



Item 1 – Cover Page

**Form ADV**  
**Part 2A Brochure**  
**and**  
**Part 2B Brochure Supplement**

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Blue Oak Capital, LLC  
3000 Sand Hill Road, Bldg. 1/205  
Menlo Park, CA 94025

Phone  
650-251-9595

Fax  
650-251-9596

Website  
<https://www.blueoak.net>

This brochure provides information about the qualifications and business practices of Blue Oak Capital, LLC. If you have questions about the contents of this Brochure or the Firm's Brochure Supplement, please contact the Firm's Chief Compliance Officer, Loren Walden at telephone: (650) 251-9595, or by email: [loren@blueoak.net](mailto:loren@blueoak.net). 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.

This Brochure provides information upon which a prospective client may determine whether or not to hire Blue Oak Capital, LLC. You are encouraged to review this Brochure and Supplement regarding the Firm's associates for information on the qualifications of the Firm and its employees.

The use of the term "registered investment adviser" and description of Blue Oak Capital, LLC and/or our associates as "registered" does not imply a certain level of skill or training.

Additional information about Blue Oak Capital, LLC is available on the SEC's website at [www.advisorinfo.sec.gov](http://www.advisorinfo.sec.gov). The searchable IARD/CRD number for Blue Oak Capital, LLC is 108592. The Firm's SEC registration number is 801-57237.

## **Item 2: Summary of Material Changes**

This updated Form ADV Part 2A contains the following changes from the prior version:

- Updated disclosure regarding the Firm's assets under management at Item 4.
- Updated disclosure regarding the Firm's custody practices at Item 15.

Any client or prospective client that would like to receive a complete copy of the Firm's Form ADV Part 2A Brochure and Part 2B Brochure Supplement may do so by contacting us by telephone: (650) 251-9595, or by email: [loren@blueoak.net](mailto:loren@blueoak.net).

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## **Item 4: Advisory Business**

### **Firm Description**

Blue Oak Capital, LLC, (“Blue Oak Capital” or sometimes the “Firm” or “Advisor”) was founded in 1999 and was registered with the U. S. Securities and Exchange Commission (“SEC”) on February 25, 2000.

### **Principal Owners**

Blue Oak Capital is owned equally by its three managing members, Thomas A. Baker, Matthew B. Kenaston, and Loren W. Walden.

### **Assets Under Management**

As of December 31, 2017, Blue Oak Capital manages approximately \$433,045,602 in assets on a discretionary basis for approximately 145 clients.

### **Advisory Services**

Blue Oak Capital is an independent investment advisor providing customized investment management services to individuals, families, high net worth clients, trusts and estates. Our investment management services include, among others, financial goal setting, risk assessment, strategic asset allocation and the selection and management of securities and investments. All assets managed by Blue Oak Capital are managed on a discretionary basis. All investment decisions are based on the individual needs of the client.

Blue Oak Capital is strictly a fee-only investment management firm. We do not sell annuities, insurance, stocks, bonds, mutual funds, limited partnerships, or other investment products on a commission basis. The Firm is not affiliated with entities that sell financial products or securities. No commissions in any form are accepted and no finder’s fees are accepted.

Investment management services are tailored to each client’s earning capacity, retirement horizon, savings, investment history, tax issues, and education and legacy planning needs. The Firm’s portfolio managers gather information about each client’s individual financial condition and investment goals through personal consultations and reviews of each client’s financial documents. On the basis of this information, the Firm designs an individualized investment policy statement based on a client’s investment return requirements, risk tolerance, resilience to market volatility, time horizons, liquidity requirements, tax considerations, legal restrictions, and any other unique client circumstances or matters that a client deems important. Account supervision is guided by the stated objectives of the client (i.e. maximum capital appreciation, growth, income, or growth and income).

## **Fiduciary Status**

Blue Oak Capital is a fiduciary under applicable federal regulations adopted by the U.S. Securities and Exchange Commission and the U. S. Department of Labor. As a fiduciary, it adheres to specific impartial conduct standards: to provide services and advice that are in the best interest of each client; to provide such services on a basis that is not materially misleading and that fully discloses any conflicts of interest; and to charge a reasonable fee. Copies of the Firm's impartial conduct policies and procedures are available to clients upon request.

