

BH Asset Management LLC

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FORM ADV PART 2 BROCHURE

This brochure provides information about the qualifications and business practices of BH Asset Management LLC. If you have any questions about the contents of this brochure, please contact Robert Searing, CCO, and COO by phone at 347.586.0034 or by e-mail at rsearing@bhasset.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 BH Asset Management LLC is also available on the SEC's website at www.adviserinfo.sec.gov. The searchable IARD/CRD number for BH Asset Management LLC is 152117.

BH Asset Management LLC is required to be registered as an Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.

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Material Changes

Form ADV Material Changes

On July 28, 2010, the United State Securities and Exchange Commission published "Amendments to Form ADV" which amend the disclosure document that we provide to clients as required by SEC Rules. This Brochure is dated December 31, 2014 and the prior version of the Brochure was dated December 31, 2013.

On or about December 22, 2014 Charles E. Helme voluntarily resigned as a registered representative of Carrollton Capital Partners, LLC, a registered securities broker-dealer.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We will also provide other ongoing disclosure information about material changes as necessary, without charge.

We will provide you with a new Brochure as necessary based on changes or significant new information, at any time, without charge. You may also request a copy of this brochure free of charge by contacting BH Asset Management LLC at (347) 586-0034 or rsearing@bhasset.com.

Advisory Business

Form ADV Part 2A, Item 4

BH Asset Management LLC has been operating since approximately July of 2010, but obtained registration as an Investment Advisor with the SEC on or about January 7, 2010. Charles E. Helme, Managing Member, is the principal owner of BH Asset Management LLC thru Kidderbrook, LLC and Middlebrook, LLC.

BH Asset Management LLC ("BH") is an investment management firm providing proprietary investment management services primarily to high net worth individuals.

These services may include:

- Assessment of the client's investment needs and objectives
- Investment policy
- Development of an asset allocation strategy designed to meet the client's objectives
- Recommendations on suitable style allocations
- Individual security analysis and recommendations
- Review of client accounts to ensure adherence to policy guidelines and asset allocation
- Recommendations for account rebalancing, if necessary
- Reporting of client account's performance and progress

At its discretion, BH may utilize the services of third-party consultants in support of BH's management services, to provide internal investment consulting services such as research, asset allocation models, advice and recommendations. All decision making with respect to the advice provided by such third-party consultants shall be made solely by BH.

BH tailors its advisory services to the individual needs of clients based on suitability, financial objectives and as directed by its clients. Clients may impose investment restrictions on assets under management.

BH does not participate in wrap fee programs.

BH Asset Management LLC has approximately \$122 million of assets under management (100% on a discretionary basis - calculated on closing Net Asset Value on December 31, 2014).

Fees and Compensation

Form ADV Part 2A, Item 5

BH charges fees based on assets under management billable in advance on a quarterly basis. The range of fees may average approximately 1% to 2%. The fees charged are calculated as an annual percentage of assets based on the market value of the account at the end of quarter. Fees are charged on a calendar quarter basis in advance and prorated to the end of the quarter upon inception of the account. The level of the fee will vary based on the amount of assets under management, the particular investment styles and investment options chosen or recommended.

The standard fee schedules for individual managed accounts are as follows, but may be negotiable in individual cases:

Single Managed Account Portfolios

Equity/Balanced Portfolios

Amount	Fee
First \$10,000,000	1.00%-1.25%
Next \$5,000,000	0.85%-1.00%
Over \$15,000,000	0.85%-1.00%

BH collects fees from clients by either directly charging the customers' accounts, by check or wire, at the client's preference. BH does not have the authority to deduct fees without prior client approval.

BH allows the customer to use the broker and custodian of their choice. The client is responsible for establishing these relationships. In the absence of such choice the Company may suggest a broker and/or custodian based on prior experience with them, which may include our assessment of their execution abilities, responsiveness to requests, and/or the total costs associated with the transactions. Other factors that may be considered is the value of research provided and the types of services available (for example, whether the client is provided with online access to their information). BH does not share in any commission or fees paid to the custodians and/or brokers. The client has sole authority and may elect to change custodians at any time.

