client, the HAGIN Zenith SMA or HAGIN Market Neutral SMA investment is generally excluded from HCLLC's wealth management advisory fees. Fees are generally non-negotiable but HCLLC in its discretion, may waive or reduce any fee with respect to the capital account of any client during any period without notice to or the consent of any other client. Performance fees will not be credited against client advisory fees.

See Item 6 for additional information regarding the fees relating to the HAGIN Zenith SMA.

Patrick Morris and Ron Mattesich are registered representatives of Bonwick Capital Partners LLC CRD # 156469 a broker dealer (BCP). They may solicit or execute transactions for clients through BCP in that capacity. Any commissions charged for those transactions will be separate and distinct from any advisory fees charged by clients and subject to the commission schedule of BCP.

#### ITEM 6: PERFORMANCE-BASED FEES AND SIDE-BY-SIDE MANAGEMENT

Accredited and qualified investors are offered SMA. The SMAs are known by two names; Hagin Market

Neutral SMA and Hagin Zenith SMA. Both are subject to a performance fee. On an annual basis, 20% of the capital appreciation of the HAGIN Zenith SMA and 15% of the capital appreciation in HAGIN Market Neutral SMA will be collected as a performance fee by HCLLC. The benchmarks for the performance fees are as follows: Only qualified investors are charged a performance fee. The fee will be charged in arrears annually.

HCLLC also offers the HAGIN Keystone Market Neutral fund to its clients. While we do not accept performance based fees for investments in the HAGIN Keystone Market Neutral fund, HCLLC does benefit from the allocation of client assets to that fund. This issue is clearly disclosed to all investors prior to their investment.

In order to avoid the perceived conflict of interest created through the use of internal products, HCLLC will generally credit or reimburse a client for fees that exceed the advisory agreement. This does not apply to performance fees charged on the HAGIN Zenith SMA.

Any potential conflict of interest is addressed by analyzing the suitability of an investment for investors without regard to whether we, or an affiliate, earn additional compensation for the transaction. We also periodically review client suitability so that we may confirm that investments are consistent with stated objectives and that the investments offered to HCLLC clients are appropriate for their portfolio.

#### ITEM 7: TYPES OF CLIENTS

We have the following types of clients:  
Individuals and High Net Worth Individuals;  
Trusts, Estates or Charitable Organizations;  
Pension and Profit Sharing Plans;  
Corporations, limited liability companies and/or other business types;  
Investment Companies.

#### ITEM 8: METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

##### Method of Analysis

We take a systematic approach to security selection whereby we access each client's specific goals and risk tolerance and create a customized multi-asset portfolio. We select securities through a rigorous analysis of past performance, overall risk, market conditions, the specific liquidity needs of a client, the age and health of the client and the existing portfolio of assets.

In selecting investments for HKMNX and HAGIN Market Neutral SMA we screen securities on quantifiable attributes that we believe influence future stock price performance. Examples of such attributes include stock valuation, market sentiment, profitability, and corporate earnings quality. The screening begins with the investment universe of the Russell 1000® Index (which includes approximately 1,000 of the largest securities based on a combination of market cap and current index membership) and from there assigns stocks as either buy candidates or short candidates according to its stock selection models. While we rely heavily on our quantitative stock selection models, we do have the ability to exercise discretion and override the models when we deem it to be appropriate.

In the management of HAGIN Zenith SMA in addition to our stock selection models, we have a market timing overlay. We desire our exposure to the market to vary according to our estimations about the future outlook for equity market returns. To determine our desired exposure to the markets, we have a systematic process that uses real-time market data and macroeconomic signals. These signals are stock market technicals, valuations, and fear gauges. When our model is constructive on the economy, we will position the HAGIN Zenith SMA to have a higher beta to the market, and likewise, when it is not constructive on the market, we position to have a lower beta to the market. In the latter scenario, the main source of our return will be a positive return spread with our long securities outperforming our securities held short.

##### Investment Strategies

Listed below are the different investment strategies that HCLLC currently offers.

