

Item 1: Cover Page

Appendix 1 of Part 2A Wrap Fee Program Brochure

April 4, 2019

Tall Pines Capital, LLC

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This wrap fee program brochure provides information about the qualifications and business practices of Tall Pines Capital, LLC. If you have any questions about the contents of this brochure, please contact us at 630-564-1348 or cplahm@tallpinescap.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. Registration with the SEC or State Regulatory Authority does not imply a certain level of skill or expertise.

Additional information about Tall Pines Capital, LLC also available on the SEC's website at www.adviserinfo.sec.gov.

Item 2: Material Changes

This Firm Brochure is our disclosure document prepared according to regulatory requirements and rules. Since our last filing, we have the following material changes to disclose:.

- Our firm is now SEC registered.

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Item 4: Services, Fees and Compensation

A. Tall Pines Capital, LLC

Tall Pines Capital, LLC ("Tall Pines" and/or "the firm") is an Illinois limited liability company. Christopher Plahm is the firm's owner and Managing Member.

A.1. Advisory Services Offered

A.1.a. Separately Managed Account Product

The firm offers and manages a micro-capitalization product ("Tall Pines Micro Cap SMA"). The Tall Pines Micro Cap SMA follows a fundamental long biased trading strategy focused on providing long-term capital growth by investing primarily in U.S. and Canadian-based companies with market capitalizations ranging from \$10 million to \$300 million.

The portfolio manager seeks to invest in:

- small, high-growth companies with little or no institutional ownership, and limited trading liquidity
- companies with high-quality management teams whose interests are aligned with company growth and stock price appreciation
- companies with a market-leading position with potential for growth
- a concentrated portfolio consisting of 5 to 15 positions

A.2. Fees and Compensation

Tall Pines will charge a maximum fee of 2.50% per year on the principal amount of the assets managed by Tall Pines. Tall Pines generally requires a minimum account size of \$100,000 for its SMA accounts. Tall Pines, in its sole discretion, may waive the required minimum.

These fees include charges for all transaction costs such as commissions on purchase and sales of stocks, bonds, exchange-traded funds and options, trade-away fees on bonds and mutual fund transactions fees. Except as otherwise provided below, client will incur no charges other than the adviser's fee pursuant to the above fee schedule in connection with the maintenance of and activity in client's account. The wrap fee does not include mutual fund administrative and marketing fees and expenses. To the extent that securities transactions are executed away from

Schwab, then there may be commission mark-up and mark-downs that the client will pay in addition to the wrap fee.

The client authorizes the qualified custodian to automatically deduct the fee and all other charges payable hereunder from the assets in the account when due with such payments to be reflected on the next account statement sent to the client. If insufficient cash is available to pay such fees, securities in an amount equal to the balance of unpaid fees will be liquidated to pay for the unpaid balance. Tall Pines may modify the fee at any time upon 30 days' written notice to the client. In the event the client has an ERISA-governed plan, fee modifications must be approved in writing by the client.

Asset-based fees are always subject to the investment advisory agreement between the client and Tall Pines. Such fees are payable quarterly in advance. The fees will be prorated if the investment advisory relationship commences otherwise than at the beginning of a calendar month. Adjustments for significant contributions to a client's portfolio are prorated for the quarter in which the change occurs; no adjustments will be made for withdrawals.

A client investment advisory agreement may be canceled at any time by the client, or by Tall Pines with 30 days' prior written notice to the client. Upon termination, any unearned, prepaid fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

B. Disclosure of Cost Difference if Services Purchased Separately

Depending on a number of factors, such as the number, size and nature of the securities transactions in an advisory account, the overall fees and charges borne by the client over time could be more or less than what these fees and charges would be if the same services were provided on a separate basis. Bundled fees generally provide an economic incentive for the advisory firm to select investments and strategies that minimize trading costs. Frequent trading in an account where transaction fees are included as part of the overall advisory fee to the client drive trading costs higher and reduce the overall fee revenue to the advisor. As a result, higher trading costs in a bundled fee account have a negative impact on the advisory firm's profitability. Accordingly, we may have an incentive to limit our trading activities in client accounts.

C. Additional Client Fees and Terms of Payment

C.1. Client Payment of Fees

Tall Pines requires clients to authorize the direct debit of fees from their accounts. Exceptions may be granted subject to the firm's consent for clients to be billed directly for our fees. For directly debited fees, the custodian's periodic statements will show each fee deduction from the account. Clients may withdraw this authorization for direct billing of these fees at any time by notifying us or their custodian in writing.

Tall Pines will deduct its advisory fees directly from the client's account provided that

- the client provides the qualified custodian written authorization;
- an invoice is sent in advance to the client;
- the invoice shows the amount of the fee, how it was calculated, and the value of the assets on which the bill is based; and
- the qualified custodian sends the client a statement, at least quarterly, indicating all amounts disbursed from the account.

The client is responsible for verifying the accuracy of the fee calculation, as the client's custodian will not verify the calculation.