Clients pay fees quarterly in advance based on assets under management valued on the last day of the prior calendar quarter. If the advisory contract is terminated prior to the current quarter end, the client shall receive a pro-rated refund of pre-paid advisory fees calculated based on remaining days in the calendar quarter as the numerator divided into the total number of days in the quarter as the denominator and multiplied by the total amount billed for the quarter.

BH does not prohibit clients from purchasing securities that BH has also purchased for their account.

Performance-Based Fees and Side-By-Side Management

Form ADV Part 2A, Item 6

BH does not charge Performance-Based Fees and does not participate in Side-By-Side Management.

Types of Clients

Form ADV Part 2A, Item 7

The Firm primarily has High Net Worth individuals with a minimum relationship size of approximately \$1,000,000 – however exceptions may be made on a case by case basis.

Methods of Analysis, Investment Strategies and Risk of Loss

Form ADV Part 2A, Item 8

A Fundamental method of analysis is utilized where an analysis of overall economic conditions including factors such as: inflation rate, balance of trade, unemployment rate and other economic factors. Then a sector analysis performed to identify underperforming sectors that appear to be trending up positively, after that specific company's financials are reviewed to identify undervalued investments and to also identify growth opportunities with companies with above average sales and earnings growth. There is risk of loss in investing in securities. While BH Asset Management takes a fundamental approach to investing, past performance is no indication of future results and there are many factors that may affect prices of stocks and our clients should be prepared to bear risks associated with investing in securities.

BH generally invests in equities and bonds in several market sectors that their fundamental analysis has identified as having either growth potential or is being undervalued by the market place.

As with most investment strategies, there is also risk of loss with the fundamental investment strategy. Some are: by nature relying on historical data (i.e. financials and market analysis) to try to predict future results is flawed, as there are so many factors to consider and unforeseen events that may occur that could impact the value of any particular security. Stock picking is not an exact science and while the Firm conducts analysis to identify undervalued and/or growth stocks, market conditions can change rapidly rendering even the most recent analysis stale. There is also risk that published data that was relied upon, may at a later date be deemed inaccurate. There is risk that material non-public information or event material event may exist and had this information been available to the public, a decision to buy a specific stock may not have occurred. This is not an exhaustive list of risks and the clients may contact BH Asset Management LLC to discuss this or any other trade or investment philosophy related question.

Securities investments involve the risk of loss of capital. The nature and type of securities to be purchased and traded by BH for clients and the investment techniques and strategies to be employed in an effort to increase profits may increase this risk. The identification and exploitation of investment opportunities involves uncertainty, and there can be no assurance BH will be able to locate investment opportunities or to correctly exploit inefficiencies in the markets. Many unforeseeable events, including actions by governmental authorities, such as the U.S. Federal Reserve Board, may cause sharp market fluctuations that can impact clients' investments. While BH will use its best efforts in the management of the client's account, there can be no assurance that the client will not incur losses.

BH may be limited in dealing with investments, if its principals and/or registered staff or employees acquire inside information. In connection with the management of client investments, principals, registered staff or employees may acquire material non-public information or be restricted from either initiating or closing transactions in certain securities. In such instance(s), BH would be restricted from acting on such information and therefore may not be able to buy an investment that it otherwise might.

Disciplinary Information

Form ADV Part 2A, Item 9

The Firm, it's Principals, Registered Persons and Staff do not have any investment related customer complaints, disciplinary history, pending civil or regulatory actions, convictions, pending, threatened or settled in the USA or abroad. There have been no suspensions, judgments, limitations, fines, settlements or other sanctions against the Firm or its Staff.

Other Financial Industry Activities and Affiliations

Form ADV Part 2A, Item 10

BH and its registered management persons have no application pending to register as a broker-dealer, futures commission merchant, commodity pool operator, or a commodity trading advisor.

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

Form ADV Part 2A, Item 11

BH Asset Management LLC has a code of ethics, and a copy of our code of ethics will be provided to our prospective and existing clients upon request. BH Asset management LLC expects each of its employees to conduct themselves with integrity, honesty and professionalism. To provide general guidance, the Firm requires each Employee to comply with the principles and standards of conduct contained in the Code of Ethics which includes standard of business conduct, safeguards to confidential information, guidelines to avoid conflicts of interests, prohibitions to certain practices such as initial public offerings and insider trading, protection of material nonpublic information and procedures for monitoring personal securities trading.

