

Park, Miller, LLC

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This Brochure provides information about the qualifications and business practices of Park, Miller, LLC. If you have any questions about the contents of this Brochure, please contact us at (925) 974-3324 or stuart.park@parkmiller.com. The information in this Brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority.

Additional information about Park, Miller, LLC is also available on the SEC's website at www.adviserinfo.sec.gov.

References herein to Park, Miller, LLC as a “registered investment adviser” or any reference to being “registered” does not imply a certain level of skill or training.

Item 2 Material Changes

On March 27, 2018, Park, Miller, LLC filed its last annual update to this Brochure. Since that time, the following material changes have been made to this Brochure.

March 29, 2019

- We previously disclosed in Item 11 that our employees may invest in the same securities as our clients. We amended Item 11 to enhance our disclosures surrounding one of our employee's personal investments alongside certain of our clients in private notes and the conflicts of interest that this investment creates.

This item only addresses the material changes to this Brochure since the last update.

Our Chief Compliance Officer, Stuart Park, remains available to address any questions that a client or prospective client may have about any aspect of this Brochure.

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Item 4 Advisory Business

- A. Park, Miller, LLC (referred to in this Brochure as “we”, “us”, “our” or the “Registrant”) is a limited liability company formed on March 24, 2008 in the State of Delaware. The Registrant became registered as an investment adviser in March 2008. The Registrant is owned by Stuart Park and John Miller. Stuart Park is the Registrant’s Managing Member and Chief Compliance Officer.
- B. As discussed below, we offer investment advisory services, and financial planning services, to the extent specifically requested by a client.

INVESTMENT ADVISORY SERVICES

We offer primarily discretionary investment advisory services where we determine a client’s investment objectives and then manage their account or accounts in accordance with those investment objectives.

Before engaging us to provide investment advisory services, clients are required to enter into an Investment Advisory Agreement setting forth the terms and conditions of the engagement.

We provide investment advisory services specific to the needs of each client. Before providing investment advisory services, an investment adviser representative will determine each client’s investment objectives. Thereafter, we invest a client’s assets consistent with their designated investment objectives. Once invested, we provide periodic monitoring and review of account performance and compare that performance to the client’s investment objectives. As needed, we will buy and sell securities in the client’s account to better align the client’s portfolio with their investment objectives.

Clients may place restrictions on investing in certain securities or types of securities by making a written request to us. We will confirm whether we accept or reject any request in writing.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

Upon request, we may provide financial planning or consulting services on investment and non-investment related matters, including estate planning and insurance planning on a stand-alone separate fee basis. Before engaging us to provide planning or consulting services, clients are generally required to enter into a Financial Planning and Consulting Agreement setting forth the terms and conditions of the engagement.

MISCELLANEOUS

Limitations of Financial Planning and Consulting Services. As indicated above, upon request, we may provide financial planning and consulting services. We are not a law firm or accounting firm, and no portion of its services should be construed as legal or accounting services. Accordingly, we do not prepare estate planning documents or tax returns. If requested, we may recommend the services of other professionals for implementation purposes (i.e. attorneys, accountants, insurance agents), including our representatives in their individual capacities as licensed insurance agents. (See Item 10.C below). The client is under no obligation to engage the services of any recommended professional. The client retains absolute discretion over all implementation decisions and is free to accept or reject any of our recommendations. If the client engages any recommended unaffiliated

professional, and a dispute arises, the client agrees to seek recourse exclusively from and against the engaged professional. Clients are responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives so that the Registrant can review, and if necessary, revise its previous recommendations or services. The recommendation by Registrant's representative that a client purchase an insurance commission product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend insurance products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any insurance commission products through such a representative. Clients are reminded that they may purchase insurance products recommended by Registrant through other, non-affiliated insurance agents. Registrant's Chief Compliance Officer, Stuart Park remains available to address any questions that a client or prospective client may have regarding this conflict of interest.