C.2. Prepayment of Client Fees

Tall Pines generally requires fees to be prepaid on a quarterly basis. Tall Pines' fees will either be paid directly by the client or disbursed to Tall Pines by the qualified custodian of the client's investment accounts, subject to prior written consent of the client. The custodian will deliver directly to the client an account statement, at least quarterly, showing all investment and transaction activity for the period, including fee disbursements from the account.

A client investment advisory agreement may be canceled at any time by the client, or by Tall Pines with 30 days' prior written notice to the client. Upon termination, any unearned, prepaid fees will be promptly refunded. The client has the right to terminate an agreement without penalty within five business days after entering into the agreement.

C.3. Additional Fees

All fees paid for investment advisory services are separate and distinct from the fees and expenses charged by exchange-traded funds, mutual funds, separate account managers, private placement, pooled investment vehicles, broker-dealers, and custodians retained by clients. Such fees and expenses are described in each exchange-traded fund and mutual fund's prospectus, each separate account manager's Form ADV and Brochure and Brochure Supplement or similar disclosure statement, each private placement or pooled investment vehicle's confidential offering memoranda, and by any broker-dealer or custodian retained by the client. Clients are advised to read these materials carefully before investing. If a mutual fund also imposes sales charges, a client may pay an initial or deferred sales charge as further described in the mutual fund's prospectus. A client using Tall Pines may be precluded from using certain mutual funds or separate account managers because they may not be offered by the client's custodian.

Please refer to the Brokerage Practices section (Items 9.B.2 and 9.B.3) for additional information regarding the firm's brokerage practices.

D. Compensation for Recommending the Tall Pines Wrap Fee Program

The Tall Pines Wrap Fee Program is a proprietary product offered exclusively through Tall Pines. As such, there are no conflicts of interest in that there are no commissions paid for selling the Tall Pines Wrap Fee Program.

E. External Compensation for the Sale of Securities to Clients

Tall Pines' advisory professionals are compensated primarily through a salary and bonus structure. Tall Pines' advisory professionals may be paid sales, service or administrative fees for the sale of mutual funds or other investment products. Tall Pines' advisory professionals may receive commission-based compensation for the sale of securities and insurance products. Please see Item 9.A. for detailed information and conflicts of interest.

F. Client Assets Under Management

We manage \$2,135,100 on a discretionary basis as of 12/31/2018.

Item 5: Account Requirements and Types of Clients

Tall Pines offers its investment services to various types of clients including high-net-worth individuals, trusts, corporations, partnerships, tax exempt, and other legal entities. Tall Pines generally requires a minimum account size of \$100,000. Tall Pines, in its sole discretion, may waive the required minimum.

Item 6: Portfolio Manager Selection and Evaluation

A. Portfolio Manager Selection and Review

The firm is the sole sponsor and sole portfolio manager for the Tall Pines Wrap Fee Program.

B. Participation in Wrap Fee Programs

Other than offering its Tall Pines Wrap Fee Program, the firm does not participate in wrap fee programs.

C. The Firm Acts as Both a Wrap Fee Sponsor and Portfolio Manager

The Tall Pines Wrap Fee Program is a proprietary product offered exclusively through the firm.

C.1. Tall Pines Wrap Fee Program

C.1.a. Separately Managed Account Product

The firm offers and manages a micro-capitalization product ("Tall Pines Micro Cap SMA"). The Tall Pines Micro Cap SMA follows a fundamental long biased trading strategy focused on providing long-term capital growth by investing primarily in U.S. and Canadian-based companies with market capitalizations ranging from \$10 million to \$300 million.

The portfolio manager seeks to invest in:

- small, high-growth companies with little or no institutional ownership, and limited trading liquidity
- companies with high-quality management teams whose interests are aligned with company growth and stock price appreciation
- companies with a market-leading position with potential for growth
- a concentrated portfolio consisting of 5 to 15 positions

C.2. Client-Tailored Services and Client-Imposed Restrictions

Each client's account will be managed on the basis of the client's financial situation and investment objectives, and in accordance with any reasonable restrictions imposed by the client on the management of the account—for example, restricting the type or amount of security to be purchased in the portfolio.

C.3. Management of Wrap Fee Program

The Tall Pines Wrap Fee Program is the only asset management program offered by the firm.

C.4. Performance-Based Fees and Side-by-Side Management

The firm does not charge performance-based fees and therefore has no economic incentive to manage clients' portfolios in any way other than what is in the clients' best interests.

C.5. Methods of Analysis, Investment Strategies and Risk of Loss

Tall Pines uses a variety of sources of data to conduct its economic, investment and market analysis, such as financial newspapers and magazines, economic and market research materials prepared by others, conference calls hosted by mutual funds, corporate rating services, annual reports, prospectuses, and company press releases. It is important to keep in mind that there is no specific approach to investing that guarantees success or positive returns; investing in securities involves risk of loss that clients should be prepared to bear.

Tall Pines and its investment adviser representatives are responsible for identifying and implementing the methods of analysis used in formulating investment recommendations to clients. The methods of analysis may include quantitative methods for optimizing client portfolios, computer-based risk/return analysis, technical analysis, and statistical and/or computer models utilizing long-term economic criteria.

