

Form ADV Part 2A: Disclosure Brochure



160 Chesterfield Drive, Suite 102

Cardiff by the Sea, CA 92007

Phone: (858) 397-5542

E-mail: wblanton@vintagewestcm.com

Website: www.vintagewestcm.com

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This brochure provides information about the qualifications and business practices of Vintage West Capital Management, LLC (hereinafter "Vintage West Capital Management" or the "Firm"). If you have any questions about the contents of this brochure, please contact the Firm at the telephone number listed above. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (SEC) or by any state securities authority. Additional information about the Firm is available on the SEC's website at www.adviserinfo.sec.gov. Vintage West Capital Management is an SEC registered investment adviser. Registration does not imply any level of skill or training.

ITEM 2 - MATERIAL CHANGES

In this Item, Vintage West Capital Management is required to discuss any material changes that have been made to the brochure since the last annual amendment. While certain information has been updated, the Firm has not made any material changes to the content of the brochure.



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ITEM 4 - ADVISORY BUSINESS

Vintage West Capital Management offers a variety of advisory services, which include financial planning, pension consulting and investment management services. Prior to the rendering of any of the foregoing advisory services, clients are required to enter into one or more written agreements with Vintage West Capital Management setting forth the relevant terms and conditions of the advisory relationship (the “Agreement”).

Vintage West Capital Management has been an independent registered investment adviser since January 2014 and is principally owned by William Blanton. As of September 2018, Vintage West Capital Management had \$282,680,976 assets under management, \$154,978,241 of which was managed on a discretionary basis and \$127,702,735 of which was managed on a non-discretionary basis.

While this brochure generally describes the business of Vintage West Capital Management, certain sections also discuss the activities of its *Supervised Persons*, which refer to the Firm’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), employees or any other person who provides investment advice on Vintage West Capital Management’s behalf and is subject to the Firm’s supervision or control.

FINANCIAL PLANNING SERVICES

Vintage West Capital Management offers clients a range of financial planning and consulting services, including, but not limited to, the following functions:

- Business Planning
- Cash Flow Forecasting
- Asset Allocation
- Retirement Planning
- Estate Planning
- Financial Reporting
- Investment Consulting
- Insurance Needs Analysis
- Retirement Plan Analysis
- Risk Management

Typically, these services will be rendered in conjunction with investment portfolio management as part of a comprehensive wealth management engagement (as described below). In performing these services, Vintage West Capital Management is not required to verify any information received from the client or from the client’s other professionals (e.g., attorneys, accountants, etc.) and is expressly authorized to rely on such information.

Vintage West Capital Management may recommend the services of itself, its *Supervised Persons* in their individual capacities as insurance agents or registered representatives of a broker-dealer and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if clients engage Vintage West Capital Management to provide additional fee-based services. Clients retain absolute discretion over all decisions regarding implementation and are under no obligation to act upon any of the recommendations made by Vintage West Capital Management under a financial planning engagement or to engage the services of any such recommended professionals, including Vintage West Capital Management itself. Clients are advised that it remains their responsibility to promptly notify the Firm of any change in their financial situation or investment objectives for the purpose of reviewing, evaluating or revising Vintage West Capital Management’s previous recommendations and/or services.

RETIREMENT PLAN CONSULTING SERVICES

Vintage West Capital Management provides various consulting services to qualified employee benefit plans and their fiduciaries. This suite of institutional services is designed to assist plan sponsors in structuring, managing and

optimizing their corporate retirement plans. Each engagement is individually negotiated and customized, including, but not limited to, the following services:

- Plan Design and Strategy
- Plan Review and Evaluation
- Executive Planning and Benefits
- Investment Management and Review
- Plan Fee and Cost Analysis
- Retirement Plan Committee Consultation
- Fiduciary and Compliance
- Legacy Plan Services

As disclosed in the *Agreement*, certain of the foregoing services are provided by Vintage West Capital Management as a fiduciary under the Employee Retirement Income Security Act of 1974, as amended (“ERISA”). In accordance with ERISA Section 408(b)(2), each plan sponsor is provided with a written description of Vintage West Capital Management’s fiduciary status, the specific services to be rendered and all direct and indirect compensation the Firm reasonably expects under the engagement.