Unaffiliated Private Investment Funds. Registrant may provide investment advice regarding unaffiliated private investment funds or recommend, on a non-discretionary basis, that certain clients consider investment in unaffiliated private investment funds. In this respect, our role is limited to performing due diligence on the investment and monitoring its performance. If a client determines to become a private fund investor, the amount of assets invested in any fund will be included as part of "assets under management" when we calculate our investment advisory fee. Registrant's clients are under absolutely no obligation to consider or make an investment in a private investment fund.

Affiliated Private Investment Fund. The Registrant is affiliated with Park Miller Capital Partners, LP, a private equity fund (the "Affiliated Fund"). The complete description of the terms, conditions, risks and fees associated with investing in the Affiliated Fund are set forth in the Affiliated Fund's offering documents. The Registrant, on a non-discretionary basis, may recommend that qualified clients consider investing in the Affiliated Fund. Registrant's clients are under absolutely no obligation to invest in the Affiliated Fund. Because the Registrant and its affiliates can earn compensation from the Affiliated Fund (both management fees and incentive compensation) that exceeds the fee that the Registrant would earn under its asset based fee schedule referenced in Item 5 below, the recommendation that a client become an Affiliated Fund investor presents a conflict of interest. No client is under any obligation to become a Fund investor. The Registrant's Chief Compliance Officer, Stuart Park, remains available to address any questions regarding this conflict of interest.

Affiliated Private Investment Fund Allocation of Limited Investment Opportunities. In the event that there is a limited investment opportunity that would be suitable for the Affiliated Fund and Registrant's individual clients, we generally provide the Affiliated Fund with first priority up to the limits of the Affiliated Fund's ability to invest in the opportunity, before Registrant's individual clients will be entitled to make direct investments in the same limited investment opportunity. However, the strategy of the Affiliated Fund and the investments it seeks to invest in generally differs from the strategy we use for individual clients.

Private Investment Fund Risk Factors. Private investment funds generally involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency, a complete discussion of which is set forth in each fund's offering documents, which will be provided to each client for review and

consideration. Unlike liquid investments that a client may maintain, private investment funds do not provide daily liquidity or pricing. Each prospective client investor will be required to complete a Subscription Agreement, pursuant to which the client shall establish that they are qualified for investment in the fund, and acknowledge and accept the various risk factors that are associated with the investment.

Private Investment Fund Valuation. In valuing the assets of any private investment fund, the Registrant relies on the most recent valuations provided by the fund sponsors. For the Affiliated Fund, the Registrant relies on valuations provided by the underlying investments. When a fund sponsor or underlying investment has not provided any updated valuations, the Registrant will use the purchase price as the value of the investment. The current value of a private investment fund could be significantly more or less than the original purchase price or the price reflected in any client report.

Private Debt Transactions/Risks. The Registrant may also recommend that clients consider lending money to private company borrowers. These loans involve various risk factors, including, but not limited to, potential for complete loss of principal, liquidity constraints and lack of transparency. If a client takes our recommendation to lend money to a private company borrower, the amount of the loan shall generally be included as part of “assets under management” when we calculate our investment advisory fee. However, we reserve the right to waive part or all of our advisory fee. Registrant’s clients are under absolutely no obligation to make an investment in private debt.

QUESTIONS REGARDING PRIVATE INVESTMENTS: The Registrant’s Chief Compliance Officer, Stuart Park, remains available to address any questions regarding the risks associated with private investments.

Independent Managers. Registrant may invest in or recommend that a client invest in one or more unaffiliated independent investment managers (each an “Independent Managers”) in accordance with the client’s designated investment objectives. The Independent Managers will have day-to-day responsibility for the discretionary management of the allocated assets. Registrant will continue to monitor and review the client’s account performance, asset allocation and investment objectives. The Registrant generally considers the following factors when recommending Independent Managers: the client’s designated investment objectives, and the Independent Manager’s management style, performance, reputation, reporting, pricing, and research. The investment management fees charged by the Independent Managers, together with the fees charged by the corresponding designated broker-dealer/custodian of the client’s assets, are in addition to the Registrant’s investment advisory fee, which will be disclosed to the client at the point of entering into the Independent Manager engagement.