- Quantitative methods include analysis of historical data such as price and volume statistics, performance data, standard deviation and related risk metrics, how the security performs relative to the overall stock market, earnings data, price to earnings ratios, and related data.
- Technical analysis involves charting price and volume data as reported by the exchange where the security is traded to look for price trends.
- Qualitative analysis uses subjective judgment based on unquantifiable information, such as management expertise, industry cycles, strength of research and development, and labor relations. Qualitative analysis contrasts with quantitative analysis, which focuses on numbers that can be found on reports such as balance sheets. The two techniques, however, will often be used together in order to examine a company's operations and evaluate its potential as an investment opportunity. Qualitative analysis deals with intangible, inexact concerns that belong to the social and experiential realm rather than the mathematical one. This approach depends on the kind of intelligence that machines (currently) lack, since things like positive associations with a brand, management trustworthiness, customer satisfaction, competitive advantage and cultural shifts are difficult, arguably impossible, to capture with numerical inputs. A risk in using qualitative analysis is that subjective judgment may prove incorrect.

In addition, Tall Pines reviews research material prepared by others, as well as corporate filings, corporate rating services, and a variety of financial publications. Tall Pines may employ outside vendors or utilize third-party software to assist in formulating investment recommendations to clients.

C.5.a. Material Risks of Micro and Nano Capitalization Securities

The term “microcap stock” applies to companies with low or “micro” capitalizations, meaning the total value of the company's stock. A typical definition would be companies with a market capitalization of less than \$250 or \$300 million. The smallest public companies, with market capitalization of less than \$50 million, are sometimes referred to as “nanocap stocks.”

Microcap companies typically have limited assets and operations. Microcap stocks tend to be low priced and trade in low volumes.

C.5.a.1. Trading in Micro and Nano Capitalization Securities

Many microcap stocks trade in the "over-the-counter" (OTC) market, rather than on a national securities exchange such as the New York Stock Exchange or NASDAQ. They are quoted on OTC systems, such as the OTC Bulletin Board (OTCBB) or OTC Link LLC (OTC Link).

C.5.a.2. How Are Microcap Stocks Different From Other Stocks?

Lack of Public Information. Often, the biggest difference between a microcap stock and other stocks is the amount of publicly available information about the company. Most large public companies file reports with the SEC that any investor can get for free from the SEC's website. Professional stock analysts regularly research and write about larger public companies, and it's easy to find their stock prices on the Internet or in newspapers and other publications. In contrast, information about microcap companies can be extremely difficult to find, making them more vulnerable to investment fraud schemes and making it less likely that quoted prices in the market will be based on full and complete information about the company.

No Minimum Listing Standards. Companies that trade their stocks on exchanges must meet minimum listing standards. For example, they must have minimum amounts of net assets and minimum numbers of shareholders. In contrast, companies on the OTCBB generally do not have to meet any minimum standards.

Risk. While all investments involve risk, microcap stocks are among the most risky. Many microcap companies are new and have no proven track record. Some of these companies have no assets, operations, or revenues. Others have products and services that are still in development or have yet to be tested in the market. Another risk that pertains to microcap stocks involves the low volumes of trades. Because many microcap stocks trade in low volumes, any size of trade can have a large percentage impact on the price of the stock.

C.6. Investment Strategy, Method of Analysis, Material Risks

Our investment strategy is to follow a fundamental long biased trading strategy focused on providing long-term capital growth by investing primarily in U.S. and Canadian-based companies with market capitalizations ranging from \$10 million to \$300 million.

The portfolio manager seeks to invest in:

- small, high-growth companies with little or no institutional ownership, and limited trading liquidity
- companies with high-quality management teams whose interests are aligned with company growth and stock price appreciation
- companies with a market-leading position with potential for growth
- a concentrated portfolio consisting of 5 to 15 positions

C.6.a. Margin Leverage

Although the firm, as a general business practice, does not utilize leverage, there may be instances in which exchange-traded funds, other separate account managers and, in very limited circumstances, the firm will utilize leverage. In this regard please review the following:

The use of margin leverage enhances the overall risk of investment gain and loss to the client's investment portfolio. For example, investors are able to control \$2 of a security for \$1. So if the price of a security rises by \$1, the investor earns a 100% return on their investment. Conversely, if the security declines by \$.50, then the investor loses 50% of their investment.

The use of margin leverage entails borrowing, which results in additional interest costs to the investor.

Broker-dealers who carry customer accounts require a minimum equity requirement when clients utilize margin leverage. The minimum equity requirement is stated as a percentage of the value of the underlying collateral security with an absolute minimum dollar requirement. For example, if the price of a security declines in value to the point where the excess equity used to satisfy the minimum requirement dissipates, the broker-dealer will require the client to deposit additional collateral to the account in the form of cash or marketable securities. A deposit of securities to the account will require a larger deposit, as the security being deposited is included in the computation of the minimum equity requirement. In addition, when leverage is utilized and the client needs to withdraw cash, the client must sell a disproportionate amount of collateral securities to release enough cash to satisfy the withdrawal amount based upon similar reasoning as cited above.