## **Investment Strategy**

Our investment approach is designed to create sustainable long term investment strategies and we review and adjust asset allocations and risk exposure as required by changes in market conditions and client circumstances. Assets are invested primarily in no-load or low-load mutual funds and exchange-traded funds, usually through discount brokers. Blue Oak Capital does not allow clients to impose material restrictions on investing in certain securities. Blue Oak Capital does not invest in wrap fee programs or manage assets for any wrap fee accounts and generally, we do not invest in Initial Public Offerings (IPOs). When there are significant changes in the client's goals or objectives, the client should notify Blue Oak Capital in order to update the client's investment policy statement and to adjust the portfolio accordingly.

## **Minimum Account Size and Additions To / Withdrawals From Accounts**

Blue Oak Capital has established a minimum account size requirement of \$2,000,000. Multiple accounts for the same client may be aggregated to reach this threshold. At the Firm's sole discretion, it may accept clients with smaller portfolios where it determines that the smaller portfolio size will not cause a substantial increase of investment risk beyond the client's identified risk tolerance. Other factors considered in a decision to waive the minimum account size are the anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc. of the account.

A client may make additions to and withdrawals from the client's custodial account at any time, subject to the Firm's right to terminate an account if the amount of assets drops below our account size minimum. Clients may withdraw account assets with notice to the Firm, subject to the usual and customary securities settlement procedures. However, we design client portfolios as long-term investments and caution our clients that asset withdrawals may impair the achievement of the client's investment objectives.

Additions to an account may be in cash or securities provided that our portfolio managers may decline to accept particular securities into a client's account or may recommend that the security be liquidated if it is inconsistent with the Firm's investment strategy or the client's investment objectives. Clients are advised that when transferred securities are liquidated, they may be subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

## **Termination of Agreement**

Clients or the Firm may terminate the relationship at any time upon written notice to other party. The Firm does not assess any fees related to termination but will be entitled to all management fees earned up to the date of termination. Any earned investment management fees owed to the Firm will be billed to the client, or where authorized, deducted from the client's account, on a pro rata basis determined on the amount of time expired in the billing period.

For new clients of the Firm, if a copy of this Form ADV Part 2A disclosure statement was not delivered to the client 48 hours or more before the client enters into a written advisory contract with Advisor, then the client has the right to terminate the contract without penalty within five (5) business days after entering into the contract. A contract is considered entered into when all parties to the contract have signed the contract. If the client terminates the contract on this basis, all fees paid by the client will be refunded however, any transaction costs imposed by an executing broker or custodian for establishing the custodial account or for trades occurring during those five days are non-refundable.

## **General Notices**

In performing its services, Blue Oak Capital is not required to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is authorized to rely on such information as provided. Clients must promptly notify us of any change in their financial situation or investment objectives that would necessitate a review or revision by our advisors of the client's portfolio and/or investment policy statement.

## **Item 5: Fees and Compensation**

### **Description of Fees**

The annual investment management fee is based on a percentage of the investable assets according to the following fee schedule:

#### Fee Rate Per Annum

1.00%	of the first \$2,000,000
.75%	of the portfolio value over \$2,000,000 up to \$5,000,000
.50%	of the portfolio value in excess of \$5,000,000

Fees are payable quarterly in arrears based upon the market value on the last day of the quarter. The management fee is computed by determining the market value of the account using the following guidelines: (a) for marketable securities: the current market price provided by custodian; (b) for securities for which there exists no active market (such as illiquid securities), by using such information as Blue Oak, in good faith, deems relevant to determine the value thereof, or in the absence of such information, at cost; and (c) for cash or equivalents, at dollar value.

Fees are not prorated depending upon when investments are made or withdrawn during the quarter. For example, if a client makes new investments in the middle of the quarter, a full quarterly fee will apply to those investments. On the other hand, if a client withdraws funds in the middle of the quarter, no fees will apply to the withdrawn investments, since they will not be reflected in the quarterly ending value.

Services provided for the above fees are for investment advice and quarterly reporting of asset holdings, valuations and performance reviews. The client's investment management fee to the Firm is determined in accordance with the above standard fee structure, with exceptions negotiated on a case-by-case basis at our discretion. Any deviations from the fee structure are based on a number of factors including the nature and length of the client relationship, the services requested, account composition, the amount of work involved, the amount of assets placed under management and the attention needed to manage the account.