Investment Consulting. Registrant may determine to provide non-discretionary portfolio review services relative to those client assets that are not part of the investment assets subject to the Registrant’s discretionary investment advisory services discussed above, and for which the Registrant has no trading-authority. The terms and conditions of engagement shall generally be set forth in a Limited Consulting Agreement. These additional client investment assets (the “Excluded Assets”) are generally investment assets that are managed directly by the client or by other investment professionals engaged by the client. The Registrant’s portfolio review service is limited to periodic review of information pertaining to the Excluded Assets as may be provided to the Registrant by the client, the other investment professional(s), and/or the account custodian, and does not include

discretionary investment advisory services described above. Accordingly, the client and/or the investment professionals engaged by the client with respect to such assets, and not the Registrant, shall be exclusively responsible for the investment performance of the Excluded Assets, regardless of whether the Registrant includes the Excluded Assets on any account reports that it may provide to the client. In the event the client desires that the Registrant provide investment advisory services with respect to the Excluded Assets, the client may engage the Registrant to do so pursuant to the terms and conditions of the Investment Advisory Agreement.

Client Obligations. The Registrant will not be required to verify any information received from the client or from the client's other professionals and is expressly authorized to rely on the information in its possession. Clients are responsible for promptly notifying the Registrant if there is ever any change in their financial situation or investment objectives so that the Registrant can review, and if necessary, revise its previous recommendations or services.

Non-Discretionary Service Limitations. Clients that determine to engage Registrant on a non-discretionary investment advisory basis must be willing to accept that Registrant cannot effect any account transactions without obtaining prior consent to such transaction(s) from the client. Thus, in the event that Registrant would like to make a transaction for a client's account (including in the event of an individual holding or general market correction), and the client is unavailable, the Registrant will be unable to effect the account transaction(s) (as it would for its discretionary clients) without first obtaining the client's consent.

Retirement Plan Rollovers. A client or prospective client leaving an employer typically has four options regarding an existing retirement plan (and may engage in a combination of these options): (i) leave the money in the former employer's plan, if permitted, (ii) roll over the assets to the new employer's plan, if one is available and rollovers are permitted, (iii) roll over to an Individual Retirement Account ("IRA"), or (iv) cash out the account value (which could, depending upon the client's age, result in adverse tax consequences). If Registrant recommends that a client roll over their retirement plan assets into an account to be managed by Registrant, such a recommendation creates a conflict of interest if Registrant will earn new (or increase its current) compensation as a result of the rollover. No client is under any obligation to roll over retirement plan assets to an account managed by Registrant. The Registrant's Chief Compliance Officer, Stuart Park, remains available to address any questions that a client or prospective client may have regarding its prospective engagement and the corresponding conflict of interest presented by such engagement.

Use of Mutual Funds and ETFs. Most mutual funds and exchange-traded funds are available directly to the public. A client could obtain many of the funds that may be used by Registrant without engaging Registrant as an investment advisor. However, if a prospective client determines to do so, they will not receive Registrant's initial and ongoing investment advisory services.

eMoney Advisor Platform. Registrant may provide its clients with access to an online platform hosted by "eMoney Advisor" ("eMoney"). The eMoney platform allows a client to view their complete asset allocation, including those assets that Registrant does not manage (the "Excluded Assets"). Registrant does not provide investment management, monitoring, or implementation services for the Excluded Assets. Therefore, Registrant

shall not be responsible for the investment performance of the Excluded Assets. Rather, the client and/or their advisor(s) that maintain management authority for the Excluded Assets, and not Registrant, shall be exclusively responsible for such investment performance. The client may choose to engage Registrant to manage some or all of the Excluded Assets pursuant to the terms and conditions of an Investment Advisory Agreement between Registrant and the client. The eMoney platform also provides access to other types of information, including financial planning concepts, which should not, in any manner whatsoever, be construed as services, advice, or recommendations provided by Registrant. Finally, Registrant shall not be held responsible for any adverse results a client may experience if the client engages in financial planning or other functions available on the eMoney platform without Registrant's assistance or oversight.