Regulations concerning the use of margin leverage are established by the Federal Reserve Board and vary if the client's account is held at a broker-dealer versus a bank custodian. Broker-dealers and bank custodians may apply more stringent rules as they deem necessary.

C.6.b. Short-Term Trading

Although the firm, as a general business practice, does not utilize short-term trading, there may be instances in which short-term trading may be necessary or an appropriate strategy.

C.6.c. Short Selling

The firm generally does not engage in short selling but reserves the right to do so in the exercise of its sole judgment. Short selling involves the sale of a security that is borrowed rather than owned. When a short sale is effected, the investor is expecting the price of the security to decline in value so that a purchase or closeout of the short sale can be effected at a significantly lower price. The primary risks of effecting short sales is the availability to borrow the stock, the unlimited potential for loss, and the requirement to fund any difference between the short credit balance and the market value of the security.

C.6.d. Technical Trading Models

Technical trading models are mathematically driven based upon historical data and trends of domestic and foreign market trading activity, including various industry and sector trading statistics within such markets. Technical trading models, through mathematical algorithms, attempt to identify when markets are likely to increase or decrease and identify appropriate entry and exit points. The primary risk of technical trading models is that historical trends and past performance cannot predict future trends, and there is no assurance that the mathematical algorithms employed are designed properly, updated with new data, and can accurately predict future market, industry, and sector performance.

C.6.e. Concentration Risk

There is an inherent risk for clients who have their investment portfolios heavily weighted in one security, one industry or industry sector, one geographic location, one investment manager, one type of investment instrument (equities versus fixed income). Clients who have diversified portfolios, as a general rule, incur less volatility and therefore less fluctuation in portfolio value than those who have concentrated holdings. Concentrated holdings may offer the potential for higher gain, but also offer the potential for significant loss.

C.8. Proxy Voting

The firm does not take discretion with respect to voting proxies on behalf of its clients. The firm will endeavor to make recommendations to clients on voting proxies regarding shareholder vote, consent, election or similar actions solicited by, or with respect to, issuers of securities beneficially held as part of the firm supervised and/or managed assets. In no event will the firm take discretion with respect to voting proxies on behalf of its clients.

Except as required by applicable law, the firm will not be obligated to render advice or take any action on behalf of clients with respect to assets presently or formerly held in their accounts that become the subject of any legal proceedings, including bankruptcies.

From time to time, securities held in the accounts of clients will be the subject of class action lawsuits. The firm has no obligation to determine if securities held by the client are subject to a pending or resolved class action lawsuit. The firm also has no duty to evaluate a client's eligibility or to submit a claim to participate in the proceeds of a securities class action settlement or verdict. Furthermore, the firm has no obligation or responsibility to initiate litigation to recover damages on behalf of clients who may have been injured as a result of actions, misconduct, or negligence by corporate management of issuers whose securities are held by clients.

Where the firm receives written or electronic notice of a class action lawsuit, settlement, or verdict affecting securities owned by a client, it will forward all notices, proof of claim forms, and other materials to the client. Electronic mail is acceptable where appropriate and where the client has authorized contact in this manner.

Item 7: Client Information Provided to Portfolio Managers

The firm is the sole portfolio manager in the Tall Pines Wrap Fee Program and does not share any personal information it collects from its clients other than as required by law or regulatory mandate. The firm may collect the following information in order to formulate its investment recommendations to clients:

- Income
- Employment and residential information
- Social security number
- Cash balance
- Security balances
- Transaction detail history
- Investment objectives, goals, and risk tolerance
- Sources of wealth and/or deposits
- Risk assessment
- Investment time horizon
- Income and liquidity needs
- Asset allocation
- Restrictions on management of accounts
- Client interview(s)
- Review of client's current portfolio
- Analysis of historical risk/return characteristics of various asset classes
- Analysis of the long-term outlook for global financial markets
- Analysis of the long-term global economic and political environments

Item 8: Client Contact with Portfolio Managers

The firm encourages communication with its clients and does not limit or condition the amount of time clients can spend with the firm's advisory professionals.

Item 9: Additional Information

A. Disciplinary and Other Financial Activities and Affiliations

A.1. Disciplinary

There are no current or pending disclosure items to report on behalf of the firm's advisors.

A.1.a. Criminal or Civil Actions

There is nothing to report for this item.

A.1.b. Administrative Enforcement Proceedings

There is nothing to report for this item.

A.1.c. Self-Regulatory Organization Enforcement Proceedings

There is nothing to report for this item.

A.2. Other Financial Activities and Affiliations

A.2.a. Broker-Dealer, Insurance Agency, and other Investment Advisor Affiliation

Christopher Plahm is a registered representative of APW Capital, Inc., a FINRA-registered broker-dealer, and he is also an insurance agent who can recommend products by various insurance carriers. Tall Pines professionals who effect transactions for advisory clients may receive transaction or commission compensation from APW Capital, Inc. or insurance carriers. The recommendation of securities transactions for commission creates a conflict of interest in that Tall Pines is economically incented to effect securities transactions for clients. Although Tall Pines strives to put its clients' interests first, such recommendations may be viewed as being in the best interests of Tall Pines rather than in the client's best interest. Christopher Plahm is also an Investment Adviser Representative of Stonebridge Wealth Management, LLC and may recommend advisory services through that firm. Tall Pines advisory clients are not required to effect securities any commissionable transactions or to engage in services with Stonebridge Wealth Management, LLC.