HAGIN Keystone Market Neutral Fund (HKMNX), HAGIN Market Neutral SMA, HAGIN Zenith SMA

HKMNX, HAGIN Market Neutral SMA, HAGIN Zenith SMA follow a market neutral strategy, whereby we are limiting market risk by balancing "long" and "short" positions. We generally hold large capitalization

equities, with about 100 stocks on the long side and 100 on the short side. We take long positions (or buy) securities that we believe to be undervalued based on our factor modeling described above. We will sell short equities that we believe are overvalued according to our stock picking models. The end goal of these portfolios is to have little to no exposure to the stock market, and a consistent low-volatility return that stems from stock picking (our long securities outperforming our short securities).

#### HAGIN Zenith SMA

HAGIN Zenith SMA is a dynamic long/short investment strategy where the exposure to the equity market will vary according to our timing model. Per our timing model described in the “Methods” section, we will either be constructive on equities in the near term or not constructive on our outlook for equities. In the former scenario, we will add market exposure through any of the following investment choices: purchasing stocks, sector or broad market Exchange-Traded-Funds (ETF’S), and option strategies on stocks and broad indices. We would strive for a positive exposure to the market, with the portfolio’s beta to the S&P500 of about .5. When we are not constructive on the market, we will position the portfolio defensively, with a beta near 0 or slightly positive. The source of our performance in these scenarios will be market-neutral stock picking as described in the HKMNX and HAGIN Market Neutral, SMA strategies section. Additionally we may add exposure to other asset classes outside of equities, that would be expected to outperform as equity markets do not.

#### Diversification

HKMNX, HAGIN Market Neutral SMA and HAGIN Zenith SMA will comprise only a portion of the client’s portfolio’s investments. These will fall into the alternative asset category and specifically the market neutral or long/short equity portion of their allocation. The funds may be combined with other investments or asset classes, such as international stocks, currencies, commodities, specialized fixed income, and other alternative asset classes. Additional holdings will be added according to the firm’s top-down economic approach, with some portfolio decisions stemming from our market timing model. We will make every investment decision after first making a reasonable inquiry into a client’s or prospective client’s investment experience, risk and return objectives, and financial constraints. We will determine the suitability of each investment decision with the objectives and constraints. Additionally we will determine the suitability in the context of the client’s total portfolio.

After our initial allocations, we meet or speak with clients regularly to continually monitor their financial status. If circumstances change, we make the portfolio adjustments necessary to ensure that we stay on track to meet their goals. While fluctuations in the financial markets may result in temporary deviations from clients’ objectives, such swings tend to smooth out over time, making longer-term investing more predictable and achievable.

#### Risk of Loss

#### Managed Accounts

HCLLC’s task of identifying and evaluating investment opportunities, managing such investments and realizing returns for its investors is difficult. There is no assurance that the account will be able to invest its capital on attractive terms or generate returns for its investors. Our investment recommendations are also subject to various market, currency, political, economic, and business factors. An investment in securities may involve a high degree of risk, including the risk that the entire amount invested may be lost. There is no guarantee of return.

#### HAGIN Keystone Market Neutral Fund, Hagin Zenith SMA, and HAGIN Market Neutral SMA

An investment in HAGIN Keystone Market Neutral Fund, Hagin Zenith SMA, and Hagin Market Neutral SMA entails a significant degree of risk and, therefore, should be undertaken only by investors capable of evaluating the merits and risks of the funds options and bearing the risks they represent. In addition, investors of HAGIN Zenith SMA must meet the requirements of an accredited investor as defined by the Securities Exchange Act of 1933 and summarized below.

The federal securities laws define the term accredited investor in Rule 501 of Regulation D as:

1. a bank, insurance company, registered investment company, business development company, or small business investment company;
2. an employee benefit plan, within the meaning of the Employee Retirement Income Security Act, if a bank, insurance company, or registered investment adviser makes the investment decisions, or if the plan,

has total assets in excess of \$5 million;

3. a charitable organization, corporation, or partnership with assets exceeding \$5 million;

4. a director, executive officer, or general partner of the company selling the securities;

5. a business in which all the equity owners are accredited investors;

6. a natural person who has individual net worth, or joint net worth with the person's spouse, that exceeds \$1 million at the time of the purchase, excluding the value of the primary residence of such person;

7. a natural person with income exceeding \$200,000 in each of the two most recent years or joint income with a spouse exceeding \$300,000 for those years and a reasonable expectation of the same income level in the current year; or

8. a trust with assets in excess of \$5 million, not formed to acquire the securities offered, whose purchases a sophisticated person makes.