Portfolio Activity. The Registrant reviews accounts periodically and as necessary to determine if any changes are necessary based upon various factors, which may include, but are not limited to: investment performance, fund manager tenure, style drift, account additions/withdrawals, and changes in the client's investment objectives. The Registrant may determine that changes to a client's portfolio are unnecessary. Clients are still subject to the fees described in Item 5 below, even during periods of account inactivity.

- C. See Item 4.B above under the heading "Investment Advisory Services" for a description of how we tailor our advisory services to the individual needs of clients.
- D. The Registrant does not participate in a wrap fee program.
- E. As of December 31, 2018, the Registrant had \$193,540,825 in assets under management on a discretionary basis and \$1,868 in assets under management on a non-discretionary basis.

Item 5 Fees and Compensation

- A. The client can determine to engage the Registrant to provide discretionary investment advisory services on a *fee* basis.

INVESTMENT ADVISORY SERVICES

The Registrant prices its services based upon various objective and subjective factors. Some of these factors, include but are not limited to: the representative assigned to the account, the amount of assets to be invested, the complexity of the engagement, the anticipated number of meetings and servicing needs, related accounts, future earning capacity, anticipated future additional assets, and negotiations with the client. As a result, Registrant's clients pay diverse fees, which will impact a client's net account performance. Moreover, the services to be provided by the Registrant to any particular client could be available from other advisers at lower fees. All clients and prospective clients should be guided accordingly.

Notwithstanding the above, the Registrant's negotiable annual investment advisory fee is based upon a percentage of the market value of the assets placed under the Registrant's management, generally as follows:

<u>Market Value of Portfolio</u>	<u>Annual Fee %</u>
Less than \$1,000,000	1.00%
Between \$1,000,001 and \$3,000,000	0.90%
Between \$3,000,001 and \$5,000,000	0.80%
Between \$5,000,001 and \$10,000,000	0.70%
Between \$10,000,001 and \$15,000,000	0.60%
Between \$15,000,001 and \$25,000,000	0.55%
Between \$25,000,001 and \$40,000,000	0.50%
Between \$40,000,001 and \$50,000,000	0.45%
Between \$50,000,001 and \$60,000,000	0.425%
Between \$60,000,001 and \$75,000,000	0.40%
Between \$75,000,001 and \$100,000,000	0.375%
\$100,000,001 and over	0.35%

The Registrant, in its sole discretion, may reduce or waive its investment advisory fee or make alternate arrangements with clients. The Registrant does not have clients with portfolios of all the values referenced.

FINANCIAL PLANNING AND CONSULTING SERVICES (STAND-ALONE)

Registrant's planning and consulting fees are negotiable, but generally range from \$5,000 to \$20,000 on a fixed fee basis, and \$400 on an hourly rate basis, depending upon the level and scope of the services required and the professionals rendering the services.

- B. Clients may elect to have the Registrant's advisory fees deducted from their custodial account. Both Registrant's Investment Advisory Agreement and the custodial/ clearing agreement may authorize the custodian to debit the account for the amount of the Registrant's investment advisory fee and to directly remit that management fee to the Registrant in compliance with regulatory procedures. In the limited event that the Registrant bills the client directly, payment is due upon receipt of the Registrant's invoice. The Registrant shall deduct fees and/or bill clients quarterly in advance, based upon the market value of the assets on the last business day of the previous quarter.
- C. As discussed below, unless the client directs otherwise or an individual client's circumstances require, the Registrant generally recommends that Fidelity Investments ("Fidelity") serve as the broker-dealer/custodian for client accounts. Broker-dealers such as Fidelity charge brokerage commissions and transaction fees for effecting certain securities transactions (i.e. transaction fees are charged for certain no-load mutual funds, commissions are charged for individual equity and fixed income securities transactions). For mutual funds and ETFs, a client will be subject to their respective prorated payment of internal management fees, distribution fees, redemption fees and other expenses, which all shareholders in these funds are required to pay, which are fully described in the applicable fund's prospectus
- D. The applicable form of client agreement with the Registrant will continue in effect until terminated by either party by written notice in accordance with the terms of such agreement. Upon termination, Registrant will debit the client account or bill the client for the pro-rated portion of the unpaid advanced fee based upon the number of days that services were provided during the billing quarter (as applicable).
- E. Neither the Registrant, nor its representatives accept compensation from the sale of securities or other investment products.