INVESTMENT MANAGEMENT AND WEALTH MANAGEMENT SERVICES

Vintage West Capital Management manages client investment portfolios on a discretionary or non-discretionary basis. In addition, Vintage West Capital Management may provide clients with wealth management services which generally include a broad range of comprehensive financial planning services.

Vintage West Capital Management primarily allocates client assets among various mutual funds, exchange-traded funds (“ETFs”), individual debt and equity securities and independent investment managers (“*Independent Managers*”), in accordance with the investment objectives of its individual clients. In addition, Vintage West Capital Management may also recommend that clients who qualify as accredited investors, as defined by Rule 501 of the Securities Act of 1933, invest in privately placed securities, which may include debt, equity and/or interests in pooled investment vehicles (e.g., hedge funds). Where appropriate, the Firm may also provide advice about any type of legacy position or other investment held in client portfolios.

Clients may also engage Vintage West Capital Management to advise on certain investment products that are not maintained at their primary custodian, such as variable life insurance, the securities components of annuity contracts and assets held in employer sponsored retirement plans and qualified tuition plans (i.e., 529 plans). In these situations, Vintage West Capital Management directs or recommends the allocation of client assets among the various investment options available with the product. These assets are generally maintained at the underwriting insurance company or the custodian designated by the product’s provider.

Vintage West Capital Management tailors its advisory services to meet the needs of its individual clients and continuously seeks to ensure that client portfolios are managed in a manner consistent with their specific investment profiles. Vintage West Capital Management consults with clients on an initial and ongoing basis to determine their specific risk tolerance, time horizon, liquidity constraints and other qualitative factors relevant to the management of their portfolios. Clients are advised to promptly notify Vintage West Capital Management if there are changes in their financial situation or if they wish to place any limitations on the management of their portfolios. Clients may impose reasonable restrictions or mandates on the management of their accounts if Vintage West Capital Management determines, in its sole discretion, the conditions would not materially impact the performance of a management strategy or prove overly burdensome to the Firm’s management efforts.

SPONSOR / MANAGER OF WRAP PROGRAM

Vintage West Capital Management is the sponsor and manager of the Vintage West Capital Management Wrap Fee Program (the “*Program*”), a wrap fee program (i.e., an arrangement where brokerage commissions and transaction costs are absorbed by the Firm). Accounts managed through the *Program* are done so in substantially

the same manner as those managed under a non-wrap arrangement. Participants in the *Program* may pay a higher aggregate fee than if investment management and brokerage services are purchased separately. Additional information about the *Program* is available in Vintage West Capital Management's Wrap Brochure, which appears as Part 2A Appendix I of the Firm's Form ADV.

USE OF INDEPENDENT MANAGERS

As mentioned above, Vintage West Capital Management may select certain *Independent Managers* to actively manage a portion of its clients' assets. The specific terms and conditions under which a client engages an *Independent Manager* are set forth in a separate written agreement between the designated *Independent Manager* and either Vintage West Capital Management or the client. In addition to this brochure, clients also receive the written disclosure documents of the designated *Independent Managers* engaged to manage their assets. Vintage West Capital Management does not receive compensation from any such *Independent Managers*.

Vintage West Capital Management evaluates various information about the *Independent Managers* it chooses to manage client portfolios, which may include the *Independent Managers*' public disclosure documents, materials supplied by the *Independent Managers* themselves and other third-party analyses it believes are reputable. To the extent possible, the Firm seeks to assess the *Independent Managers*' investment strategies, past performance and risk results in relation to its clients' individual portfolio allocations and risk exposure. Vintage West Capital Management also takes into consideration each *Independent Manager*'s management style, returns, reputation, financial strength, reporting, pricing and research capabilities, among other factors.