Prospective and current investors of HKMNX, HAGIN Market Neutral SMA and HAGIN Zenith SMA should carefully consider the risk factors discussed elsewhere in the HKMNX prospectus HAGIN Market Neutral SMA and Zenith SMA Risk Disclosure Statement, and should consult their own legal, tax and financial advisers. The lists included in the prospectus and Risk Disclosure Statements are not a complete enumeration of all risks involved in connection with an investment in HKMNX and/or HAGIN Zenith SMA and/or HAGIN Market Neutral SMA. There can be no assurance that HKMNX, HAGIN Market Neutral SMA, and/or HAGIN Zenith SMA will be able to achieve their investment objectives or that investors will recoup their capital.

HCLLC, as the Investment Manager, will actively manage the HAGIN Keystone Market Neutral Fund, HAGIN Zenith SMA and HAGIN Market Neutral SMA portfolios. The turnover rates of these investment portfolios may be significant, potentially involving substantial brokerage commissions, fees and other transactions costs.

#### ITEM 9: DISCIPLINARY INFORMATION

HCLLC has neither current nor past material disciplinary events to report.

#### ITEM 10: OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Patrick Morris and Ron Mattesich are registered representatives of BCP. They may solicit or execute securities transactions for clients in that capacity. Those transactions will be subject to commissions and those charges will be separate and distinct from advisory fees charged to clients. Full disclosure will be made to clients of this relationship. Clients will not be required to transact any securities through Patrick Morris or Ron Mattesich as registered representatives. The commissions will be subject to the commission schedule of BCP. If any conflict of interest should arise between clients of HCLLC and BCP Patrick Morris and Ron Mattesich will always act in the best interests of the client.

Patrick Morris, the CEO of HCLLC is an Investment Adviser Representative (IAR) of HCLLC. In addition, he is also the Treasurer of Monument Global Resources, a preferred shareholder and IAR of the Indo-US Special Equities Group, Inc. (a Registered Investment Advisory firm), the President of 57<sup>th</sup> & Irving LLC. These different roles each require an investment of time and effort and can create a conflict of interest as his duty to some clients may at times be in conflict with those of other clients. Mr. Morris will divide and dedicate his time as he sees necessary and appropriate in his judgment to meet the expectations of each role.

Ronald Mattesich is a Managing Member of Whitetip Investments, LLC. Whitetip's main source of business is real estate investing. Additionally, beyond immediate family members of Mr. Mattesich no other clients are involved or solicited in this endeavor. Therefore, this business does not create a material conflict of interest for the clients of HCLLC. Furthermore, Mr. Mattesich's time commitment to this venture is limited and does not interfere with his responsibilities at HCLLC.

Additionally, HCLLC serves in a sub-advisory capacity for accounts managed by Hagin Keystone Cottonwood Trust Series Trust managed by Cortland Capital Management. A potential conflict arises as it could be perceived that our sub-advisory client and our own advisory clients are competing for best execution on a given security. In response, HCLLC has instituted safeguards against favoring one client's portfolio over another. Specifically, orders for each set of clients will be placed electronically at the time in which they are received. In the event that identical orders are placed simultaneously, priority will be given to advisory client orders then to sub-advisory orders.



## ITEM 11: CODE OF ETHICS, PARTICIPATION OR INTEREST IN CLIENT TRANSACTIONS AND PERSONAL TRADING

The Advisers Act imposes a fiduciary duty on all investment advisers to act in the best interest of its clients. HCLLC's clients entrust us to use the highest standards of integrity when dealing with their assets and making investments that impact their financial future. Our fiduciary duty compels all employees to act with integrity in all of our dealings.