Item 6 Performance-Based Fees and Side-by-Side Management

The Registrant is entitled to performance-based fees from the Affiliated Fund. Only investors that meet the definition of “qualified client” under the Investment Advisers Act of 1940 can be charged performance-based fees. More information about the performance-based fee can be found in the organizational and offering documents of the Affiliated Fund.

A conflict of interest exists because we generally charge advisory clients an asset-based fee for the advisory services we provide, but we are entitled to receive performance-based fees from the Affiliated Fund. As a result, we have an incentive to recommend that an advisory client invest in the Affiliated Fund, as opposed to holding assets only in separate accounts and allocating those assets to investment solutions through which we would not be entitled to receive performance-based fees or allocations. In addition, we have an incentive to favor the Affiliated Fund so that it performs better and, in turn, we receive a greater amount of fees. We also may have an incentive to offer investments that we believe will be more profitable than others to the Affiliated Fund in order to earn more compensation.

We seek to address these conflicts of interest by disclosing these conflicts to clients and prospective clients.

Item 7 Types of Clients

The Registrant’s clients shall generally include individuals, pension and profit sharing plans, business entities, trusts, estates and charitable organizations.

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

A. The Registrant may utilize the following methods of security analysis:

- Fundamental - (analysis performed on historical and present data, with the goal of making financial forecasts)
- Technical – (analysis performed on historical and present data, focusing on price and trade volume, to forecast the direction of prices)
- Cyclical – (analysis performed on historical relationships between price and market trends, to forecast the direction of prices)

The Registrant may utilize the following investment strategies when implementing investment advice given to clients:

- Long Term Purchases (securities held at least a year)
- Short Term Purchases (securities sold within a year)
- Trading (securities sold within thirty (30) days)

Investment Risk. Investing in securities involves risk of loss that clients should be prepared to bear, including the complete loss of principal investment. Different types of investments involve varying degrees of risk, and it should not be assumed that future performance of any specific investment or investment strategy (including the investments and/or investment strategies recommended or undertaken by the Registrant) will be profitable or equal any specific performance level(s).

- B. The Registrant's methods of analysis and investment strategies do not present any significant or unusual risks. However, every method of analysis has its own inherent risks. To perform an accurate market analysis, the Registrant must have access to current/new market information. The Registrant has no control over the dissemination rate of market information; therefore, unbeknownst to the Registrant, certain analyses may be compiled with outdated market information, severely limiting the value of the Registrant's analysis. Furthermore, an accurate market analysis can only produce a forecast of the direction of market values. There can be no assurances that a forecasted change in market value will materialize into actionable and/or profitable investment opportunities.

The Registrant's primary investment strategies - Long Term Purchases, Short Term Purchases, and Trading - are fundamental investment strategies. However, every investment strategy has its own inherent risks and limitations. For example, longer term investment strategies require a longer investment time period to allow for the strategy to potentially develop. Shorter term investment strategies require a shorter investment time period to potentially develop but, as a result of more frequent trading, may incur higher transactional costs when compared to a longer term investment strategy. Trading, an investment strategy that requires the purchase and sale of securities within a thirty (30) day investment time period, involves a very short investment time period but will incur higher transaction costs when compared to a short term investment strategy and substantially higher transaction costs than a longer term investment strategy.

Covered Call Writing. Covered call writing is the sale of in-, at-, or out-of- the money call options against a long security position held in a client portfolio. This type of transaction is used to generate income. It also serves to create downside protection in the event the security position declines in value. Income is received from the proceeds of the option sale. Such income may be reduced to the extent it is necessary to buy back the option position prior to its expiration. There can be no assurance that the security will not be called away by the option buyer, which will result in the client (option writer) to lose ownership in the security and incur potential unintended tax consequences. **ANY QUESTIONS:** Registrant's Chief Compliance Officer, Stuart Park, remains available to address any questions that a client or prospective client may have regarding covered calls.