Vintage West Capital Management continues to provide services relative to the discretionary or non-discretionary selection of the *Independent Managers*. On an ongoing basis, the Firm monitors the performance of those accounts being managed by *Independent Managers*. Vintage West Capital Management seeks to ensure the *Independent Managers*' strategies and target allocations remain aligned with its clients' investment objectives and overall best interests.

ITEM 5 - FEES AND COMPENSATION

Vintage West Capital Management offers its services on a fee basis, namely fees based upon assets under management or advisement. Additionally, certain of Vintage West Capital Management's *Supervised Persons*, in their individual capacities, may offer insurance products under a separate commission arrangement.

FINANCIAL PLANNING FEES

If Vintage West Capital Management were to charge an additional fee to provide clients with stand-alone financial planning services, the specific terms and fee structure would be negotiated in advance and set forth in the *Agreement* with Vintage West Capital Management. Fees are determined by the scope and complexity of the agreed upon services and negotiated individually.

INVESTMENT MANAGEMENT AND WEALTH MANAGEMENT FEES

Vintage West Capital Management provides investment management services for an annual fee based on the amount of assets under the Firm's management. The fee varies up to 100 basis points (1.00%). In certain instances the Firm may charge a fixed fee for investment management and wealth management services. These fees are negotiable, but generally range from \$1,000 to \$30,000 on a fixed fee basis.

The annual fee is prorated and charged quarterly in advance, based upon the market value of the assets being managed by Vintage West Capital Management on the last day of the previous billing period.

Where fees are assessed based on assets under management, if assets in excess of \$10,000 of the existing portfolio value are deposited into or withdrawn from an account after the inception of a billing period, the fee payable with respect to such assets is adjusted to reflect the change in portfolio value. For the initial period of an engagement, the fee is calculated on a *pro rata* basis. In the event the *Agreement* is terminated, the fee for the final billing period is prorated through the effective date of the termination and the unearned portion is refunded to the client, as appropriate.

RETIREMENT PLAN CONSULTING FEES

Vintage West Capital Management generally charges as fixed project-based fee to provide clients with retirement plan consulting services. Each engagement is individually negotiated and tailored to accommodate the needs of the individual plan sponsor, as memorialized in the *Agreement*. These fees vary, based on the scope of the services to be rendered. In those situations where Vintage West Capital Management has agreed to manage a plan's assets, the Firm may also charge an annual asset-based of 50 and 100 basis points (0.50% – 1.00%), depending upon the amount of assets to be managed.

FEE DISCRETION

Vintage West Capital Management, in its sole discretion, may negotiate to charge a lesser fee based upon certain criteria, such as anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client relationship, account retention and *pro bono* activities.

USE OF MARGIN

Vintage West Capital Management may be authorized to use margin in the management of the client's investment portfolio. In these cases the fee payable will be assessed gross of margin such that the market value of the client's account and corresponding fee payable by the client to Vintage West Capital Management will be increased.

ADDITIONAL FEES AND EXPENSES

In addition to the advisory fees paid to Vintage West Capital Management, clients may also incur certain charges imposed by other third parties, such as broker-dealers, custodians, trust companies, banks and other financial institutions (collectively "*Financial Institutions*"). These additional charges may include securities brokerage commissions, transaction fees, custodial fees, fees charged by the *Independent Managers*, charges imposed directly by a mutual fund or ETF in a client's account, as disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees and other fees and taxes on brokerage accounts and securities transactions. The Firm's brokerage practices are described at length in Item 12, below.

FEE DEBIT

Clients generally provide Vintage West Capital Management with the authority to directly debit their accounts for payment of the Firm's investment advisory fees. The *Financial Institutions* that act as qualified custodian for client accounts have agreed to send statements to clients not less than quarterly detailing all account transactions, including any amounts paid to Vintage West Capital Management. Alternatively, clients may elect to have Vintage West Capital Management send them an invoice for direct payment.