A.2.b. Futures or Commodity Registration

Neither the firm nor its affiliates are registered as a commodity firm, futures commission merchant, commodity pool operator or commodity trading advisor and do not have an application to register pending.

A.2.c. Material Relationships Maintained by this Advisory Business and Conflicts of Interest

A.2.c.1. Broker-Dealer Registration

Tall Pines professionals who effect transactions for advisory clients may receive transaction or commission compensation from APW Capital, Inc. . The recommendation of securities transactions for commission creates a conflict of interest in that Tall Pines is economically incented to effect securities transactions for clients. Although Tall Pines strives to put its clients' interests first, such recommendations may be viewed as being in the best interests of

Tall Pines rather than in the client's best interest. Tall Pines advisory clients are not compelled to effect securities transactions through APW Capital, Inc. .

A.2.c.2. Stonebridge Wealth Management, LLC

Tall Pines is an affiliate of Stonebridge Wealth Management, LLC ("Tall Pines"), a registered investment adviser. Clients should understand that Tall Pines offers separate account management services directly to end clients and Tall Pines offers its services to clients of registered investment advisers under a sub-adviser relationship with various platforms. As such, Tall Pines has an economic interest in recommending to potential clients that they utilize portfolios that are sub-advised by Tall Pines. Such recommendations may be viewed as being in the best interest of Tall Pines rather than in the best interest of the client.

A.2.c.3. Insurance Sales

Chris Plahm is a licensed insurance agent and offers insurance sales and financial planning services through an affiliate investment adviser, Stonebridge Wealth Management, LLC. With respect to the provision of financial planning services through such affiliate, he may recommend insurance products offered by such carriers for whom they function as an agent and receive a commission for doing so. Please be advised there is a potential conflict of interest in that there is an economic incentive to recommend insurance and other investment products of such carriers. Please also be advised that Tall Pines and its affiliate strive to put its clients' interests first and foremost. Other than for insurance products that require a securities license, such as variable insurance products, clients may utilize any insurance carrier or insurance agency they desire. For products requiring a securities and insurance license, clients may be limited to those insurance carriers that have a selling agreement with Tall Pines' employing broker-dealer.

A.2.d. Recommendation or Selection of Other Investment Advisors and Conflicts of Interest

Although Tall Pines does not receive any remuneration from advisers, investment managers, or other service providers that it recommends to clients, the firm engages sub-advisers to manage Tall Pines client accounts and receives a portion of the advisory fees charged by Tall Pines for its investment management services.

B. Code of Ethics, Brokerage Trading Practices, Account Reviews, and Financial and Related Matters**B.1. Code of Ethics Description**

In accordance with the Advisers Act, the firm has adopted policies and procedures designed to detect and prevent insider trading. In addition, the firm has adopted a Code of Ethics (the "Code"). Among other things, the Code includes written procedures governing the conduct of the firm's advisory and access persons. The Code also imposes certain reporting obligations on persons subject to the Code. The Code and applicable securities transactions are monitored by the chief compliance officer of the firm. The firm will send clients a copy of its Code of Ethics upon written request.

The firm has policies and procedures in place to ensure that the interests of its clients are given preference over those of the firm, its affiliates and its employees. For example, there are policies

in place to prevent the misappropriation of material non-public information, and such other policies and procedures reasonably designed to comply with federal and state securities laws.

B.1.a. Investment Recommendations Involving a Material Financial Interest and Conflicts of Interest

The firm does not engage in principal trading (i.e., the practice of selling stock to advisory clients from a firm's inventory or buying stocks from advisory clients into a firm's inventory). In addition, the firm does not recommend any securities to advisory clients in which it has some proprietary or ownership interest.

B.1.b. Advisory Firm Purchase of Same Securities Recommended to Clients and Conflicts of Interest

The firm, its affiliates, employees and their families, trusts, estates, charitable organizations and retirement plans established by it may purchase the same securities as are purchased for clients in accordance with its Code of Ethics policies and procedures. The personal securities transactions by advisory representatives and employees may raise potential conflicts of interest when they trade in a security that is:

- owned by the client, or
- considered for purchase or sale for the client.

Such conflict generally refers to the practice of front-running (trading ahead of the client), which the firm specifically prohibits. The firm has adopted policies and procedures that are intended to address these conflicts of interest. These policies and procedures:

- require our advisory representatives and employees to act in the client's best interest
- prohibit fraudulent conduct in connection with the trading of securities in a client account
- prohibit employees from personally benefitting by causing a client to act, or fail to act in making investment decisions
- prohibit the firm or its employees from profiting or causing others to profit on knowledge of completed or contemplated client transactions
- allocate investment opportunities in a fair and equitable manner
- provide for the review of transactions to discover and correct any trades that result in an advisory representative or employee benefitting at the expense of a client.