- C. Currently, the Registrant primarily allocates client investment assets among various mutual funds, ETFs, bond funds, and Independent Managers on a discretionary basis in accordance with the client's designated investment objectives. The Registrant may also recommend alternative investments, including private notes and private investment funds, on a non-discretionary basis.

Item 9 Disciplinary Information

The Registrant has not been the subject of any disciplinary actions.

Item 10 Other Financial Industry Activities and Affiliations

- A. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

- B. Neither the Registrant, nor its representatives, are registered or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or a representative of the foregoing.
- C. **Licensed Insurance Agents.** Certain of Registrant's representatives, in their individual capacities, are licensed insurance agents, and may recommend the purchase of certain insurance policies or products on a commission basis. The recommendation that a client purchase an insurance product presents a conflict of interest, as the receipt of commissions may provide an incentive to recommend policies or products based on commissions to be received, rather than on a particular client's need. No client is under any obligation to purchase any commission products from Registrant's representatives. Clients are reminded that they may purchase insurance products recommended by Registrant through other, non-affiliated insurance agents. The Registrant's Chief Compliance Officer, Stuart Park, remains available to address any questions that a client or prospective client may have regarding the above conflict of interest.
- D. The Registrant does not receive, directly or indirectly, compensation from investment advisors that it recommends or selects for its clients.

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

- A. The Registrant maintains an investment policy relative to personal securities transactions. This investment policy is part of Registrant's overall Code of Ethics, which serves to establish a standard of business conduct for all of Registrant's Representatives that is based upon fundamental principles of openness, integrity, honesty and trust, a copy of which is available upon request.

In accordance with Section 204A of the Investment Advisers Act of 1940, the Registrant also maintains and enforces written policies reasonably designed to prevent the misuse of material non-public information by the Registrant or any person associated with the Registrant.

- B. As disclosed above, the Registrant has a financial interest in the Affiliated Fund. The Registrant, on a non-discretionary basis, may recommend that qualified clients consider investing in the Affiliated Fund. The terms and conditions for participation in the Affiliated Fund, including management and incentive fees, conflicts of interest, and risk factors, are set forth in the fund's offering documents. Registrant's clients are under absolutely no obligation to make an investment in the Affiliated Fund. The Registrant's Chief Compliance Officer, Stuart Park, remains available to address any questions that a client or prospective client may have regarding the conflicts of interest investing in the Affiliated Fund creates.

In addition, certain employees of the Registrant have made investments in private notes that we also recommended to clients. In the event of default, this employee may take actions that differ from, or that are similar to, other noteholders, to protect his own individual investment. We will continue to advise clients regarding their investment in private notes in the event of default, unless we believe that our advice has become conflicted, in which event we will notify clients. However, in no event will we provide legal advice about any investment in default. Clients are advised that they should seek their own legal counsel to discuss any remedies in the event of default.

- C. The Registrant and/or representatives of the Registrant may buy or sell securities that are also recommended to clients. This practice may create a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. Practices such as “scalping” (i.e., a practice whereby the owner of shares of a security recommends that security for investment and then immediately sells it at a profit upon the rise in the market price which follows the recommendation) could take place if the Registrant did not have adequate policies in place to detect such activities. In addition, this requirement can help detect insider trading, “front-running” (i.e., personal trades executed prior to those of the Registrant’s clients) and other potentially abusive practices.

The Registrant has a personal securities transaction policy in place to monitor the personal securities transactions and securities holdings of each of the Registrant’s “Access Persons”. The Registrant’s securities transaction policy requires that Access Person of the Registrant must provide the Chief Compliance Officer or his/her designee with a written report of their current securities holdings within ten (10) days after becoming an Access Person. Additionally, each Access Person must provide the Chief Compliance Officer or his/her designee with a written report of the Access Person’s current securities holdings at least once each twelve (12) month period thereafter on a date the Registrant selects.

- D. The Registrant and/or representatives of the Registrant may buy or sell securities, at or around the same time as those securities are recommended to clients. This practice creates a situation where the Registrant and/or representatives of the Registrant are in a position to materially benefit from the sale or purchase of those securities. Therefore, this situation creates a potential conflict of interest. As indicated above in Item 11 C, the Registrant has a personal securities transaction policy in place to monitor the personal securities transaction and securities holdings of each of Registrant’s Access Persons.

