

Part 2A of Form ADV: *Firm Brochure*

Huntley Thatcher Ellsworth, Ltd.

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This brochure provides information about the qualifications and business practices of Huntley Thatcher Ellsworth, Ltd. If you have any questions about the contents of this brochure, please contact us at 719-522-1339 or dhoule@hteadvisers.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 Huntley Thatcher Ellsworth, Ltd. also is available on the SEC's website at www.adviserinfo.sec.gov. You can search this site by a unique identifying number, known as a CRD number. Our firm's CRD number is 108297.

Item 2 Material Changes

The SEC adopted "Amendments to Form ADV" in July, 2010. This Firm Brochure, dated 07/05/2011, is our new disclosure document prepared according to the SEC's new requirements and rules. As you will see, this document is a narrative that is substantially different in form and content, and includes some new information that we were not previously required to disclose.

After our initial filing of this Brochure, this Item will be used to provide our clients with a summary of new and/or updated information. We will inform you of the revision(s) based on the nature of the updated information.

Consistent with the new rules, we will ensure that you receive a summary of any material changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. Furthermore, we will provide you with other interim disclosures about material changes as necessary.

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Item 4 Advisory Business

Huntley Thatcher Ellsworth, Ltd. is a SEC-registered investment adviser with its principal place of business located in Colorado. Huntley Thatcher Ellsworth, Ltd. began conducting business in 1997.

Lake Avenue Partners, LLC is the sole owner of Huntley Thatcher Ellsworth, Ltd.

Huntley Thatcher Ellsworth, Ltd. offers the following advisory services to our clients:

INVESTMENT MANAGEMENT SERVICES

We provide portfolio management and investment advisory services customized to the unique objectives of each client. Accounts are managed on a discretionary basis, although our discretionary authority may be limited from time-to-time by an Investment Policy Statement or per direct written instructions from a client.

WEALTH ADVISORY SERVICES

We provide Wealth Advisory Services for a select group of clients to maximize the preservation, enhancement and transfer of substantial assets. We utilize an "open architecture" advisory platform whereby we coordinate the implementation of strategies and transactions with a team of professionals (accountants, attorneys, bankers, etc.), while serving as primary adviser for each client.

INVESTMENT CONSULTING

We provide investment consulting services to individuals and institutions to assist with asset allocation strategy, investment policy development, investment manager selection and oversight, risk management and performance reporting. Investment consulting services are provided on a non-discretionary basis, and tailored to the unique objectives of each client. Our overall objective is to optimize risk-adjusted returns by assisting clients and fiduciaries with the management of their overall investment program and to ensure that third party managers provide their services in compliance with overall investment policies.

FOR ALL SERVICES

Our investment recommendations are not limited to any specific product or service offered by any broker-dealer or insurance company and may include advice regarding the following securities:

- Exchange-listed securities
- Securities traded over-the-counter
- Foreign issuers
- Real estate investment trusts (REIT's)

- Warrants
- Corporate debt securities (other than commercial paper)
- Commercial paper
- Certificates of deposit
- Municipal securities
- Variable life insurance
- Variable annuities
- Mutual fund shares
- United States governmental securities
- Options contracts on securities
- Interests in partnerships investing in real estate
- Interests in partnerships investing in oil and gas interests
- Interests in hedge funds, private equity funds or funds of funds.

Because some types of investments involve certain additional degrees of risk, they will only be implemented/recommended when consistent with the client's stated investment objectives, tolerance for risk, liquidity and suitability.

AMOUNT OF MANAGED ASSETS

As of 07/01/2011, we were actively managing \$25,559,057 of clients' assets on a discretionary basis.

Item 5 Fees and Compensation

INVESTMENT MANAGEMENT SERVICES

Annual fees for investment management services are based on the following fee schedule.

Standard Fee Schedule for Investment Management

1.25% on the first \$1 million (1.5% if under \$1 million)
 0.75% on the next \$4 million
 0.50% on all assets over \$5 million

We require a minimum portfolio of \$500,000 for investment management services, although we reserve the right to make exceptions in certain instances.

WEALTH ADVISORY SERVICES

Annual fees for Wealth Advisory Services are customized and take into consideration the following factors: (a) assets under our management, (b) assets under our advisement, (c) supervision of third party money managers and (d) overall scope and complexity.