HCLLC has adopted personal securities transaction policies in the form of a Code of Ethics (Code). As certain investment ideas will be of interest to both our employees as well as our clients, all employees' trades must be pre-approved by compliance to prevent front-running. Generally, our policies require employees to wait for client orders in the same security to be completed before executing their orders. In addition, employee investment statements are reviewed on a quarterly basis for compliance. The Code also contains procedures for reporting violations and enforcement and is distributed to personnel for review initially upon hire, annually and anytime an amendment is made. HCLLC will provide a copy of the Code to any client or prospective client upon request.

## ITEM 12: BROKERAGE PRACTICES

In the case of managed accounts over which HCLLC is granted discretion, HCLLC will generally determine which securities are to be purchased and sold, the total amount of securities to be purchased or sold, the broker-dealer through which the securities are to be purchased or sold. In making the decision as to which securities are to be purchased or sold and the amounts thereof, HCLLC follows the general guidelines that are set up at the inception of the advisor-client relationship in cooperation with the client. These general guidelines cover such matters as the relative proportion of debt and equity securities to be held in the portfolio, the degree of risk which the client wishes to assume, and the types and amounts of securities to be held in their portfolios. HCLLC maintains discretion over these decisions. On a case by case basis HCLLC may allow a client to recommend a broker-dealer. That broker-dealer will be evaluated prior to engagement and on an ongoing basis. If the broker-dealer is unable to provide best execution, HCLLC will have the authority to decline the client's recommendation. HCLLC's authority may be further limited by specific instructions from the client which may restrict or prohibit transactions in certain securities. Securities transactions for managed accounts are generally effected through the broker-dealer where a client account is established.

HCLLC highly recommends that clients establish brokerage accounts with the Fidelity Institutional Wealth Services (IWS) a Division of Fidelity Brokerage Services, LLC (Fidelity), a registered broker-dealer, Member SIPC/NYSE, to maintain custody of the clients' assets and to effect trades for their accounts. IWS provides HCLLC with the access to its institutional trading and operations services, which are typically not available to Fidelity retail investors. These services generally are offered to independent investment advisors at no charge to them depending on the dollar value of the advisors' clients' account assets that are maintained at IWS. IWS services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. IWS also makes available to HCLLC other products and services that benefit HCLLC but may not benefit its clients' accounts directly. Some of these other products and services assist HCLLC in managing and administering clients' accounts. These include software, other technology, and client account data such as trade confirmations and account statements. They also facilitate trade execution, provide research, pricing, information and other market data; facilitate payment of HCLLC's fees from its client accounts, and assist with back office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of HCLLC's accounts. HCLLC does not receive any soft dollars from Fidelity, nor is it compensated for Fidelity products.

Certain SMA accounts may be held at Interactive Brokers (IB), a registered broker-dealer, Member SIPC/NYSE, to maintain custody of the clients' assets and to effect trades for their accounts. IB provides HCLLC with the access to its institutional trading and operations services, which are typically not available to IB retail investors. These services generally are offered to independent investment advisors at no charge to them depending on the dollar value of the advisors' clients' account assets that are maintained at IB. IB services include research, brokerage, custody, access to mutual funds and other investments that are otherwise available only to institutional investors or would require a significantly higher minimum initial investment. IB also makes available to HCLLC other products and services that benefit HCLLC but may not benefit its clients' accounts directly. Some of these other products and services assist HCLLC in managing and administering clients' accounts. These include software, other technology, and client account data such as trade confirmations and account statements. They also facilitate trade execution, provide research, pricing, information and other market data; facilitate payment of HCLLC's fees from its

client accounts, and assist with back office support, recordkeeping and client reporting. Many of these services generally may be used to service all or a substantial number of HCLLC's accounts. Certain securities, such as over-the-counter stocks and fixed-income securities are primarily traded in dealer markets. In such markets, securities are directly purchased from or sold to a financial institution acting as a dealer, or principal. Dealers executing principal trades typically include a markup or a markdown and/or spread in the net price at which transactions are executed. Trade orders HCLLC receives for securities traded in the dealer markets are normally routed through a dealer that is unaffiliated with HCLLC and the broker-dealers where HCLLC's clients' accounts are established. In addition to the fees paid by the client under the client agreement, the client bears the cost (including any spread, mark-up or markdown) imposed by the unaffiliated dealer.