### **Fee Billing**

Clients authorize Blue Oak to deduct its quarterly investment advisory fee directly from their custodial account. This authorization is granted under the terms of the client's signed investment management agreement and the client's instructions to the custodian. It is the client's responsibility to verify the accuracy of the fee calculation, as the custodian will not determine whether the fee is properly calculated.

### **Custodian and Brokerage Fees**

Please see Item 12 below for an explanation of our brokerage practices. Clients incur certain charges imposed by their custodians and other third parties such as custodial fees, 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. Additionally, clients will incur charges by the executing broker-dealer in the form of brokerage commissions and transaction fees on the investment transactions entered into for their account(s). All of these charges, fees and commissions are in addition to Advisor's investment management fee.

### **Fund Disclosures**

Investment vehicles such as mutual funds, closed-end funds, exchange traded funds and alternative investment funds offer a wide range of objectives and strategies; the types of securities held by such funds vary widely depending upon the specific objectives and strategies of the vehicle. These investment vehicles incur brokerage and other expenses and their sponsors typically compensate themselves through fees charged directly to the fund. Clients indirectly pay for the expenses and advisory fees charged by the funds in which their assets are invested in addition to the advisory fee charged by Blue Oak Capital.

All such funds incur operating expenses in connection with the management of the fund. Investment funds pass some or all of these expenses through to their shareholders (the individual investors in the funds) in the form of management fees. The management fees charged vary from fund to fund. In addition, funds charge shareholders (individual investors in the funds) other types of fees such as early redemption or transaction fees. These charges also vary widely among funds. As a result, clients will still pay management fees and other, "indirect" fees and expenses as charged by each mutual fund (or other fund) in which they are invested.



Clients are provided a copy of a fund prospectus for each fund in which they invest by their custodian or by the fund sponsor rather than by Blue Oak Capital. As required by law, a prospectus represents the fund's complete disclosure of its management and fee structure. In addition, a fund's prospectus can be obtained directly from the fund.

### **Bond Disclosure**

Clients whose assets are invested in bonds purchased directly from an underwriter or on the secondary market may pay a sales credit or sales concession on the trade (in lieu of a sales commission). The client's custodian may also impose a fee on the transaction as well.

### **General Fee Disclosure**

We believe our investment management fees are competitive with the fees charged by other investment advisors in the San Francisco Bay area for comparable services. However, comparable services may be available from other sources for lower fees than those charged by Blue Oak Capital.

Blue Oak Capital receives no sales commissions on investment products purchased or sold for client accounts.

We do not provide clients advice as to the tax deductibility of our advisory fees. Clients are directed to consult a tax professional to determine the potential tax deductibility of the payment of advisory fees.

## **Item 6: Performance-Based Fees**

### **Sharing of Capital Gains**

Fees are not based on a share of the capital gains or capital appreciation of managed securities.

Blue Oak Capital does not use a performance-based fee structure because of the potential conflict of interest. Performance-based compensation may create an incentive for the adviser to recommend an investment that may carry a higher degree of risk than appropriate for the client.

## **Item 7: Types of Clients**

### **Description**

Blue Oak Capital generally provides investment advice to individuals, families, high net worth clients, trusts and estates,. We have established a \$2,000,000 minimum value of assets for opening an individual client account, although multiple accounts for the same client may be aggregated to meet this minimum. This minimum may be waived in certain circumstances.

As a result of the minimum account requirement, Blue Oak Capital's services may not be appropriate for everyone. Particularly for smaller accounts, other investment advisors may provide somewhat similar services for lower compensation, although still others may charge more for similar services.

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

### **Methods of Analysis**

Security analysis methods may include fundamental, technical, and cyclical analysis.

The main sources of information include financial newspapers and magazines, inspections of corporate activities, research materials prepared by others, corporate rating services, timing services, annual reports, prospectuses, filings with the Securities and Exchange Commission, and company press releases.

Other sources of information that Blue Oak Capital may use include Morningstar Principia, Charles Schwab & Company's "SchwabLink" service, and the World Wide Web.

### **Investment Strategies**

The primary investment strategy used on client accounts is strategic asset allocation utilizing a core and satellite approach. This means that we use passively-managed index and exchange-traded funds as the core investments, and then add actively-managed or specialty funds where appropriate. Portfolios are globally diversified to control the risk associated with investing in a single country.