ACCOUNT ADDITIONS AND WITHDRAWALS

Clients may make additions to and withdrawals from their account at any time, subject to Vintage West Capital Management's right to terminate an account. Additions may be in cash or securities provided that the Firm reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Clients may withdraw account assets on notice to Vintage West Capital Management, subject to the usual and customary securities settlement procedures. However, Vintage West Capital Management designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives. Vintage West Capital Management may consult with its clients about the options and implications of transferring securities. 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.

ITEM 6 - PERFORMANCE BASED FEES

Vintage West Capital Management does not provide any services for a performance-based fee (i.e., a fee based on a share of capital gains or capital appreciation of a client's assets).

ITEM 7 - TYPES OF CLIENTS

Vintage West Capital Management provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

NO MINIMUM ACCOUNT REQUIREMENTS

Vintage West Capital Management does not impose a stated minimum fee or minimum portfolio value for starting and maintaining an investment management relationship. Certain *Independent Managers* may, however, impose more restrictive account requirements and varying billing practices than Vintage West Capital Management. In these instances, Vintage West Capital Management may alter its corresponding account requirements and/or billing practices to accommodate those of the *Independent Managers*.

ITEM 8 - METHODS OF ANALYSIS, INVESTMENT STRATEGIES AND RISK OF LOSS

METHODS OF ANALYSIS AND INVESTMENT STRATEGIES

Vintage West Capital Management may utilize a combination of largely fundamental and technical methods of analysis. Fundamental analysis involves an evaluation of the fundamental financial condition and competitive position of a particular fund or issuer. For Vintage West Capital Management, this process typically involves an analysis of an issuer's management team, investment strategies, style drift, past performance, reputation and financial strength in relation to the asset class concentrations and risk exposures of the Firm's model asset allocations. A substantial risk in relying upon fundamental analysis is that while the overall health and position of a company may be good, evolving market conditions may negatively impact the security.

Technical analysis involves the examination of past market data rather than specific issuer information in determining the recommendations made to clients. Technical analysis may involve the use of mathematical based indicators and charts, such as moving averages and price correlations, to identify market patterns and trends which may be based on investor sentiment rather than the fundamentals of the company. A substantial risk in

relying upon technical analysis is that spotting historical trends may not help to predict such trends in the future. Even if the trend will eventually reoccur, there is no guarantee that Vintage West Capital Management will be able to accurately predict such a reoccurrence.

RISKS OF LOSS

General Risk of Loss

Investing in securities involves the risk of loss. Clients should be prepared to bear potential losses.

Market Risks

The profitability of a significant portion of Vintage West Capital Management's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Vintage West Capital Management will be able to predict those price movements accurately.

Mutual Funds and ETFs

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual fund and ETF shareholders are necessarily subject to the risks stemming from the individual issuers of the fund's underlying portfolio securities. Such shareholders are also liable for taxes on any fund-level capital gains, as mutual funds and ETFs are required by law to distribute capital gains in the event they sell securities for a profit that cannot be offset by a corresponding loss.

Shares of mutual funds are generally distributed and redeemed on an ongoing basis by the fund itself or a broker acting on its behalf. The trading price at which a share is transacted is equal to a fund's stated daily per share net asset value ("NAV"), plus any shareholders fees (e.g., sales loads, purchase fees, redemption fees). The per share NAV of a mutual fund is calculated at the end of each business day, although the actual NAV fluctuates with intraday changes to the market value of the fund's holdings. The trading prices of a mutual fund's shares may differ significantly from the NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's shares trading at a premium or discount to actual NAV.

Shares of ETFs are listed on securities exchanges and transacted at negotiated prices in the secondary market. Generally, ETF shares trade at or near their most recent NAV, which is generally calculated at least once daily for indexed based ETFs and more frequently for actively managed ETFs. However, certain inefficiencies may cause the shares to trade at a premium or discount to their *pro rata* NAV. There is also no guarantee that an active secondary market for such shares will develop or continue to exist. Generally, an ETF only redeems shares when aggregated as creation units (usually 20,000 shares or more). Therefore, if a liquid secondary market ceases to exist for shares of a particular ETF, a shareholder may have no way to dispose of such shares.