On all securities transactions, HCLLC seeks to achieve best execution from the executing broker dealers. Best execution encompasses numerous factors including, but not limited to, the broker dealer's execution services, research provided, and responsiveness of the broker-dealer. While Best Execution is not defined in the securities laws, we believe that it is achieved when a trade is executed so that a client's total costs or proceeds in the transaction are the most favorable under the circumstances.

In accordance with Section 28(e), HCLLC may cause clients to pay brokerage commissions that are in excess of commissions that another broker may have charged for effecting the same transaction, so long as such adviser makes a good faith determination that the amount of commissions paid are reasonable in relation to the value of the brokerage and research services received. This must be viewed in terms of either the specific transactions or an adviser's overall responsibility to the accounts for which it exercises investment discretion.

Additionally, Section 28(e) permits advisers to use the research services provided by brokers to service any or all of the adviser's clients, and such services also may be used in connection with clients other than those making the payment of commissions.

Portfolio transactions for The Funds are allocated to brokers on the basis of obtaining the best overall terms available, and in consideration of a variety of factors, including such broker's ability to effect the transaction; the financial strength, integrity and stability of the broker; the quality, comprehensiveness and frequency of available research and related services considered to be of value; and the competitiveness of commission rates in comparison with other brokers satisfying the other selection criteria utilized by HCLLC in its capacity as investment manager of The Funds.

Patrick Morris and Ron Mattesich are registered representatives of BCP. From time to time they may conduct securities transactions for clients through BCP. As registered representatives of BCP Mssrs. Morris and Mattesich are required to use BCP for security transactions and cannot do business away from this firm. Securities transactions conducted through BCP may or may not provide best execution and are subject to the commission schedule of BCP. HCLLC and Mssrs. Morris and Mattesich will always act in the best interest of the client. Clients are not required to conduct securities transactions through BCP.

#### ITEM 13: REVIEW OF ACCOUNTS

Employees of HCLLC work together on accounts for the firm and make every effort to conduct periodic account reviews at least quarterly. Reviews of client accounts are conducted by the IARs of HCLLC and include, Patrick Morris, Shawn Harrington, and Ronald Mattesich. Each of these individuals can be reached by contacting HCLLC at 212-355-0660. Additionally, the securities within client portfolios are researched and monitored, and conclusions are conveyed during research meetings and through regular communication among HCLLC professionals. Instrumental to the review process are the goals and objectives of each client. Among other factors, the client's general investment strategy, portfolio weighting, and security selection are evaluated. In addition, current market conditions and HCLLC's long-term and short-term market expectations are considered.

#### ITEM 14: CLIENT REFERRALS AND OTHER COMPENSATION

It is HCLLC'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

HCLLC or its related person, as an advisor on HAGIN Zenith SMA, HAGIN Market Neutral SMA, and HKMNX does not maintain custody of client funds. Therefore, custody of client funds will be at an approved custodian and the custodian will provide client, or an unaffiliated third party, with written, or electronic if

available and the client consents to such receipt, confirmation of all trades that are made in the portfolios, as well as a monthly statement detailing the activity that has taken place. In addition, HCLLC does retain an auditor that will conduct annual reviews of HCLLC books and records. However, in the interest of client funds, the approved custodian will be responsible for arranging surprise audits of their own books and records. HCLLC encourages that you carefully review your account statement and contact us in the event of any questions. Any securities transactions conducted through BCP will be separate securities transactions from HCLLC. Custody of the assets will be by BCP in its capacity as a FINRA registered broker/dealer. BCP's CRD # is 156469.

#### ITEM 16: INVESTMENT DISCRETION

Clients may grant us discretionary authority over the assets in their accounts by signing the Investment Advisory Agreement and account paperwork with the custodian. All assets in a managed account will be reviewed unless we have received instructions to treat them as "legacy positions" by our clients.

#### ITEM 17: VOTING CLIENT SECURITIES

HAGIN Capital LLC, as a matter of policy and as a fiduciary to our clients, has responsibility for voting proxies for portfolio securities consistent with the best economic interests of the clients. Our firm maintains written policies and procedures as to the handling, research, voting and reporting of proxy voting and makes appropriate disclosures about our firm's proxy policies and practices. Clients may request a copy of our proxy policy by contacting Patrick Morris via our contact information on the cover page of this brochure.