We require a minimum annual fee of \$25,000 for wealth advisory services.

INVESTMENT CONSULTING

We earn either an asset-based fee or a fixed-dollar retainer fee for consulting services.

FOR ALL SERVICES

Clients are invoiced in advance at the beginning of each calendar quarter based upon the previous quarter-end values, and fees may be debited directly out of client accounts. Our services may be terminated by either party, upon written notification in accordance with the applicable contractual notice of termination. Upon termination, the unearned portion of prepaid fees will be reimbursed to the client. We retain the discretion to negotiate alternative fees on a client-by-client basis. Client facts, circumstances and needs are considered in determining the fee schedule. These include the complexity of the client, assets to be placed under management, anticipated future additional assets, related accounts, portfolio style and account composition among other factors. The specific annual fee schedule is identified in the contract between the adviser and each client.

We may group certain related client accounts for the purposes of achieving the minimum account size requirements and determining the annualized fee.

Management personnel and other related persons of our firm may be licensed as insurance agents or brokers. In this separate capacity, these individuals may be in a position to earn additional compensation from insurance-related products and strategies. This presents a conflict of interest to the extent that these individuals recommend that a client purchase an insurance product which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all insurance recommendations is solely at the discretion of the client.

Mars Hill Global Relative Value ETF. Mars Hill Partners, LLC ("MHP") is an SEC-registered investment adviser owned in part by Huntley Thatcher Ellsworth, Ltd. ("HTE") and in part by related persons of HTE. MHP's sole client is the Mars Hill Global Relative Value ETF, a long/short global equity exchange-traded fund. When appropriate to the needs of our clients, HTE may invest client assets in the Mars Hill Global Relative Value ETF.

MHP will rebate to HTE, on a quarterly basis, the management fees paid to MHP by advisory clients of HTE. HTE will in turn credit these fees to its advisory clients based on their share of the fees paid to MHP.

Mutual Fund Fees: All fees paid to Huntley Thatcher Ellsworth, Ltd. for investment advisory services are separate and distinct from the fees and expenses charged by mutual funds

and/or ETFs to their shareholders. These fees and expenses are described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the fund also imposes sales charges, a client may pay an initial or deferred sales charge. A client could invest in a mutual fund directly, without our services. In that case, the client would not receive the services provided by our firm which are designed, among other things, to assist the client in determining which mutual fund or funds are most appropriate to each client's financial condition and objectives. Accordingly, the client should review both the fees charged by the funds and our fees to fully understand the total amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additional Fees and Expenses: In addition to our advisory fees, clients are also responsible for the fees and expenses charged by custodians and imposed by broker dealers, including, but not limited to, any transaction charges imposed by a broker dealer with which an independent investment manager effects transactions for the client's account(s). Please refer to the "Brokerage Practices" section (Item 12) of this Form ADV for additional information.

ERISA Accounts: Huntley Thatcher Ellsworth, Ltd. is deemed to be a fiduciary to advisory clients that are employee benefit plans or individual retirement accounts (IRAs) pursuant to the Employee Retirement Income and Securities Act ("ERISA"), and regulations under the Internal Revenue Code of 1986 (the "Code"), respectively. . As such, our firm is subject to specific duties and obligations under ERISA and the Internal Revenue Code that include among other things, restrictions concerning certain forms of compensation.

Advisory Fees in General: Clients should note that similar advisory services may (or may not) be available from other registered (or unregistered) investment advisers for similar or lower fees.

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

Huntley Thatcher Ellsworth, Ltd. does not charge performance-based fees.

Item 7 Types of Clients

Huntley Thatcher Ellsworth, Ltd. provides advisory services to the following types of clients:

- Individuals (other than high net worth individuals)
- High net worth individuals
- Pension and profit sharing plans(other than plan participants)
- Charitable organizations
- Corporations or other businesses not listed above

As previously disclosed in Item 5, our firm has established certain minimum account and fee requirements for Investment Management and Wealth Advisory Services. For a more detailed understanding of those requirements, please review the disclosures provided in each applicable service.