Use of Independent Managers

Vintage West Capital Management may recommend the use of Independent Managers. In these situations, Vintage West Capital Management continues to do ongoing due diligence of such managers, but such recommendations rely to a great extent on the Independent Managers' ability to successfully implement their investment strategies. In addition, Vintage West Capital Management generally may not have the ability to supervise the Independent

Use of Margin

The market value of the client's account will be determined gross of margin and the corresponding fee payable by the client will be increased by the use of margin. As a result, in addition to understanding and assuming the additional principal risks associated with the use of margin, clients authorizing margin are advised of the potential conflict of interest whereby the client's decision to employ margin shall correspondingly increase the management

fee payable to Vintage West Capital Management. Accordingly, the decision as to whether to employ margin is left totally to the discretion of client.

While the use of margin borrowing can substantially improve returns, it may also increase overall portfolio risk. Margin transactions are generally effected using capital borrowed from a *Financial Institution*, which is secured by a client's holdings. Under certain circumstances, a lending *Financial Institution* may demand an increase in the underlying collateral. If the client is unable to provide the additional collateral, the *Financial Institution* may liquidate account assets to satisfy the client's outstanding obligations, which could have extremely adverse consequences. In addition, fluctuations in the amount of a client's borrowings and the corresponding interest rates may have a significant effect on the profitability and stability of a client's portfolio.

Other Risks

All investing involves risks, including the permanent loss of capital. Vintage West Capital Management does not guarantee the future performance of a client's account, the success of any investment decision or strategy, the success of the overall management of an account, or the effects, if any, of future legal and regulatory changes on Vintage West Capital Management's business or the services Vintage West Capital Management provides.

In addition to the risks described above that primarily relate to the value of investments, there are various operational and systems risks involved in investing, including but not limited to "cybersecurity" risk. As the use of technology and frequency of cyber-attacks on financial services targets has become more prevalent, Vintage West Capital Management and the client accounts Vintage West Capital Management manages have become potentially more susceptible to operational risks through breaches in cybersecurity. A breach in cybersecurity refers to both intentional and unintentional events that may cause Vintage West Capital Management to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause Vintage West Capital Management and/or a client account to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. A cybersecurity breach may also result in a third party obtaining unauthorized access to Vintage West Capital Management clients' information, including social security numbers, home addresses, account numbers, account balances, and account holdings. Cybersecurity breaches may involve unauthorized access to digital information systems (e.g., through "hacking" or malicious software coding), and may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cybersecurity breaches of third-party service providers (e.g., a client's custodian) can subject an account to many of the same risks associated with direct cybersecurity breaches. Although Vintage West Capital Management has established risk management systems designed to reduce the risks associated with cybersecurity threats, there is no guarantee that such efforts will succeed, especially since Vintage West Capital Management does not directly control the cybersecurity systems third-party service providers.

ITEM 9 - DISCIPLINARY INFORMATION

Vintage West Capital Management has not been involved in any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of its management.

ITEM 10 - OTHER FINANCIAL INDUSTRY ACTIVITIES AND AFFILIATIONS

Certain of Vintage West Capital Management's *Supervised Persons*, in their individual capacities, are also licensed insurance agents. When appropriate, these *Supervised Persons*, in their individual capacities, may recommend the

purchase of certain insurance products to advisory clients on a fully-disclosed commission basis. A conflict of interest exists to the extent that Vintage West Capital Management recommends the purchase of insurance products where its *Supervised Persons* receive insurance commissions or other additional compensation. As a result Vintage West Capital Management has procedures in place to ensure that any recommendations made by such *Supervised Persons* are in the best interest of its clients.