#### ITEM 18: FINANCIAL INFORMATION

HCLLC does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. HCLLC does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of any bankruptcy proceedings.

#### ITEM 19: APPENDIX

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FIRM BROCHURE SUPPLEMENT

(Part 2B of Form ADV) March 19, 2013

HAGIN Capital, LLC.

HAGIN Capital, LLC d/b/a HAGIN Investment Management

17 State Street, 26th Floor New York, NY 10004 (212) 355-0660  
[www.haginim.com](http://www.haginim.com)

This brochure supplement provides information about the qualifications, preparation and professional business experience of HAGIN Capital's investment managers. If you have any questions about the contents of this supplement, please contact us at 212-355-0660 and/or at [info@haginim.com](mailto:info@haginim.com). The information in this supplement has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about HAGIN Capital, LLC, is also available on the SEC's website at:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Patrick R. Morris  
(CRD # 4367837) HAGIN Capital, LLC.  
17 State Street, 26<sup>th</sup> Floor  
New York, NY 10004

March 19, 2013

This brochure supplement provides information about Patrick R. Morris that complements the HAGIN Capital, LLC (HCLLC) Brochure. A copy should have been furnished to you. Please contact our office at (212) 355-0660, if you did not receive HCLLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Patrick R. Morris is available on the SEC's website at:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Patrick Morris is a resident of New York and was born in 1973. Patrick received a B.A. in Political Science from Syracuse University in 1995 and later went on to receive his MA in Communications Studies from Emerson College in 1996. Patrick is an Associate Member of the Association of Certified Fraud Examiners and Founder Member of the Society of Financial Econometrics.

From 2004 to 2006 Patrick was a Director of Institutional Research Sales for Natixis Bleichroeder where he was responsible for coverage of institutional accounts in the New York metropolitan area. He then went on to become a founding partner of HCLLC. Patrick is also an Investment Advisor Representative of the Indo-US Special Equities Group, Inc. (a Registered Investment Advisory firm), and the President of 57<sup>th</sup> & Irving, LLC.

Patrick Morris is a registered representative of BCP. His CRD number is listed on the cover of this disclosure form ADV 2B.

Patrick Morris may conduct securities transactions for clients as a registered representative of BCP. This is a conflict of interest as commissions are earned on the securities transactions. Patrick Morris will always act in the best interests of the clients and fully disclose this relationship. Clients will not be required to conduct securities transactions through Patrick Morris as a registered representative of BCP.

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no disciplinary history to report for Patrick Morris.

All HCLLC accounts are periodically monitored at different stages and by different individuals involved in the investment process to ensure meeting client's goals and expectations. Mr. Patrick R. Morris functions as HCLLC's CEO and Chief Compliance Officer. Mr. Morris reports to HCLLC's Chairman, Mr. Robert Morris. Mr. Robert Morris can be reached by calling 212-355-0660.

Shawn P. Harrington  
(CRD # 4159172)  
New York, NY 10004 (212) 355-0660  
March 19, 2013

This brochure supplement provides information about Shawn P. Harrington that complements the Hagin Capital, LLC (HCLLC) Brochure. A copy should have been furnished to you. Please contact our office at (212) 355-0660, if you did not receive HCLLC's brochure or if you have any questions about the contents of this supplement.

Additional information about Shawn P. Harrington is available on the SEC's website at:  
[www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Shawn Harrington is a resident of Vermont and was born in 1971. Shawn attended College of the Redwoods, but did not graduate.

From 1999 to 2004 Shawn was responsible for day to day operations and trading on Institutional Equity Trading Desk at Absolute Return Advisors. He then co-founded Battenkill Capital Management Inc. and was that company's President and COO from 2004 to 2009. Prior to joining HCLLC Shawn was Senior Vice President for Dion Money Management where he managed over \$100 million in client assets from 2009 until May 2012. Shawn joined HCLLC in June 2012.

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no disciplinary history to report for Shawn Harrington.