Item 12 Brokerage Practices

- A. In the event that the client requests that the Registrant recommend a broker-dealer/custodian for execution and/or custodial services (exclusive of those clients that may direct the Registrant to use a specific broker-dealer/custodian), Registrant generally recommends that investment advisory accounts be maintained at Fidelity. Before engaging Registrant to provide investment advisory services, the client will be required to enter into a formal Investment Advisory Agreement with Registrant setting forth the terms and conditions under which Registrant shall manage the client’s assets, and a separate custodial/clearing agreement with each designated broker-dealer/custodian.

Factors that the Registrant considers in recommending Fidelity (or any other broker-dealer/custodian to clients) include historical relationship with the Registrant, financial strength, reputation, execution capabilities, pricing, research, and service. Although the commissions and/or transaction fees paid by Registrant’s clients shall comply with the Registrant’s duty to seek to obtain best execution, a client may pay a commission that is higher than another qualified broker-dealer might charge to effect the same transaction where the Registrant determines, in good faith, that the commission/transaction fee is reasonable. 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 broker-dealer services, including the value of research

provided, execution capability, commission rates, and responsiveness. Accordingly, although Registrant will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client account transactions. The brokerage commissions or transaction fees charged by the designated broker-dealer/custodian are exclusive of, and in addition to, Registrant's investment advisory fee.

1. Non-Soft Dollar Research and Additional Economic Benefits

Registrant receives from Fidelity and potentially other broker-dealers, custodians, investment platforms, unaffiliated investment managers, vendors, or fund sponsors free or discounted support services and products. Certain of these products and services assist the Registrant to better monitor and service client accounts maintained at these institutions. The support services that Registrant obtains can include investment-related research; pricing information and market data; compliance or practice management-related publications; discounted or free attendance at conferences, educational or social events; or other products used by Registrant to further its investment management business operations.

Certain of the support services or products received may assist the Registrant in managing and administering client accounts. Others do not directly provide this assistance, but rather assist the Registrant to manage and further develop its business enterprise.

Registrant's clients do not pay more for investment transactions effected or assets maintained at Fidelity because of these arrangements. There is no corresponding commitment made by the Registrant to Fidelity or any other entity to invest any specific amount or percentage of client assets in any specific mutual funds, securities or other investment products because of the above arrangements

The Registrant's Chief Compliance Officer, Stuart Park, remains available to address any questions that a client or prospective client may have regarding the above arrangement and the corresponding conflict of interest presented by such arrangement.

2. The Registrant does not receive referrals from broker-dealers.

3. Directed Brokerage.

The Registrant does not generally accept directed brokerage arrangements (when a client requires that account transactions be effected through a specific broker-dealer). In such client directed arrangements, the client will negotiate terms and arrangements for their account with that broker-dealer, and Registrant will not seek better execution services or prices from other broker-dealers or be able to "batch" the client's transactions for execution through other broker-dealers with orders for other accounts managed by Registrant. As a result, a client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

In the event that the client directs Registrant to effect securities transactions for the client's accounts through a specific broker-dealer, the client correspondingly acknowledges that such direction may cause the accounts to incur higher commissions or transaction costs than the accounts would otherwise incur had the client determined to effect account transactions through alternative clearing arrangements that may be

available through Registrant. Higher transaction costs adversely impact account performance. Transactions for directed accounts will generally be executed following the execution of portfolio transactions for non-directed accounts.

- B. To the extent that the Registrant provides investment advisory services to its clients, the transactions for each client account generally will be effected independently, unless the Registrant decides to purchase or sell the same securities for several clients at approximately the same time. The Registrant may (but is not obligated to) combine or “bunch” such orders to obtain best execution, to negotiate more favorable commission rates or to allocate equitably among the Registrant’s clients differences in prices and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will be averaged as to price and will be allocated among clients in proportion to the purchase and sale orders placed for each client account on any given day. The Registrant shall not receive any additional compensation or remuneration as a result of such aggregation.