Advisory representatives and employees must follow the firm's procedures when purchasing or selling the same securities purchased or sold for the client.

B.1.c. Client Securities Recommendations or Trades and Concurrent Advisory Firm Securities Transactions and Conflicts of Interest

The firm, its affiliates, employees and their families, trusts, estates, charitable organizations, and retirement plans established by it may effect securities transactions for their own accounts that differ from those recommended or effected for other the firm clients. The firm will make a reasonable attempt to trade securities in client accounts at or prior to trading the securities in

its affiliate, corporate, employee or employee-related accounts. Trades executed the same day will likely be subject to an average pricing calculation (please refer to Item 12.B.3 Order Aggregation). It is the policy of the firm to place the clients' interests above those of the firm and its employees.

B.2. Factors Used to Select Broker-Dealers for Client Transactions

B.2.a. Custodian Recommendations

Tall Pines may recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab" or "custodian"), a FINRA registered broker-dealer, member SIPC, to maintain custody of clients' assets and to effect trades for their accounts. Although Tall Pines may recommend that clients establish accounts at the custodian, it is the client's decision to custody assets with the custodian. Tall Pines is independently owned and operated and not affiliated with custodian. For Tall Pines client accounts maintained in its custody, the custodian 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 the custodian or that settle into custodian accounts.

Tall Pines considers the financial strength, reputation, operational efficiency, cost, execution capability, level of customer service, and related factors in recommending broker-dealers or custodians to advisory clients.

In certain instances and subject to approval by Tall Pines, Tall Pines will recommend to clients certain other broker-dealers and/or custodians based on the needs of the individual client, and taking into consideration the nature of the services required, the experience of the broker-dealer or custodian, the cost and quality of the services, and the reputation of the broker-dealer or custodian. The final determination to engage a broker-dealer or custodian recommended by Tall Pines will be made by and in the sole discretion of the client. The client recognizes that broker-dealers and/or custodians have different cost and fee structures and trade execution capabilities. As a result, there may be disparities with respect to the cost of services and/or the transaction prices for securities transactions executed on behalf of the client. Clients are responsible for assessing the commissions and other costs charged by broker-dealers and/or custodians.

B.2.a.1. How We Select Brokers/Custodians to Recommend

Tall Pines seeks to recommend a custodian/broker who will hold client assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. We consider a wide range of factors, including, among others, the following:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody)
- capability to execute, clear, and settle trades (buy and sell securities for client accounts)
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.)

- breadth of investment products made available (stocks, bonds, mutual funds, exchange-traded funds (ETFs), etc.)
- availability of investment research and tools that assist us in making investment decisions
- quality of services
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them
- reputation, financial strength, and stability of the provider
- their prior service to us and our other clients
- availability of other products and services that benefit us, as discussed below

B.2.a.2. Client's Custody and Brokerage Costs

For client accounts that the firm maintains, the custodian generally does not charge clients separately for custody services but is compensated by charging commissions or other fees on trades that it executes or that settle into the custodian's accounts. For some accounts, the custodian may charge a percentage of the dollar amount of assets in the account in lieu of commissions. The custodian's asset-based fees applicable to the firm's client accounts were negotiated based on the firm's commitment to maintain a certain minimum amount of client assets at the custodian. This commitment benefits the client because the asset-based fees paid are lower than they would be if the firm had not made the commitment. In addition to asset-based fees, the custodian charges a flat dollar amount as a "prime broker" or "trade away" fee for each trade that the firm has executed by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into the client's custodian account. These fees are in addition to the commissions or other compensation the client pays the executing broker-dealer. Because of this, in order to minimize the client's trading costs, the firm has the custodian execute most trades for the account.

B.2.a.3. Soft Dollar Arrangements

The firm does not utilize soft dollar arrangements. The firm does not direct brokerage transactions to executing brokers for research and brokerage services.

B.2.a.4. Institutional Trading and Custody Services

Custodian provides the firm with access to their institutional trading and custody services, which are typically not available to the custodian's retail investors. These services generally are available to independent investment advisors on an unsolicited basis, at no charge to them so long as a certain minimum amount of the advisor's clients' assets are maintained in accounts at the custodian. These services are not contingent upon the firm committing to a custodian any specific amount of business (assets in custody or trading commissions). The custodian'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.

B.2.a.5. Other Products and Services

Custodian also makes available to the firm other products and services that benefit the firm 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 the firm's accounts, including accounts not maintained at custodian. The custodian may also make available to the firm software and other technology that

- provide access to client account data (such as trade confirmations and account statements)
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts
- provide research, pricing and other market data
- facilitate payment of the firm's fees from its clients' accounts
- assist with back-office functions, recordkeeping and client reporting

The custodian may also offer other services intended to help the firm manage and further develop its business enterprise. These services may include

- compliance, legal and business consulting
- publications and conferences on practice management and business succession
- access to employee benefits providers, human capital consultants and insurance providers

The custodian may also provide other benefits such as educational events or occasional business entertainment of the firm personnel. In evaluating whether to recommend that clients custody their assets at the custodian, the firm 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 the custodian, which may create a potential conflict of interest.