The investment strategy for a specific client is based upon the objectives stated by the client during consultations. The client may change these objectives at any time. Each client executes an Investment Policy Statement that documents their objectives and their desired investment strategy.

Other strategies may include long-term purchases, short-term purchases, trading, short sales, and margin transactions.

### **Risk of Loss**

All investment programs have certain risks that are borne by the investor. Our investment approach constantly keeps the risk of loss in mind.

Investors face the following investment risks:

Interest-rate Risk: Fluctuations in interest rates may cause investment prices to fluctuate. For example, when interest rates rise, yields on existing bonds become less attractive, causing their market values to decline.

Market Risk: The price of a security, bond, or mutual fund may drop in reaction to tangible and intangible events and conditions. This type of risk is caused by external factors independent of a security's particular underlying circumstances. For example, political, economic and social conditions may trigger market events.

Inflation Risk: When any type of inflation is present, a dollar today will not buy as much as a dollar next year, because purchasing power is eroding at the rate of inflation.

Currency Risk: Overseas investments are subject to fluctuations in the value of the dollar against the currency of the investment's originating country. This is also referred to as exchange rate risk.

Reinvestment Risk: This is the risk that future proceeds from investments may have to be reinvested at a potentially lower rate of return (i.e. interest rate). This primarily relates to fixed income securities.

Business Risk: These risks are associated with a particular industry or a particular company within an industry. For example, oil-drilling companies depend on finding oil and then refining it, a lengthy process, before they can generate a profit. They carry a higher risk of profitability than an electric company, which generates its income from a steady stream of customers who buy electricity no matter what the economic environment is like.

Liquidity Risk: Liquidity is the ability to readily convert an investment into cash. Generally, assets are more liquid if many traders are interested in a standardized product. For example, Treasury Bills are highly liquid, while real estate properties are not.

Financial Risk: Excessive borrowing to finance a business' operations increases the risk of profitability, because the company must meet the terms of its obligations in good times and bad. During periods of financial stress, the inability to meet loan obligations may result in bankruptcy and/or a declining market value.

## **Item 9: Disciplinary Information**

### **Legal and Disciplinary**

The Firm and its employees have not been involved in legal or disciplinary events related to past or present investment clients.

## **Item 10: Other Financial Industry Activities and Affiliations**

### **Financial Industry Activities and Affiliations**

Blue Oak is an independent investment advisor, unaffiliated with any other financial institution or securities dealer or issuer. We recommend that our clients custody their assets with Charles Schwab & Co., Inc. ("Schwab"), an SEC registered broker-dealer and member of the Financial Industry Regulatory Authority ("FINRA") and the Securities Investors Protection Corporation ("SIPC"). Although we recommend that our clients custody their investment accounts at Schwab, we have no legal affiliation with Schwab, do not supervise its brokerage activities and are not subject to its supervision.

Blue Oak Capital has no arrangements that are material to its advisory business or its clients with any other entity.

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

Blue Oak Capital has adopted a Code of Ethics. The Code sets forth the expectations of Blue Oak Capital as respects standards of conduct, fiduciary duties, required compliance with all securities regulations, required reporting of personal trading, pre-approval of participation in any initial public offering or private placement, required reporting of violations of the Code to the

Chief Compliance Officer, and required written acknowledgement of receipt of the Code by personnel. A copy of the Code of Ethics is available to clients and prospects upon request.

Blue Oak, its employees and their immediate families (sometimes collectively “employees”) are permitted to buy and sell securities for their personal investment accounts. The Firm has adopted employee personal trading policies and procedures and a code of ethics to govern proprietary (on behalf of the Firm itself) and employee trading practices.

Employees with access to the Firm’s investment decision-making and trading activities are required to report all personal securities transactions on a regular basis. All personnel are required to abide by the Firm’s personal trading practices and code of ethics which governs employee trading practices and specifically prohibits employee trading on the basis of inside information and trading ahead of customer orders (front-running). Blue Oak’s employee personal trading policies and code of ethics are made available to clients and prospective clients upon request.