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

METHODS OF ANALYSIS

We use the following methods of analysis in formulating our investment advice and/or managing client assets:

Fundamental Analysis. We analyze the intrinsic value of a security or asset class by looking at economic and financial factors (including the overall economy, industry conditions, and the financial condition and management of the company itself) to determine if the company or asset class is underpriced (indicating it may be a good time to buy) or overpriced (indicating it may be time to sell).

Technical Analysis. We analyze past market movements and apply that analysis to the present in an attempt to recognize recurring patterns of investor behavior and potentially predict future price movement, as well as identifying primary trends and key reversal points.

Quantitative Analysis. We analyze large amounts of data using quantitative models that aid in assessing the overall balance of evidence in regards to capital market and economic conditions at any given point in time.

Risks for all forms of analysis. Our analysis methods rely on the assumption that the companies whose securities we purchase and sell, the rating agencies that review these securities, and other publicly-available sources of information about these securities, are providing accurate and unbiased data. While we are alert to indications that data may be incorrect, there is always a risk that our analysis may be compromised by inaccurate or misleading information.

INVESTMENT STRATEGIES

We use the following strategy(ies) in managing client accounts, provided that such strategy(ies) are appropriate to the needs of the client and consistent with the client's investment objectives, risk tolerance, and time horizons, among other considerations:

Long-term purchases. We purchase securities with the idea of holding them in the client's account for a year or longer. Typically we employ this strategy when:

- we believe the securities to be currently undervalued, and/or
- we want exposure to a particular asset class as core exposure over a long period of time, regardless of the current valuation or outlook for this class.

A risk in a long-term purchase strategy is that by holding the security for this length of time, we may not take advantage of short-term gains that could be profitable to a client. Moreover, if our predictions are incorrect, a security may decline sharply in value before we make the decision to sell.

Short-term purchases. When utilizing this strategy, we purchase securities with the idea of selling them within a relatively short time (less than a year). We do this in an attempt to take advantage of conditions that we believe will soon result in a price swing in the securities we purchase.

A short-term purchase strategy poses risks should the anticipated price swing not materialize; we are then left with the option of having a long-term investment in a security that was designed to be a short-term purchase, or potentially taking a loss.

In addition, this strategy involves more frequent trading than does a longer-term strategy, and will result in increased brokerage and other transaction-related costs, as well as less

favorable tax treatment of short-term capital gains.

Short sales. We borrow shares of a stock for your portfolio from someone who owns the stock on a promise to replace the shares at some point in the future. Those borrowed shares are then sold into the open market. At some point in the future we then buy the stock back and return the shares to the original owner. We engage in short selling based on our determination that the stock will go down in price after we have borrowed the shares. If we are correct and the stock price goes down, allowing us to purchase it back at a lower price, the client realizes a profit.

A short sale loses when the stock price rises, and a stock is not limited (at least, theoretically) in how high it can go. For example, if you short 100 shares at \$50 each, hoping to make a profit but the shares increase to \$75 per share, you'd lose \$2,500. On the other hand, the price of a stock cannot fall below \$0, which limits your potential upside.

Margin transactions. We may purchase stocks for your portfolio with money borrowed from your brokerage account. This allows you to purchase more stock than you would be able to with your available cash, and allows us to purchase stock without selling other holdings.

A risk in margin trading is that, in volatile markets, securities prices can fall very quickly. If the value of the securities in your account minus what you owe the broker falls below a certain level, the broker will issue a "margin call", and you will be required to sell your position in the security purchased on margin or add more cash to the account.

Option writing. We may use options as an investment strategy. An option is a contract that gives the buyer the right, but not the obligation, to buy or sell an asset (such as a share of stock) at a specific price on or before a certain date. An option, just like a stock or bond, is a security. An option is also a derivative, because it derives its value from an underlying asset.

The two types of options are calls and puts:

- A call gives us the right to buy an asset at a certain price within a specific period of time. We will buy a call if we have determined that the stock will increase substantially before the option expires.
- A put gives us the holder the right to sell an asset at a certain price within a specific period of time. We will buy a put if we have determined that the price of the stock will fall before the option expires.

We will use options to speculate on the possibility of a sharp price swing. We will also use options to "hedge" a purchase of the underlying security; in other words, we will use an option purchase to limit the potential upside and downside of a security we have purchased for your portfolio.