All HCLLC accounts are periodically monitored at different stages and by different individuals involved in the investment process to ensure meeting client's goals and expectations. Shawn P. Harrington reports to Mr. Patrick R. Morris, HCLLC's Chief Operating Officer. Mr. Patrick Morris can be reached by calling 212-355-0660.

Ronald A. Mattesich  
(CRD # 2225564) Hagin Capital, LLC  
17 State Street, 26<sup>th</sup> Floor  
New York, NY 10004 (212) 355-0660  
March 19, 2013

This brochure supplement provides information about Ronald A. Mattesich that complements the HAGIN Capital, LLC (HCLLC) Brochure. A copy should have been furnished to you. Please contact our office at (212) 355-0660, if you did not receive HCLLC's brochure or if you have any questions about the contents of this supplement.

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

Ronald is a resident of New Jersey and was born in 1968. Ronald received a B.A. in Economics from Rutgers University in 1991 and later went on to receive his MBA in Finance from Fordham University in 1996. Ronald also holds the Chartered Retirement Planning (CRPC) designation.

From 2004 to 2009 Ronald was a Director of Institutional Research Sales for Natixis Bleichroeder where he was responsible for coverage of institutional accounts throughout the Mid-West and New York metropolitan area. He then went on to become a Financial Advisor within Merrill Lynch's Global Wealth Management division. While at Merrill Lynch he managed the assets of high net worth individuals, families, and business owners from 2009 until March 2012. Ronald joined HCLLC in April 2012. Ronald is also a Managing Member of Whitetip Investments, LLC.

Ron Mattesich is a registered representative of BCP. His CRD number is listed on the cover of this disclosure form ADV 2B.

Ron Mattesich may conduct securities transactions for clients as a registered representative of BCP. This is a conflict of interest. Securities transactions conducted through BCP will be subject to the commission schedule of BCP. This will be fully disclosed to the client. Ron Mattesich will always act in the best interest of the client. Clients are not required to conduct securities transactions through Ron Mattesich as a registered representative of BCP.

Ronald Mattesich is also Managing Member of Whitetip Investments, LLC. Whitetip's main source of business is real estate investing. Additionally, beyond immediate family members of Mr. Mattesich no other clients are involved or solicited in this endeavor. Therefore, this business does not create a material conflict of interest for the clients of HCLLC. Furthermore, Mr. Mattesich's time commitment to this venture is limited and does not interfere with his responsibilities at HCLLC.

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. There is no disciplinary history to report for Ronald Mattesich.

All HCLLC accounts are periodically monitored at different stages and by different individuals involved in the investment process to ensure meeting client's goals and expectations. Mr. Ronald A. Mattesich reports to Mr. Patrick R. Morris, HCLLC's Chief Operating Officer. Mr. Patrick Morris can be reached by calling 212-355-0660.

#### Professional Designations: Chartered Retirement Planning Designation (CRPC)

Individuals who hold the CRPC designation have completed a course of study encompassing pre-and post-retirement needs, asset management, estate planning and the entire retirement planning process using models and techniques from real client situations. Additionally, individuals must pass an end-of-course examination that tests their ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

#### ❖ Curriculum

Candidates are required to complete a program of study to be eligible to sit for the CRPC exam. Course topics include:

- The Retirement Planning Process & Meeting Multiple Financial Objectives
- Sources of Retirement Income
- Personal Savings: Investing for Retirement
- Employer-Sponsored Plans
- Individual Deferred Compensation
- Planning for Incapacity, Disability & Long-Term Care
- When to Retire
- Retirement Plan Distributions
- Asset Management & Investment Strategy During Retirement
- Income Taxes & the Retiree
- Estate Planning
- Retirement Cash Flow Considerations

#### ❖ Examination

Individuals are required to pass a proctored and timed end-of-course examination with a 70% score or higher. The examination tests the individual's ability to synthesize complex concepts and apply theoretical concepts to real-life situations.

#### ❖ Continuing Education Requirements

All designees have agreed to adhere to Standards of Professional Conduct and are subject to a disciplinary process.

Designees renew their designation every two-years by completing 16 hours of continuing education, reaffirming adherence to the Standards of Professional Conduct and complying with self-disclosure requirements.