B.2.a.6. Independent Third Parties

The custodian may make available, arrange, and/or pay third-party vendors for the types of services rendered to the firm. The custodian may discount or waive fees it would otherwise charge for some of these services or all or a part of the fees of a third party providing these services to the firm.

B.2.a.7. Additional Compensation Received from Custodians

The firm may participate in institutional customer programs sponsored by broker-dealers or custodians. The firm may recommend these broker-dealers or custodians to clients for custody and brokerage services. There is no direct link between the firm's participation in such programs and the investment advice it gives to its clients, although the firm receives economic benefits through its participation in the programs that are typically not available to retail investors. These benefits may 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 the firm 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
- Discounts on compliance, marketing, research, technology, and practice management products or services provided to the firm by third-party vendors

The custodian may also pay for business consulting and professional services received by the firm's related persons, and may pay or reimburse expenses (including client transition expenses, travel, lodging, meals and entertainment expenses for the firm's personnel to attend conferences). Some of the products and services made available by such custodian through its institutional customer programs may benefit the firm 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 the custodian as applicable. Other services made available through the programs are intended to help the firm manage and further develop its business enterprise. The benefits received by the firm or its personnel through participation in these programs do not depend on the amount of brokerage transactions directed to the broker-dealer.

The firm also participates in similar institutional advisor programs offered by other independent broker-dealers or trust companies, and its continued participation may require the firm to maintain a predetermined level of assets at such firms. In connection with its participation in such programs, the firm will typically receive benefits similar to those listed above, including research, payments for business consulting and professional services received by the firm's related persons, and reimbursement of expenses (including travel, lodging, meals and entertainment expenses for the firm's personnel to attend conferences sponsored by the broker-dealer or trust company).

As part of its fiduciary duties to clients, the firm 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 potential conflict of interest and may indirectly influence the firm's recommendation of broker-dealers for custody and brokerage services.

B.2.a.8. The Firm's Interest in Schwab's Services

The availability of these services from the custodian benefits the firm because the firm does not have to produce or purchase them. The firm does not have to pay for the custodian's

services so long as a certain minimum of client assets is kept in accounts at the custodian. These services are not contingent upon the firm committing any specific amount of business to the custodian in trading commissions or assets in custody. This minimum of client assets may give the firm an incentive to recommend that clients maintain their accounts with the custodian based on the firm's interest in receiving the custodian's services that benefit the firm's business rather than based on the client's interest in receiving the best value in custody services and the most favorable execution of client transactions. This is a potential conflict of interest. The firm believes, however, that the selection of the custodian as custodian and broker is in the best interest of clients. It is primarily supported by the scope, quality, and price of the custodian's services and not the custodian's services that benefit only the firm.

B.2.b. Brokerage for Client Referrals

The firm does not engage in the practice of directing brokerage commissions in exchange for the referral of advisory clients.

B.2.c. Directed Brokerage

B.2.c.1. Firm Recommendations

The firm typically recommends Schwab as custodian for clients' funds and securities and to execute securities transactions on its clients' behalf.

B.2.c.2. Client-Directed Brokerage

Occasionally, clients may direct the firm to use a particular broker-dealer to execute portfolio transactions for their account or request that certain types of securities not be purchased for their account. Clients who designate the use of a particular broker-dealer should be aware that they will lose any possible advantage the firm derives from aggregating transactions. Such client trades are typically effected after the trades of clients who have not directed the use of a particular broker-dealer. The firm loses the ability to aggregate trades with other the firm advisory clients, potentially subjecting the client to inferior trade execution prices as well as higher commissions.

B.3. Aggregating Securities Transactions for Client Accounts

B.3.a. Best Execution

The firm, pursuant to the terms of its investment advisory agreement with clients, has discretionary authority to determine which securities are to be bought and sold, and the amount of such securities. The firm recognizes that the analysis of execution quality involves a number of factors, both qualitative and quantitative. The firm will follow a process in an attempt to ensure that it is seeking to obtain the most favorable execution under the prevailing circumstances when placing client orders. These factors include but are not limited to the following:

- The financial strength, reputation and stability of the broker
- The efficiency with which the transaction is effected

- The ability to effect prompt and reliable executions at favorable prices (including the applicable dealer spread or commission, if any)
- The availability of the broker to stand ready to effect transactions of varying degrees of difficulty in the future
- The efficiency of error resolution, clearance and settlement
- Block trading and positioning capabilities
- Performance measurement
- Online access to computerized data regarding customer accounts
- Availability, comprehensiveness, and frequency of brokerage and research services
- Commission rates
- The economic benefit to the client
- Related matters involved in the receipt of brokerage services

Consistent with its fiduciary responsibilities, the firm seeks to ensure that clients receive best execution with respect to clients' transactions by blocking client trades to reduce commissions and transaction costs. To the best of the firm's knowledge, these custodians provide high-quality execution, and the firm's clients do not pay higher transaction costs in return for such execution.