Item 13 Review of Accounts

- A. For those clients to whom Registrant provides investment supervisory services, account reviews are conducted on a periodic basis by the Registrant’s Principal and/or representatives. All investment advisory clients are advised that it remains their responsibility to advise the Registrant of any changes in their investment objectives or financial situation. All clients (in person or via telephone) are encouraged to review financial planning issues (to the extent applicable), investment objectives and account performance with the Registrant on an annual basis.
- B. The Registrant may conduct account reviews on an other than periodic basis upon the occurrence of a triggering event, such as a change in a client’s investment objectives or financial situation, market corrections and at the client’s request.
- C. Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from the broker-dealer/custodian for the client’s accounts. The Registrant may also provide a written periodic report summarizing account activity and performance.

Item 14 Client Referrals and Other Compensation

- A. As referenced in Item 12.A.1 above, the Registrant receives certain economic benefits from Fidelity.
- B. Neither Registrant, nor its Representatives, compensate any non-supervised person for client referrals.

Item 15 Custody

The Registrant is deemed to have “custody” of client’s cash and securities, because (i) it has the ability to have its advisory fees debited by the custodian on a quarterly basis, and (ii) certain clients have granted the Registrant with the authority to transfer client cash to third parties.

Clients are provided, at least quarterly, with written transaction confirmation notices and regular written summary account statements directly from their broker-dealer/custodian. The Registrant may also provide a written periodic report summarizing account activity and performance.

To the extent that the Registrant provides clients with periodic account statements or reports, the client is urged to compare any statement or report provided by the Registrant with the account statements received from the account custodian. The account custodian does not verify the accuracy of the Registrant's advisory fee calculation.

We are also subject to the custody rule in as it relates to our management of the Affiliated Fund. However, we are not required to comply with certain requirements of the custody rule with respect to the Affiliated Fund, because we comply with the provisions of the "audit exception" for pooled investment vehicles. Among other things, the exception requires that a private fund be subject to audit at least annually by an independent public accountant that is registered with, and subject to regular inspection by, the Public Company Accounting Oversight Board, and requires that the private fund distribute its audited financial statements to all investors within 120 days (or 180 days for fund of funds) after the end of its fiscal year.

The Registrant's Chief Compliance Officer, Stuart Park, remains available to address any questions that a client or prospective client may have regarding custody-related issues.

Item 16 Investment Discretion

The client can determine to engage the Registrant to provide investment advisory services on a discretionary basis. Before the Registrant assumes discretionary authority over a client's account, the client shall be required to execute an Investment Advisory Agreement, naming the Registrant as client's attorney and agent in fact, granting the Registrant full authority to buy, sell, or otherwise effect investment transactions involving the assets in the client's name found in the discretionary account.

Clients who engage the Registrant on a discretionary basis may, at any time, impose restrictions, in writing, on the Registrant's discretionary authority (i.e. limit the types/amounts of particular securities purchased for their account, exclude the ability to purchase securities with an inverse relationship to the market, limit or proscribe the Registrant's use of margin, etc.).

Item 17 Voting Client Securities

- A. Except for accounts managed by Independent Manager(s), (for which the Independent Managers will generally retain proxy voting responsibility) the Registrant does not vote client proxies. Clients maintain exclusive responsibility for: (1) directing the manner in which proxies solicited by issuers of securities beneficially owned by the client shall be voted, and (2) making all elections relative to any mergers, acquisitions, tender offers, bankruptcy proceedings or other type events pertaining to the client's investment assets.

- B. Clients will receive their proxies or other solicitations directly from their custodian. Clients may contact the Registrant to discuss any questions they may have with a particular solicitation.

Item 18 Financial Information

- A. The Registrant does not solicit fees of more than \$1,200, per client, six months or more in advance.
- B. The Registrant is unaware of any financial condition that is reasonably likely to impair its ability to meet its contractual commitments relating to its discretionary authority over certain client accounts.
- C. The Registrant has not been the subject of a bankruptcy petition.

ANY QUESTIONS: The Registrant's Chief Compliance Officer, Stuart Park, remains available to address any questions that a client or prospective client may have regarding this Brochure.