Employees may trade in the same securities traded for clients. However, it is Firm policy not to give preference to orders for personnel associated with the Firm regarding such trading. Employees may personally invest in the same securities that are purchased for client trading accounts and may own securities that are subsequently purchased for client accounts. From time to time, trading by employees in particular securities may be restricted in recognition of impending investment decisions on behalf of clients. If a security is purchased or sold for client accounts and employees on the same day, either employees will pay or receive the same price as the client account, or the client account will receive the more favorable price. If purchased or sold on different days, it is possible that employees’ personal transactions might be executed at more favorable prices than were obtained or clients.

Employees may buy or sell different investments, based on personal investment considerations, which the Firm may not deem appropriate to buy or sell for clients. It is also possible that employees may take investment positions for their own accounts that are contrary to those taken on behalf of clients. Employees may also buy or sell a specific security for their personal account based on personal investment considerations aside from company or industry fundamentals, which are not deemed appropriate to buy or sell for clients. If these securities subsequently appreciate, these personal transactions could be viewed as creating a conflict of interest.

Conversely, employees may liquidate a security position that is held both for their own account and for the accounts of Firm clients, sometimes in advance of clients. This occurs when personal considerations (i.e., liquidity needs, tax-planning, industry/sector weightings) deem a sale necessary for individual financial planning reasons. If the security subsequently falls in price, these personal transactions could be viewed as a conflict of interest.

## Item 12: Brokerage Practices

### Recommendation of Charles Schwab & Co. as Client Custodian

Blue Oak Capital may recommend that clients establish brokerage accounts with the Schwab Advisor Services® division of Schwab to maintain custody of clients' assets and to effect trades for their accounts. Although Blue Oak Capital may recommend/require that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab.

Schwab provides Blue Oak Capital with access to its institutional trading and custody services, which are typically not available to Schwab retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a required minimum of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. These services are not contingent upon Blue Oak Capital committing to Schwab any specific amount of business (assets in custody or trading commissions). Schwab's brokerage services include the execution of securities transactions, custody, research, and access to mutual funds and other investments that are otherwise generally available only to institutional investors or would require a significantly higher minimum initial investment.

For Blue Oak Capital client accounts maintained in its custody, Schwab does not charge separately for custody services but is compensated by account holders through commissions for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Advisor Services also makes available to Blue Oak Capital other products and services that benefit Blue Oak Capital but may not directly benefit its clients' accounts. Many of these products and services may be used to service all or some substantial number of Blue Oak Capital's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist Blue Oak Capital in managing and administering clients' accounts include software and other technology that (i) provide access to client account data (such as trade confirmations and account statements); (ii) facilitate trade execution and allocate aggregated trade orders for multiple client accounts; (iii) provide research, pricing and other market data; (iv) facilitate payment of Blue Oak Capital's fees from its clients' accounts; and (v) assist with back-office functions, recordkeeping and client reporting.

Schwab Advisor Services also offers other services intended to help Blue Oak Capital manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management and business succession; and (iii) access to employee benefits providers, human capital consultants and insurance providers. Schwab may make available, arrange and/or pay third-party vendors for the types of services rendered to Blue Oak Capital. Schwab Advisor Services may discount or waive fees it would otherwise charge for some of these services or pay all or a part of the fees of a third-party providing these services to Blue Oak Capital. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of Blue Oak Capital personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, Blue Oak Capital may take into account the availability of some of the foregoing products and services and other arrangements as part of the total mix of factors it considers and not solely the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

## **Selection of Executing Brokers**

In most cases, trade executions for client accounts custodied at Schwab will be made by Schwab to avoid “trade away” charges otherwise imposed for trades executed at other broker-dealers. In cases where a desired security is not available for purchase or sale through the custodial broker, and in light of our best execution evaluation, certain executions may be made at a different broker-dealer.

Blue Oak Capital is not obligated to obtain the best net price or lowest brokerage commission on any particular transaction. Rather federal law requires investment managers to use their reasonable best efforts to obtain the most favorable execution for each transaction executed on behalf of client accounts.

In selecting executing broker-dealers, including Schwab, Blue Oak Capital’s primary objective is to obtain the best execution. Expected price, giving effect to brokerage commissions, if any, and other transaction costs, are principal factors, but the selection also takes account of other factors, including the execution, clearance and settlement capabilities of the broker-dealer, the broker-dealer’s willingness to commit capital, the broker-dealer’s reliability and financial stability, the size of the particular transaction and its complexity in terms of execution and settlement, the market for the security, the value of any research and other brokerage services provided by the broker-dealer, and the cost incurred by placing prime brokerage trades in client accounts.