We may use "covered calls", in which we sell an option on security you own. In this strategy, you receive a fee for making the option available, and the person purchasing the option has the right to buy the security from you at an agreed-upon price.

We may use a "spreading strategy", in which we purchase two or more option contracts (for example, a call option that you buy and a call option that you sell) for the same underlying security. This effectively puts you on both sides of the market, but with the ability to vary price,

time and other factors.

A risk of covered calls is that the option buyer does not have to exercise the option, so that if we want to sell the stock prior to the end of the option agreement, we have to buy the option back from the option buyer, for a possible loss.

A risk of spreading strategies is that the ability to fully profit from a price swing is limited.

Risk of Loss. Securities investments are not guaranteed and you may lose money on your investments. We ask that you work with us to help us understand your tolerance for risk.

Item 9 Disciplinary Information

We are required to disclose certain legal or disciplinary events as outlined by the SEC's regulatory mandates. Our firm and our management personnel have no such reportable disciplinary events to disclose.

Item 10 Other Financial Industry Activities and Affiliations

Mars Hill Partners, LLC ("MHP") is an SEC-registered investment adviser owned in part by Huntley Thatcher Ellsworth, Ltd. ("HTE") and in part by related persons of HTE. MHP's sole client is the Mars Hill Global Relative Value ETF, a long/short global equity exchange-traded fund. The issuer of the Mars Hill Global Relative Value ETF is AdvisorShares, a firm that is not affiliated with HTE or its related persons.

HTE and MHP will share office space and personnel, including portfolio managers and traders. When appropriate to the needs of its advisory clients, HTE will use the Mars Hill Global Relative Value ETF for long/short global equity allocations in client accounts.

MHP will rebate to HTE, on a quarterly basis, the management fees paid to MHP by advisory clients of HTE. HTE will in turn credit these fees to its advisory clients based on their share of the fees paid to MHP.

Management personnel and other related persons of our firm may be licensed as insurance agents or brokers. In this separate capacity, these individuals may be in a position to earn additional compensation from insurance-related products and strategies. This presents a conflict of interest to the extent that these individuals recommend that a client purchase an insurance product which results in a commission being paid to the individuals. Clients are not under any obligation to engage these individuals when considering implementation of advisory recommendations. The implementation of any or all insurance recommendations is solely at the discretion of the client.

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

Our firm has adopted a Code of Ethics which sets forth high ethical standards of business

conduct that we require of our employees, including compliance with applicable federal securities laws.

Huntley Thatcher Ellsworth, Ltd. and our personnel owe a duty of loyalty, fairness and good faith towards our clients, and have an obligation to adhere not only to the specific provisions of the Code of Ethics but to the general principles that guide the Code.

Our Code of Ethics includes policies and procedures for the quarterly review of personal securities transactions reports as well as initial and annual securities holdings reports that must be submitted by the firm's access persons. Among other things, our Code of Ethics also requires the prior approval of any acquisition of securities in a limited offering (e.g., private placement) or an initial public offering. Our code also provides for oversight, enforcement and recordkeeping provisions.

Huntley Thatcher Ellsworth, Ltd.'s Code of Ethics further includes the firm's policy prohibiting the use of material non-public information in trading securities. While we do not believe that we have any particular access to non-public information, all employees are reminded that such information may not be used in a personal or professional capacity.

A copy of our Code of Ethics is available to our advisory clients and prospective clients. You may request a copy by email sent to caustin@hteadvisers.com, or by calling us at 719-522-1339.

Our Code of Ethics is designed to assure that the personal securities transactions, activities and interests of our employees will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing employees to invest for their own accounts.

HTE or related person(s) may buy or sell securities for their personal accounts or have an interest in securities that may also be recommended to clients. As these situations represent a conflict of interest, HTE has established the following restrictions in order to ensure its fiduciary responsibilities:

- (1) a director, officer or employee of HTE shall not buy or sell securities for their personal accounts where their decision is substantially derived, in whole or in part, by reason of his or her employment with HTE, unless the information is also available to the investing public on reasonable inquiry (no person of HTE shall prefer his or her own interest to that of the advisory client),
- (2) HTE maintains a list of all securities holdings for itself, and anyone associated with this advisory practice with access to advisory recommendations (these holdings are reviewed on a regular basis by an appropriate officer of HTE),
- (3) HTE requires that all individuals act in accordance with all applicable Federal and State regulations governing registered investment advisory practices and
- (4) any individual not in observance of the above may be subject to termination.