Participation or Interest in Client Transactions

BH employees or related persons may have accounts with custodians that BH recommends to clients as part of its investment programs. This means that BH employees or related persons may buy or sell securities that clients also own in their accounts. Investment decisions for BH personnel are made at the same time and in the same manner as those made for clients.

BH or a related person of BH may purchase or sell securities that are recommended to, or purchased, or sold for, clients. Personal securities transactions by persons associated with BH are subject to BH's Code of Ethics. The Code of Ethics is available upon request.

Brokerage Practices

Form ADV Part 2A, Item 12

BH does not participate in soft dollars and therefore does not obtain research or other products or services with soft dollars. Client brokerage is not determined based on the company receiving referrals from a broker-dealer and BH does not have any such arrangement. Additionally, client accounts are not expected to generate material brokerage commissions. BH does not permit clients to direct brokerage.

At the Custodian, the orders may be aggregated by Custodian for listed equities. If the security is a debt instrument, orders may be aggregated and distributed to market makers seeking best execution for the clients. Once the trade executions occur, each client will receive the calculated average price of the executed orders. In certain instances, clients orders will not be aggregated, in which case, trading costs may be higher to the client. For example, if aggregation of orders does not occur, there may be separate transactions for multiple client accounts where clients may receive different trade execution prices for the same securities transactions. Furthermore, clients may not be able to buy or sell the same quantity of securities and may be charged higher fees or commissions, than if transactions were aggregated. However, whenever practical, the Firm shall seek to aggregate clients' orders.

In the event of a trade error resulting in a gain where the Firm has control over its allocation, we shall proceed with a course of action favorable to the client.

Review of Accounts

Form ADV Part 2A, Item 13

Client accounts are reviewed on a monthly basis, or more often as conditions necessitate.

Examples of an event that would trigger a client account review, is change in investment objectives, suitability, external market factors, notification of a material event such as divorce, loss of a family member, acute health condition and/or upon request.

Clients will receive monthly statements (quarterly if no activity) directly from the custodian - providing a detailed list of holdings with valuations, account activity and confirmations of all securities transactions (please note that the trade confirmations may be sent directly from the broker-dealer and/or the Custodian). The clients will also receive a quarterly performance report from BH Asset management LLC showing the allocation of assets in the account as well as the performance of the account during the previous calendar quarter.

Client Referrals and Other Compensation

Form ADV Part 2A, Item 14

BH does not currently compensate others directly or indirectly for Client Referrals or provide any other compensation for such activities.

Custody

Form ADV Part 2A, Item 15

BH does not have custody of client assets and the Client designated Custodian and/or Broker/Dealer distributes periodic monthly, quarterly and annual reports to the Clients. BH recommends that Clients promptly and carefully review such statements received from the Custodian and/or Broker/Dealer and discrepancies (if any) should be promptly reported.

Investment Discretion

Form ADV Part 2A, Item 16

BH Asset Management accepts discretionary authority over all of its accounts. Each customer signs an Investment Management Agreement which describes the services to be performed, the assets to be managed and the fees to be charged. The client then must complete the custodian's Power of Attorney form to grant BH the discretionary powers they individually choose. In addition to granting us the right to effect investment transactions the customer generally grants us the authority to act on their behalf regarding Corporate actions and voting proxies. The client generally limits BH's ability on cash payments only to accounts with same name and tax ID and charging their accounts directly for our management fees.

Voting Client Securities

Form ADV Part 2A, Item 17

BH Asset management LLC reserves the right to vote client securities. We believe that each proxy proposal should be individually reviewed to determine whether the proposal is in the best interests of its clients. As a result, similar proposals for different companies may receive different votes because of different corporate circumstances. Clients may obtain a copy of proxy voting policies and procedures and information on how a proxy was voted upon request by contacting Robert F. Searing. BH and Mr. Searing's contact information is provided on the cover page of this brochure.

Financial Information

Form ADV Part 2A, Item 18

In this section, registered investment advisers are required to provide certain financial information or disclosures about the Adviser's financial condition. BH has no material financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding. BH does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance. Therefore, no additional financial reporting obligation is placed on the investment Advisor.

Requirements for State-Registered Advisers

Form ADV Part 2A, Item 19

BH is registered with the SEC as an Investment Advisor and notice filed with one or more state securities authorities.