Commission rates and securities transaction fees charged to effect such transactions are established by the client's independent custodian and/or broker-dealer. Based upon its own knowledge of the securities industry, the firm believes that such commission rates are competitive within the securities industry. Lower commissions or better execution may be able to be achieved elsewhere.

B.3.b. Security Allocation

Since the firm may be managing accounts with similar investment objectives, the firm may aggregate orders for securities for such accounts. In such event, allocation of the securities so purchased or sold, as well as expenses incurred in the transaction, is made by the firm in the manner it considers to be the most equitable and consistent with its fiduciary obligations to such accounts.

The firm's allocation procedures seek to allocate investment opportunities among clients in the fairest possible way, taking into account the clients' best interests. The firm will follow procedures to ensure that allocations do not involve a practice of favoring or discriminating against any client or group of clients. Account performance is never a factor in trade allocations.

The firm's advice to certain clients and entities and the action of the firm for those and other clients are frequently premised not only on the merits of a particular investment, but also on the suitability of that investment for the particular client in light of his or her applicable investment objective, guidelines and circumstances. Thus, any action of the firm with respect to a particular investment may, for a particular client, differ or be opposed to the recommendation, advice, or actions of the firm to or on behalf of other clients.

B.3.c. Order Aggregation

Orders for the same security entered on behalf of more than one client will generally be aggregated (i.e., blocked or bunched) subject to the aggregation being in the best interests of all participating clients. Subsequent orders for the same security entered during the same trading day may be aggregated with any previously unfilled orders. Subsequent orders may also be aggregated with filled orders if the market price for the security has not materially changed and the aggregation does not cause any unintended duration exposure. All clients participating in each aggregated order will receive the average price and, subject to minimum ticket charges and possible step outs, pay a pro rata portion of commissions.

To minimize performance dispersion, "strategy" trades should be aggregated and average priced. However, when a trade is to be executed for an individual account and the trade is not in the best interests of other accounts, then the trade will only be performed for that account. This is true even if the firm believes that a larger size block trade would lead to best overall price for the security being transacted.

B.3.d. Allocation of Trades

All allocations will be made prior to the close of business on the trade date. In the event an order is "partially filled," the allocation will be made in the best interests of all the clients in the order, taking into account all relevant factors including, but not limited to, the size of each client's allocation, clients' liquidity needs and previous allocations. In most cases, accounts will get a pro forma allocation based on the initial allocation. This policy also applies if an order is "over-filled."

The firm acts in accordance with its duty to seek best price and execution and will not continue any arrangements if the firm determines that such arrangements are no longer in the best interest of its clients.

B.4. Review of Accounts**B.4.a. Schedule for Periodic Review of Client Accounts or Financial Plans and Advisory Persons Involved**

Accounts are reviewed by Tall Pines' Manager. The frequency of reviews is determined based on the client's investment objectives, but reviews are conducted no less frequently than semi-annually. More frequent reviews may also be triggered by a change in the client's investment objectives, tax considerations, large deposits or withdrawals, large purchases or sales, loss of confidence in corporate management, or changes in macro-economic climate.

B.4.b. Review of Client Accounts on Non-Periodic Basis

The firm may perform ad hoc reviews on an as-needed basis if there have been material changes in the client's investment objectives or risk tolerance, or a material change in how the firm formulates investment advice.

B.4.c. Content of Client-Provided Reports and Frequency

Tall Pines may provide reports upon client request. Such reports will include information on contributions and withdrawals in the client's investment portfolio, and the performance of the client's portfolio measured against appropriate benchmarks (including benchmarks selected by the client).

The client's independent custodian provides account statements directly to the client no less frequently than quarterly. The custodian's statement is the official record of the client's securities account and supersedes any statements or reports created on behalf of the client by Tall Pines.

B.5. Economic Benefits Provided to the Advisory Firm from External Sources and Conflicts of Interest

Tall Pines does not receive economic benefits for referring clients to third-party service providers.

B.5.c. Advisory Firm Payments for Client Referrals

Tall Pines may enter into agreements with solicitors who will refer prospective advisory clients to Tall Pines in return for a portion of the ongoing investment advisory fee. Such arrangements will comply with the applicable state's cash solicitation requirements. Generally, these requirements require the solicitor to have a written agreement with Tall Pines. The solicitor must provide the client with a disclosure document describing the fees it receives from Tall Pines, whether those fees represent an increase in fees that Tall Pines would otherwise charge the client, and whether an affiliation exists between Tall Pines and the solicitor.

B.6. Financial Information**B.6.a. Balance Sheet**

Tall Pines does not require the prepayment of fees of \$1200 or more, six months or more in advance, and as such is not required to file a balance sheet.

B.6.b. Financial Conditions Reasonably Likely to Impair Advisory Firm's Ability to Meet Commitments to Clients

The firm does not have any financial issues that would impair its ability to provide services to clients.

B.6.c. Bankruptcy Petitions During the Past Ten Years

There is nothing to report for this item.