ITEM 11 - CODE OF ETHICS

Vintage West Capital Management has adopted a code of ethics in compliance with applicable securities laws (“*Code of Ethics*”) that sets forth the standards of conduct expected of its *Supervised Persons*. Vintage West Capital Management’s *Code of Ethics* contains written policies reasonably designed to prevent certain unlawful practices such as the use of material non-public information by the Firm or any of its *Supervised Persons* and the trading by the same of securities ahead of clients in order to take advantage of pending orders.

The *Code of Ethics* also requires certain of Vintage West Capital Management’s personnel (called “*Access Persons*”) to report their personal securities holdings and transactions and obtain pre-approval of certain investments (e.g., initial public offerings, limited offerings). However, Vintage West Capital Management *Supervised Persons* are permitted to buy or sell securities that it also recommends to clients if done in a manner consistent with the Firm’s policies and procedures. This *Code of Ethics* has been established recognizing that some securities trade in sufficiently broad markets to permit transactions by *Access Persons* to be completed without any appreciable impact on the markets of such securities. Therefore, under certain limited circumstances, exceptions may be made to the policies stated below.

When the Firm is engaging in or considering a transaction in any security on behalf of a client, no *Access Person* may knowingly effect for themselves or for their immediate family (i.e., spouse, minor children and adults living in the same household as the *Access Person*) a transaction in that security unless:

- the transaction has been completed;
- the transaction for the *Access Person* is completed as part of a batch trade (as defined below in Item 12) with clients; or
- a decision has been made not to engage in the transaction for the client.

These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers’ acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Vintage West Capital Management to request a copy of its *Code of Ethics*.

ITEM 12 - BROKERAGE PRACTICES

Vintage West Capital Management generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services (“*Fidelity*”) and TD Ameritrade Institutional for investment management accounts. TD Ameritrade Institutional is a division of TD Ameritrade Inc. (“*TD Ameritrade*”), member

FINRA/SIPC/NFA, an unaffiliated SEC-registered broker-dealer and FINRA member. TD Ameritrade offers services to independent investment advisers, which include custody of securities, trade execution, clearance and settlement of transactions. Vintage West Capital Management receives some benefits from TD Ameritrade through its participation in the program.

Factors which Vintage West Capital Management considers in recommending *Fidelity*, *TD Ameritrade* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* and *TD Ameritrade* enable Vintage West Capital Management to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* and *TD Ameritrade* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Vintage West Capital Management's clients comply with the Firm's duty to seek "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Vintage West Capital Management determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates and responsiveness. Vintage West Capital Management seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Vintage West Capital Management periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Vintage West Capital Management in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution* and the Firm will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Vintage West Capital Management (as described below). As a result, the client may pay higher commissions or other transaction costs, greater spreads or may receive less favorable net prices, on transactions for the account than would otherwise be the case. Subject to its duty of best execution, Vintage West Capital Management may decline a client's request to direct brokerage if, in the Firm's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless Vintage West Capital Management decides to purchase or sell the same securities for several clients at approximately the same time. Vintage West Capital Management may (but is not obligated to) combine or "batch" such orders to seek best execution, to negotiate more favorable commission rates or to allocate equitably among Vintage West Capital Management's clients differences in prices and commissions or other transaction costs that might not have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Vintage West Capital Management's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Vintage West Capital Management determines to aggregate client orders for the purchase or sale of securities, including securities in which Vintage West Capital Management's *Supervised Persons* may invest, the Firm generally does so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Vintage West Capital Management does not receive any additional compensation or remuneration as a result of the aggregation. In the event that the Firm determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to

one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Vintage West Capital Management may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with seeking best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Vintage West Capital Management in its investment decision-making process. Such research generally will be used to service all of the Firm's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Vintage West Capital Management does not have to produce or pay for the products or services.

