

Arbor Capital Management, Inc.

Firm Brochure

This brochure provides information about the qualifications and business practices of Arbor Capital Management, Inc. If you have any questions about the contents of this brochure, please contact us at (907) 222-7581 or by email at: MKOLESKY@ACMINC.COM. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Arbor Capital Management, Inc. is also available on the SEC's website at www.adviserinfo.sec.gov. Arbor Capital Management, Inc.'s CRD number is: 111362

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

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Item 2: Material Changes

There have been no material changes to our company or this document since its last annual update.

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Item 4: Advisory Business

A. Description of the Advisory Firm

This firm has been in business since November of 1997, and the principal owners are Matthew Blair Kolesky and Ty Schommer.

B. Types of Advisory Services

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

Investment Supervisory Services

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

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

ACM evaluates the current investments of each client with respect to their risk tolerance levels and time horizon. ACM will request discretionary authority from clients in order to select securities and execute transactions without permission from the client prior to each transaction. Risk tolerance levels are documented in the Investment Policy Statement, which is given to each client.

Financial Consulting Services

Financial Consulting involves accumulating and organizing information about your current and desired financial status and identifying your specific goals and objectives. This will be accomplished through interviews and the completion of a data-gathering questionnaire. Takeaways may include recommendations of asset allocation and specific security selection as well as cash flow models. Financial Consulting does not include legal or tax advice, nor does it grant us discretionary power over your financial accounts

Services Limited to Specific Types of Investments

ACM limits its money management to mutual funds, equities, bonds, fixed income, debt securities, ETFs, real estate, third party money managers, REITs, and government

securities. ACM may use other securities as well to help diversify a portfolio when applicable.

C. Client Tailored Services and Client Imposed Restrictions

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

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

E. Amounts Under Management

ACM has approximately the following assets under management:

Discretionary Amounts:	Non-discretionary Amounts:	Date Calculated:
\$145,000,000	\$3,000,000	03/13/2018

Item 5: Fees and Compensation

A. Fee Schedule

Investment Supervisory Services Fees

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

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

Hourly Fees

We may perform services for you where the price of the service is based upon the amount of time to complete the service times an hourly rate. The time is rounded to the tenth of an hour. The rate per hour depends upon the level of complexity of the service and experience and expertise of the personnel used to do the work. This negotiable rate would normally not exceed \$250 per hour. The tasks and services to be performed are described in an engagement letter that is signed by you and ACM that also includes the hourly rate, an estimate of time to complete the project, and the procedure for refund or partial billing if the engagement is terminated before completion. If the engagement is terminated before completion any completed work product deliverables will be provided if completed and paid for.

B. Payment of Fees

Payment of Investment Supervisory Fees

Advisory fees are withdrawn directly from the client's accounts with client written authorization. Fees are paid quarterly in advance.

Advisory fees may be invoiced and billed directly to the client with payments due within thirty days of quarter end. Clients may select the method in which they are billed.

C. Clients Are Responsible For Third Party Fees

Clients are responsible for the payment of all third party fees (i.e. custodian fees, mutual fund fees, transaction fees, etc.). Those fees are separate and distinct from the fees and expenses charged by ACM. Please see Item 12 of this brochure regarding broker/custodian.

D. Prepayment of Fees

ACM collects fees in advance and in arrears. Fees that are collected in advance will be refunded based on the prorated amount of work completed at the point of termination and the total days during the billing period. Fees will be deposited back into client's account within fourteen days.

E. Outside Compensation For the Sale of Securities to Clients

Neither ACM nor its supervised persons accept any compensation for the sale of securities or other investment products, including asset-based sales charges or services fees from the sale of mutual funds.

BriteLine Line of Credit Accounts

Arbor Capital Management, Inc. has entered in an agreement with Supernova Lending, LLC ("Supernova") to provide Arbor clients with the ability to pledge up to fifty percent (50%) of their taxable portfolio as collateral ("Collateral Account") to obtain a line of credit account (the "Line").