Based upon an evaluation of some or all of these factors, Blue Oak Capital may execute client trades through broker-dealers that charge fees that are higher than the lowest available fees. Blue Oak Capital may select broker-dealers whose fees may be greater than those charged for similar investments if Blue Oak Capital determines that brokerage services and research materials provided by that broker-dealer warrant the payment of higher fees.

Blue Oak Capital reviews transaction results periodically to determine the quality of execution provided by the various broker-dealers through whom Blue Oak Capital may execute transactions on behalf of clients.

Blue Oak Capital does not have any affiliation with product sales firms.

## **Soft Dollars**

Blue Oak is not a party to formal agreements whereby, in exchange for directing commissionable trades to a broker-dealer, it receives research or brokerage services, known as “soft dollar” services and research. “Soft dollars” refers to the use of brokerage commissions on client trades to pay for the soft dollar research or brokerage services received. Soft dollar research and services may include among others, economic and market information, portfolio strategy advice, proxy voting services, industry and company comments, technical data, recommendations, research conferences, general reports, periodical subscription fees, consultations, performance measurement data, on-line pricing, news wire charges, quotation services, computer hardware and software.

Although Blue Oak does not formally participate in soft dollar arrangements, it may receive certain services and research from Schwab by virtue of having its clients custody their assets with Schwab. In such cases, it is the Firm's policy is to limit its use of Schwab provided research and brokerage services, if any, to those falling within the safe harbor of Section 28(e) of the Securities and Exchange Act of 1934, as amended. Only *bona fide* research and brokerage products and services that provide assistance to the Firm in the performance of its investment decision-making responsibilities are permitted.

The Firm may, on occasion, be the recipient of unsolicited discounts on software and other services. The discounts are generally offered to all firms who fit a common profile and Blue Oak is not offered such discounts because of a particular event or request. Such discounts are accepted with the intent to benefit all clients and the value of these discounts is not considered in the process of selecting securities to purchase for client accounts. The Firm routinely reviews the amount and nature of the research products and services provided by brokers.

### **Order Aggregation**

Blue Oak Capital may aggregate securities sale and purchase orders for clients with similar offers being made contemporaneously for other accounts managed by Blue Oak Capital. In such event the average price of all securities purchased or sold in such transactions may be determined and a client may be charged or credited, as the case may be, the average transaction price. When Blue Oak Capital is unable to purchase or sell the full amount of a security that it believes is appropriate for all of its clients, Blue Oak Capital will allocate such purchases and sales among its clients over time in a manner that it believes is fair to all of its clients.

Most trades are mutual funds or exchange-traded funds where trade aggregation does not garner any client benefit.

### **Allocation of Investment Opportunities**

Because we manage more than one client account, there may be a conflict of interest related to the allocation of investment opportunities among all accounts managed by the Firm. We attempt to resolve all such conflicts in a manner that is generally fair to all of clients over time. We may give advice and take action with respect to any of our clients that may differ from advice given or the timing or nature of action taken with respect to any other client based upon individual client circumstances. It is our policy, to the greatest extent practicable, to allocate investment opportunities over a period of time on a fair and equitable basis relative to all clients. The Firm is not obligated to acquire for any client account any security that the Firm or its owners, officers, employees or affiliated persons may acquire for their own accounts or for the account of any other client, if in the discretion of the portfolio managers, based upon the client's financial condition and investment objectives and guidelines, it is not practical or desirable to acquire a position in such security for that account.

## **Item 13: Review of Accounts**

### **Periodic Reviews**

Account reviews are performed quarterly. Account reviews are performed more frequently when market conditions dictate.

### **Review Triggers**

Other conditions that may trigger a review are changes in the tax laws, new investment information, and changes in a client's own situation.

### **Regular Reports**

Account reviewers are instructed to consider the client's current security positions and the likelihood that the performance of each security will contribute to the investment objectives of the client.

Clients receive periodic communications on at least a quarterly basis. Advisory Service Agreement clients receive quarterly updates. The updates include a portfolio appraisal, performance, and fees charged.