SOFTWARE AND SUPPORT PROVIDED BY FINANCIAL INSTITUTIONS

Vintage West Capital Management may receive from *Fidelity* and *TD Ameritrade*, without cost to Vintage West Capital Management, computer software and related systems support, which allow Vintage West Capital Management to better monitor client accounts maintained at *Fidelity* and *TD Ameritrade*. Vintage West Capital Management may receive the software and related support without cost because Vintage West Capital Management renders investment management services to clients that maintain assets at and *TD Ameritrade*. The software and support is not provided in connection with securities transactions of clients (i.e., not "soft dollars"). The software and related systems support may benefit Vintage West Capital Management, but not its clients directly. In fulfilling its duties to its clients, Vintage West Capital Management endeavors at all times to put the interests of its clients first. Clients should be aware, however, that Vintage West Capital Management's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Vintage West Capital Management's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support or services.

Additionally, Vintage West Capital Management may receive the following benefits from *Fidelity* through the Fidelity Institutional Wealth Services Group: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Institutional Wealth Services Group participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information. Clients should be aware, however, that the receipt of economic benefits by Vintage West Capital Management or its related persons in and of itself creates a conflict of interest and may indirectly influence Vintage West Capital Management's recommendation of *Fidelity* for custody and brokerage services. Finally *Fidelity* may advance certain funding in order to cover set up and initial registration costs of the Firm.

There is no direct link between Vintage West Capital Management's participation in the *TD Ameritrade* program and the investment advice it gives to its clients, although the Firm receives economic benefits through its participation in the program that are typically not available to *TD Ameritrade* retail investors. These benefits include the following products and services (provided without cost or at a discount): receipt of duplicate client statements and confirmations; research related products and tools; consulting services; access to a trading desk serving Vintage West Capital Management participants; access to block trading (which provides the ability to aggregate securities transactions for execution and then allocate the appropriate shares to Client accounts); the ability to have advisory fees deducted directly from client accounts; access to an electronic communications

network for client order entry and account information; access to mutual funds with no transaction fees and to certain institutional money managers; and discounts on compliance, marketing, research, technology, and practice management products or services provided to the Firm by third party vendors. *TD Ameritrade* may also have paid for business consulting and professional services received by Vintage West Capital Management's related persons. Some of the products and services made available by *TD Ameritrade* through the program may benefit Vintage West Capital Management but may not benefit its client accounts. These products or services may assist the Firm in managing and administering client accounts, including accounts not maintained at *TD Ameritrade*. Other services made available by *TD Ameritrade* are intended to help Vintage West Capital Management manage and further develop its business enterprise. The benefits received by the Firm or its personnel through participation in the program do not depend on the amount of brokerage transactions directed to *TD Ameritrade*. As part of its fiduciary duties to clients, Vintage West Capital Management endeavors at all times to put the interests of its clients first. Clients should be aware, however, that the receipt of economic benefits by the Firm or its related persons in and of itself creates a conflict of interest and may indirectly influence the Vintage West Capital Management's choice of *TD Ameritrade* for custody and brokerage services.

COMMISSIONS OR SALES CHARGES FOR RECOMMENDATIONS OF SECURITIES

As discussed above, certain Supervised Persons in their respective individual capacities are registered representatives of Mutual Securities, Inc. ("Mutual Securities"). These Supervised Persons are subject to FINRA Rule 3040 which restricts registered representatives from conducting securities transactions away from their broker-dealer unless Mutual Securities provides written consent. Therefore, clients are advised that certain Supervised Persons may be restricted to conducting securities transactions through Mutual Securities if they have not secured written consent from Mutual Securities to execute securities transactions through a different broker-dealer. Absent such written consent or separation from Mutual Securities, these Supervised Persons are prohibited from executing securities transactions through any broker-dealer other than Mutual Securities under its internal supervisory policies. The Firm is cognizant of its duty to seek best execution and has implemented policies and procedures reasonably designed in such pursuit.