The annual compensation earned by Arbor Capital Management is 0.25% of the value of your Line paid on a monthly basis. The 0.25% fee paid to Arbor Capital Management is paid by Supernova Lending. Arbor Capital's compensation will fluctuate with the outstanding balance on your BriteLine Line of credit. The interest charged on your line of credit is separate from and in addition to Arbor Capital Management's investment advisory fee.

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

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

Item 7: Types of Clients

ACM generally provides management supervisory services to the following Types of Clients:

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

Minimum Account Size

We do not currently impose a minimum account size on new or existing client accounts.

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

A. Methods of Analysis and Investment Strategies

Methods of Analysis

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

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

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

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

Investment Strategies

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

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

B. Material Risks Involved

Methods of Analysis

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

Technical analysis attempts to predict a future stock price or direction based on market trends. The assumption is that the market follows discernible patterns and if these patterns can be identified then a prediction can be made. The risk is that markets do not always follow patterns and relying solely on this method may not work long term.

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

Investment Strategies

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

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

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

C. Risks of Specific Securities Utilized

ACM generally seeks investment strategies that do not involve significant or unusual risk beyond that of the general domestic and/or international equity markets. However, it will utilize margin transactions and options writing. Margin transactions and options writing generally hold greater risk of capital loss and clients should be aware that there is a chance of material risk of loss using any of those strategies.

Past performance is not a guarantee of future returns. Investing in securities involves a risk of loss that you, as a client, should be prepared to bear.

Item 9: Disciplinary Information

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

Item 10: Other Financial Industry Activities and Affiliations

A. Registration as a Broker/Dealer or Broker/Dealer Representative

Neither ACM nor its representatives are registered as a broker/dealer or as representatives of a broker/dealer.

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

Neither ACM nor its representatives are registered as a FCM, CPO, or CTA.

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

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

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

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

Matthew Kolesky has written a book about soccer in the United States titled *When America Wins the World Cup: Shifting the sports culture*. The book did not and is not expected to consume any of his time during business hours.

BriteLine Line of Credit Accounts

Arbor Capital Management, Inc. (Arbor) has entered in an agreement with Supernova Lending, LLC ("Supernova") to provide Arbor clients with the ability to pledge up to fifty percent (50%) of their taxable portfolio as collateral ("Collateral Account") to obtain a line of credit account (the "Line"). Supernova has also entered into agreements with lending institutions ("Lender") who fund the Line. Supernova is the servicer of the Line on behalf of Lender. If you decide to enter into a loan arrangement with Lender, you should carefully consider the following:

- You are borrowing money that will have to be repaid to Lender, via Supernova as servicer;
- You will be charged an interest rate on the principal balance of the Line that is subject to change;
- You can lose more funds than are held in the Collateral Account(s) and will be liable for any deficiency;
- If the value of your Line of credit exceeds 50% of the value of your Collateral Account, Lender can force the sale or other liquidations of any securities or other investment property in the Collateral Account(s), they do not need to contact you first, and you are not entitled to choose which of your securities in your Collateral Account are liquidated or sold;
- You are only entitled to draw on the Line to the extent there is credit availability and provided that your Collateral Account(s) meets Lender's collateral maintenance requirements at the time you make a draw request;
- There may be risks and benefits in pledging certain types of investment assets to secure your Line. For example, deposit accounts, money funds, and similar investments ("cash equivalents") may produce less interest income or other yield than the interest rate you are paying on your Line; and
- Arbor Capital Management, Supernova, and Lender have a financial incentive to recommend that you borrow funds secured by your Collateral Account. This financial incentive creates a conflict of interest in connection with your decision to obtain a Line, insofar as they and their affiliates earn compensation in connection with your Line. This compensation creates a financial incentive to give a recommendation based upon their compensation rather than your best interests.
- The annual compensation earned by Arbor Capital Management is 0.25% of the value of your Line paid on a monthly basis. The 0.25% fee paid to Arbor Capital Management is paid by Supernova Lending. Arbor Capital's compensation will fluctuate with the outstanding balance on your BriteLine Line of credit. The interest charged on your line of credit is separate from and in addition to Arbor Capital Management's investment advisory fee.