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

Although it has been fortunate to receive many client referrals over the years from current clients, estate planning attorneys, accountants, personal friends, and other similar sources, Blue Oak Capital does not compensate referring parties for referring clients to the Firm. Moreover, Blue Oak Capital does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

## **Item 15: Custody**

Blue Oak Capital does not maintain physical custody of client funds or securities. Clients are required to set up their investment accounts with a “qualified custodian,” namely a broker dealer, bank or trust company. Blue Oak Capital is unable to take even temporary possession of client assets for the purpose of transferring them to the client’s account. Each client has a direct relationship with their custodian and is responsible for making deposits to and withdrawals from their account as necessary.

### **Disclosures Related to Custodians**

Schwab acts as custodian and the primary executing broker-dealer for Blue Oak Capital clients. Schwab is independently owned and operated and not affiliated with Blue Oak Capital and does not supervise or otherwise monitor our investment management services to our clients.

For Blue Oak Capital client accounts maintained in its custody, Schwab generally does not charge separately for custody but is compensated by account holders through commissions or other transaction-related fees for securities trades that are executed through Schwab or that settle into client accounts that are held with Schwab.



Schwab sends account statements directly to the client (or to an independent third party representative designated by the client), no less than monthly, showing all funds and securities held, their current value and all transactions executed in the client's account, including the payment to Blue Oak Capital of its investment management fees. Clients are advised to review these statements routinely and to compare them to the client account reports prepared by the Firm.

## **Item 16: Investment Discretion**

### **Discretionary Authority for Trading**

Clients appoint Blue Oak Capital as their investment advisor and grant full trading and investment authority over their assets at the time they establish their investment accounts. Subject to the Firm's investment strategy and the client's investment objectives, our portfolio managers are given full discretion to determine:

- Types of investments;
- Which securities to buy;
- Which securities to sell;
- The timing of any buys or sells;
- The amount of securities to buy or sell;
- The broker-dealer to be used in the transaction; and, where appropriate
- The selection of third-party managers to manage fixed income portions of client portfolios.

This discretion may be limited by client investment guidelines and by any investment restrictions set by the client. Where possible, the Firm will attempt to negotiate the commission rates at which transactions for client accounts are effected, with the objective of attaining the most favorable price and market execution for each transaction.

A limited power of attorney is a trading authorization for this purpose.

## **Item 17: Voting Client Securities and Shareholder Actions**

Blue Oak Capital does not vote proxies of securities held in client accounts. Custodians are directed to mail proxy material directly to your mailing address, and simultaneously send informational copies of notices to Blue Oak Capital.

Unless Blue Oak Capital otherwise agrees in writing, Blue Oak Capital will not have any duty or obligation to advise or take any action on behalf of Client in any legal proceedings, including bankruptcies or class actions, involving securities held in or formerly held in Client's account or the issuers of those securities. When such proceedings appear to be of significant size, Blue Oak Capital may choose to assist its clients in filling a claim. However, in providing this assistance, Blue Oak Capital assumes no obligation to provide such assistance on any other proceedings. If assisting with class action paperwork, Blue Oak Capital is performing an administrative function

that should not be misunderstood as legal advice. Clients are required to confer with their own outside legal counsel as to the merits of the filing the documents.

## **Item 18: Financial Information**

### **Financial Condition**

Blue Oak Capital does not have any financial impairment that will preclude the Firm from meeting contractual commitments to clients.

Blue Oak Capital does not serve as a custodian for client funds or securities, and does not require prepayment of fees of more than \$1,200 per client, and six months or more in advance.

## **Business Continuity Plan**

**General** - Blue Oak Capital has a Business Continuity Plan in place that provides detailed steps to mitigate and recover from the loss of office space, communications, services or key people.

**Disasters** - The Business Continuity Plan covers natural and man-made disasters. Electronic files are maintained on remote servers.

**Alternate Offices** - An alternate office has been identified to support ongoing operations in the event the main office is unavailable. It is our intention to contact all clients within five days of a disaster that dictates moving our office to an alternate location.

**Information Security Program** - Blue Oak Capital maintains an information security program to reduce the risk that your personal and confidential information may be breached.