ITEM 13 - REVIEW OF ACCOUNTS

ACCOUNT REVIEWS

For those clients to whom Vintage West Capital Management provides investment management services, Vintage West Capital Management monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least an annual basis. Such reviews are conducted by one of Vintage West Capital Management's investment adviser representatives. All investment advisory clients are encouraged to discuss their needs, goals and objectives with Vintage West Capital Management and to keep Vintage West Capital Management informed of any changes thereto. The Firm contacts ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client's financial situation and/or investment objectives.

ACCOUNT STATEMENTS AND REPORTS

Clients are provided with transaction confirmation notices and regular summary account statements directly from the *Financial Institutions* where their assets are custodied. From time-to-time or as otherwise requested, clients may also receive written or electronic reports from Vintage West Capital Management and/or an outside service provider, which contain certain account and/or market-related information, such as an inventory of account

holdings or account performance. Clients should compare the account statements they receive from their custodian with those they receive from Vintage West Capital Management or an outside service provider.

Those clients to whom Vintage West Capital Management provides financial planning services will receive reports from Vintage West Capital Management summarizing its analysis and conclusions as requested by the client or as otherwise agreed to in writing by Vintage West Capital Management.

ITEM 14 - CLIENT REFERRALS AND OTHER COMPENSATION

CLIENT REFERRALS

If a client is introduced to Vintage West Capital Management by either an unaffiliated or an affiliated solicitor, Vintage West Capital Management may pay that solicitor a referral fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Any such referral fee is paid solely from Vintage West Capital Management's investment management fee and does not result in any additional charge to the client. If the client is introduced to Vintage West Capital Management by an unaffiliated solicitor, the solicitor provides the client with a copy of Vintage West Capital Management's written disclosure brochure which meets the requirements of Rule 204-3 of the Advisers Act and a copy of the solicitor's disclosure statement containing the terms and conditions of the solicitation arrangement including compensation. Any affiliated solicitor of Vintage West Capital Management discloses the nature of his/her relationship to prospective clients at the time of the solicitation and will provide all prospective clients with a copy of Vintage West Capital Management's written disclosure brochure at the time of the solicitation.

OTHER ECONOMIC BENEFITS

In addition, Vintage West Capital Management is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 12, above.

ITEM 15 - CUSTODY

Vintage West Capital Management's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize VWCM through such *Financial Institution* to debit the client's account for the amount of Vintage West Capital Management's fee and to directly remit that management fee to Vintage West Capital Management. Clients may also sign a third-party standing letter of authorization (SLOA) or other similar asset transfer authorization. Through an SLOA, the client instructs the qualified custodian that maintains the client's account to transfer funds from time to time to a designated third party (two accounts with different named registrations) upon the future request of the adviser in accordance with the limited authority the client grants to the adviser. In both these situations, the SEC considers the investment adviser to have custody. VWCM meets the conditions the SEC has set forth that are intended to protect client assets in such situations and is therefore not subject to an annual surprise audit.

The *Financial Institutions* recommended by Vintage West Capital Management have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Vintage West Capital Management. In addition, as discussed in Item 13, Vintage West Capital Management also sends periodic supplemental reports to clients. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Vintage West Capital Management.

ITEM 16 - INVESTMENT DISCRETION

Vintage West Capital Management may be given the authority to exercise discretion on behalf of clients. Vintage West Capital Management is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Vintage West Capital Management is given this authority through a power-of-attorney included in the agreement between Vintage West Capital Management and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Vintage West Capital Management takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold;
- When transactions are made; and
- The *Independent Managers* to be hired or fired.

ITEM 17 - VOTING CLIENT SECURITIES

Vintage West Capital Management is required to disclose if it accepts authority to vote client securities. Vintage West Capital Management does not vote client securities on behalf of its clients. Clients receive proxies directly from the *Financial Institutions*.

ITEM 18 - FINANCIAL INFORMATION

Vintage West Capital Management is not required to disclose any financial information pursuant to this Item due to the following:

- The Firm does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance of services rendered;
- The Firm does not have a financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients; and
- The Firm has not been the subject of a bankruptcy petition at any time during the past ten years.