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

A. Code of Ethics

We have a written Code of Ethics that covers the following areas: Prohibited Purchases and Sales, Insider Trading, Personal Securities Transactions, Exempted Transactions, Prohibited Activities, Conflicts of Interest, Gifts and Entertainment, Confidentiality, Service on a Board of Directors, Compliance Procedures, Compliance with Laws and Regulations, Procedures and Reporting, Certification of Compliance, Reporting Violations, Compliance Officer Duties, Training and Education, Recordkeeping, Annual Review, and Sanctions. Clients may request a copy of our Code of Ethics from management.

B. Recommendations Involving Material Financial Interests

ACM does not recommend that clients buy or sell any security in which a related person to ACM has a material financial interest.

C. Investing Personal Money in the Same Securities as Clients

From time to time, representatives of ACM may buy or sell securities for themselves that they also recommend to clients. ACM will always document any transactions that could be construed as conflicts of interest and will always transact client business before their own when similar securities are being bought or sold.

D. Trading Securities At/Around the Same Time as Clients' Securities

From time to time, representatives of ACM may buy or sell securities for themselves at or around the same time as clients. ACM will always act in the best interest of the client. ACM must purchase with client block transaction or be one trading day away from client transaction.

Item 12: Brokerage Practices

A. Factors Used to Select Custodians and/or Broker/Dealers

ACM may recommend that clients establish brokerage accounts with the Schwab Advisor Services division of Charles Schwab & Co., Inc. (Schwab), a FINRA registered broker dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although ACM may recommend that clients establish accounts at Schwab, it is the client's decision to custody assets with Schwab. ACM is independently owned and operated and not affiliated with Schwab. Schwab provides ACM 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 total of at least \$10 million of the advisor's clients' assets are maintained in accounts at Schwab Advisor Services. These services are contingent upon ACM 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.

1. Research and Other Soft-Dollar Benefits

ACM receives a reduced fee, admissions to Charles Schwab's annual fall "Impact" conferences. ACM receives no other research, product, or service other than

execution from a broker-dealer or third-party in connection with client securities transactions ("soft dollar benefits").

2. *Brokerage for Client Referrals*

For ACM client accounts maintained in its custody, Schwab generally does not charge separately for custody services but is compensated by account holders through commissions and other transaction-related or asset-based fees for securities trades that are executed through Schwab or that settle into Schwab accounts.

Schwab Advisor Services also makes available to ACM other products and services that benefit ACM 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 ACM's accounts, including accounts not maintained at Schwab.

Schwab's products and services that assist ACM 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 ACM'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 ACM manage and further develop its business enterprise. These services may include: (i) compliance, legal and business consulting; (ii) publications and conferences on practice management that may include a discount on these services 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 ACM. 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 ACM. Schwab Advisor Services may also provide other benefits such as educational events or occasional business entertainment of personnel. In evaluating whether to recommend or require that clients custody their assets at Schwab, ACM 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 on the nature, cost or quality of custody and brokerage services provided by Schwab, which may create a potential conflict of interest.

3. *Clients Directing Which Broker/Dealer/Custodian to Use*

ACM allows clients to direct brokerage. ACM may be unable to achieve most favorable execution of client transactions if clients choose to direct brokerage. This may cost clients money because without the ability to direct brokerage ACM may not be able to aggregate orders to reduce transactions costs resulting in higher brokerage commissions and less favorable prices.

B. Aggregating (Block) Trading for Multiple Client Accounts

ACM maintains the ability to block trade purchases across accounts. While block trading may benefit clients by purchasing larger blocks in groups, we do not feel that the clients are at a disadvantage due to the best execution practices of our custodian.