## **Brochure Supplement**

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

Blue Oak Capital, LLC  
3000 Sand Hill Road, Bldg. 1/205  
Menlo Park, CA 94025

Phone  
650-251-9595

Fax  
650-251-9596

Website  
<https://www.blueoak.net>

This brochure supplement provides information about Thomas A. Baker, Loren W. Walden, and Matthew B. Kenaston that supplements the Blue Oak Capital, LLC brochure. You should have received a copy of that brochure. If you have questions about the contents of this Brochure or the Firm's Brochure Supplement, please contact the Firm's Chief Compliance Officer, Loren W. Walden at telephone: (650) 251-9595, or by email: [loren@blueoak.net](mailto:loren@blueoak.net). 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 Thomas A. Baker, Loren W. Walden, and Matthew B. Kenaston is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Education and Business Standards**

Blue Oak Capital requires a college degree, or its equivalent, and a minimum of five years related securities industry experience of those persons providing other than clerical or ministerial services to its investment advisory clients.

## **Firm Personnel**

### **Thomas A. Baker, CFA, J.D., MBA**

Born: 1964

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

### **Educational Background:**

University of Michigan, BA; 1986  
Santa Clara University, J.D. /MBA; 1992

### **Business Experience:**

Blue Oak Capital, LLC; 1999-Present; Member  
Baker Investment Partners; 1997-1999; Member  
Bingham, Osborn & Scarborough; 1994-1997; Portfolio Manager  
Arthur Andersen & Co.; 1992-1994; Tax Accountant

### **Memberships:**

California State Bar Association  
Chartered Financial Analyst

## **Item 3. Disciplinary Information:**

None.

## **Item 4. Other Business Activities:**

None.

## **Item 5. Additional Compensation:**

None.

## **Item 6. Supervision:**

All Firm personnel are supervised by the Firm's senior management and the Chief Compliance Officer.

**Loren W. Walden, CFA**

Born: 1967

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

Educational Background:

Menlo College; BA; 1990

Business Experience:

Blue Oak Capital, LLC; 1999-Present; Member and Chief Compliance Officer  
BTR Capital Management, Inc.; 1994-1999; Principal; Portfolio Manager and Analyst  
Brookside Capital, Inc.; 1991-1994; Research Associate and Portfolio Administrator

Memberships:

Chartered Financial Analyst

**Item 3. Disciplinary Information:**

None.

**Item 4. Other Business Activities:**

Mr. Walden is a Professor of Ethics and Professional Responsibility for the University of San Francisco.

**Item 5. Additional Compensation:**

University of San Francisco salary: \$10,000

**Item 6. Supervision:**

All Firm personnel are supervised by the Firm's senior management and the Chief Compliance Officer.

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**Matthew B. Kenaston, AAMS**

Born: 1974

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

Educational Background:

Indiana University; BA; 1996

University of San Francisco; MS; 2007

**Business Experience:**

Blue Oak Capital, LLC; 2009-Present; Member  
A.M. Wealth Management, LLC; 2005-2009; Portfolio Manager  
Wells Fargo & Co.; 2003-2005; Associate  
Morgan Stanley & Co.; 2001-2003; Associate  
Goldman Sachs & Co.; 1999-2001; Analyst  
J.P. Morgan & Co.; 1996-1999; Analyst

**Item 3. Disciplinary Information:**

None

**Item 4. Other Business Activities:**

None

**Item 5. Additional Compensation:**

None

**Item 6. Supervision:**

All Firm personnel are supervised by the Firm's senior management and the Chief Compliance Officer.

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**Professional Certifications**

Employees have earned certifications and credentials that are required to be explained in further detail.

Chartered Financial Analyst (CFA): Chartered Financial Analysts are licensed by the CFA Institute to use the CFA mark. CFA certification requirements:

- Hold a bachelor's degree from an accredited institution or have equivalent education or work experience.
- Successful completion of all three exam levels of the CFA Program.
- Have 48 months of acceptable professional work experience in the investment decision-making process.
- Fulfill society requirements, which vary by society. Unless you are upgrading from affiliate membership, all societies require two sponsor statements as part of each application; these are submitted online by your sponsors.
- Agree to adhere to and sign the Member's Agreement, a Professional Conduct Statement, and any additional documentation requested by CFA Institute.

Accredited Asset Management Specialists (AAMS): are licensed by the CFP Board to use the AAMS mark. AAMS certification requirements;

- Completion of the educational requirements set by the CFP Board.
- Successful completion of the AAMS certification examination.
- Completion of continuing education requirements.