Item 13: Reviews of Accounts

A. Frequency and Nature of Periodic Reviews and Who Makes Those Reviews

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

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

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

C. Content and Frequency of Regular Reports Provided to Clients

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

Item 14: Client Referrals and Other Compensation

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

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

B. Compensation to Non -Advisory Personnel for Client Referrals

Arbor receives client referrals from Charles Schwab & Co., Inc. ("Schwab") through Arbor's participation in Schwab Advisor Network® ("the Service"). The Service is designed to help

investors find an independent investment advisor. Schwab is a broker-dealer independent of and unaffiliated with Arbor. Schwab does not supervise Arbor and has no responsibility for Arbor's management of clients' portfolios or Arbor's other advice or services. Arbor pays Schwab fees to receive client referrals through the Service. Arbor's participation in the Service may raise potential conflicts of interest described below.

Arbor pays Schwab a Participation Fee on all referred clients' accounts that are maintained in custody at Schwab and a Non-Schwab Custody Fee on all accounts that are maintained at, or transferred to, another custodian. The Participation Fee paid by Arbor is a percentage of the fees the client owes or a percentage of the value of the assets in the client's account, subject to a minimum Participation Fee. Arbor pays Schwab the Participation Fee for so long as the referred client's account remains in custody at Schwab. The Participation Fee is billed to Arbor quarterly and may be increased, decreased or waived by Schwab from time to time. The Participation Fee is paid by Arbor and not by the client. Arbor has agreed not to charge clients referred through the Service fees or costs greater than the fees or costs Arbor charges clients with similar portfolios who were not referred through the Service.

Arbor generally pays Schwab a Non-Schwab Custody Fee if custody of a referred client's account is not maintained by, or assets in the account are transferred from Schwab. This Fee does not apply if the client was solely responsible for the decision not to maintain custody at Schwab. The Non-Schwab Custody Fee is a one-time payment equal to a percentage of the assets placed with a custodian other than Schwab. The Non-Schwab Custody Fee is higher than the Participation Fees Arbor generally would pay in a single year. Thus, Arbor will have an incentive to recommend that client accounts be held in custody at Schwab.

The Participation and Non-Schwab Custody Fees will be based on assets in accounts of Arbor's clients who were referred by Schwab and those referred clients' family members living in the same household. Thus, Arbor will have incentives to encourage household members of clients referred through the Service to maintain custody of their accounts and execute transactions at Schwab and to instruct Schwab to debit Arbor's fees directly from the accounts.

For accounts of Arbor's clients maintained in custody at Schwab, Schwab will not charge the client separately for custody but will receive compensation from Arbor's clients in the form of commissions or other transaction-related compensation on securities trades executed through Schwab. Schwab also will receive a fee (generally lower than the applicable commission on trades it executes) for clearance and settlement of trades executed through broker-dealers other than Schwab. Schwab's fees for trades executed at other broker-dealers are in addition to the other broker-dealer's fees. Thus, Arbor may have an incentive to cause trades to be executed through Schwab rather than another

broker-dealer. Arbor nevertheless, acknowledges its duty to seek best execution of trades for client accounts. Trades for client accounts held in custody at Schwab may be executed through a different broker-dealer than trades for Arbor's other clients. Thus, trades for accounts custodied at Schwab may be executed at different times and different prices than trades for other accounts that are executed at other broker-dealers. For this reason, Arbor has all clients fill out a Prime Broker form in case we can get a better fill or obtain securities not offered through Schwab.

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

Item 15: Custody

ACM does not take custody of client accounts at any time. Custody of client's accounts is held primarily at the Custodian. Clients will receive account statements from the custodian and should carefully review those statements. ACM urges clients to compare the account statements they receive from the custodian with those they received from ACM.

Item 16: Investment Discretion

For those client accounts where ACM provides ongoing supervision, ACM maintains limited power of authority over client accounts with respect to securities to be bought and sold and amount of securities to be bought and sold. All buying and selling of securities is explained to clients in detail before an advisory relationship has commenced.

Item 17: Voting Client Securities (Proxy Voting)

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

Item 18: Financial Information

A. Balance Sheet

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

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

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

C. Bankruptcy Petitions in Previous Ten Years

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