HTE will aggregate trades for itself or related persons with client trades. Please refer to Item 12 for more information on our procedures for aggregating trades.

Item 12 Brokerage Practices

We require discretionary clients to provide us with written authority to determine the broker dealer to use and the commission costs that will be charged to these clients for securities transactions.

These clients must include any limitations on this discretionary authority in this written authority statement. Clients may change/amend these limitations as required. Such amendments must be provided to us in writing.

Huntley Thatcher Ellsworth, Ltd. will endeavor to select those brokers or dealers which will provide the best services at the lowest commission rates possible. The reasonableness of commissions is based on the broker's stability, reputation, ability to provide professional services, competitive commission rates and prices, research, trading platform, and other services which will help Huntley Thatcher Ellsworth, Ltd. in providing investment management services to clients. Huntley Thatcher Ellsworth, Ltd. may, therefore recommend (or use) the use of a broker who provides useful research and securities transaction services even though a lower commission may be charged by a broker who offers no research services and minimal securities transaction assistance. Research services may be useful in servicing all our clients, and not all of such research may be useful for the account for which the particular transaction was effected.

Consistent with obtaining best execution for clients, Huntley Thatcher Ellsworth, Ltd. may direct brokerage transactions for clients' portfolios to brokers who provide research and execution services to Huntley Thatcher Ellsworth, Ltd. and, indirectly, to Huntley Thatcher Ellsworth, Ltd.'s clients. These services are of the type described in Section 28(e) of the Securities Exchange Act of 1934 and are designed to augment our own internal research and investment strategy capabilities. This may be done without prior agreement or understanding by the client (and done at our discretion). Research services obtained through the use of soft dollars may be developed by brokers to whom brokerage is directed or by third-parties which are compensated by the broker. Huntley Thatcher Ellsworth, Ltd. does not attempt to put a specific dollar value on the services rendered or to allocate the relative costs or benefits of those services among clients, believing that the research we receive will help us to fulfill our overall duty to our clients. Huntley Thatcher Ellsworth, Ltd. may not use each particular research service, however, to service each client. As a result, a client may pay brokerage commissions that are used, in part, to purchase research services that are not used to benefit that specific client. Broker-dealers we select may be paid commissions for effecting transactions for our clients that exceed the amounts other broker-dealers would have charged for effecting these transactions if Huntley Thatcher Ellsworth, Ltd. determines in good faith that such amounts are reasonable in relation to the value of the brokerage and/or research services provided by those broker-dealers, viewed either in terms of a particular transaction or our overall duty to its ('brokerage') discretionary client accounts.

Certain items obtainable with soft dollars may not be used exclusively for either execution or research services. The cost of such "mixed-use" products or services will be fairly allocated and Huntley Thatcher Ellsworth, Ltd. makes a good faith effort to determine the percentage of such products or services which may be considered as investment research. The portions of the costs attributable to non-research usage of such products or services are paid by our firm to the broker-dealer in accordance with the provisions of Section 28(e) of the Securities Exchange Act of 1934.

When Huntley Thatcher Ellsworth, Ltd. uses client brokerage commissions to obtain research or brokerage services, we receive a benefit to the extent that Huntley Thatcher Ellsworth, Ltd.

does not have to produce such products internally or compensate third-parties with our own money for the delivery of such services. Therefore, such use of client brokerage commissions results in a conflict of interest, because we have an incentive to direct client brokerage to those brokers who provide research and services we utilize, even if these brokers do not offer the best price or commission rates for our clients.

Within our last fiscal year, we obtained online and interactive research tools on a soft-dollar basis.

Huntley Thatcher Ellsworth, Ltd. will block trades where possible and when advantageous to clients. This blocking of trades permits the trading of aggregate blocks of securities composed of assets from multiple client accounts, so long as transaction costs are shared equally and on a pro-rated basis between all accounts included in any such block.

Block trading may allow us to execute equity trades in a timelier, more equitable manner, at an average share price. Huntley Thatcher Ellsworth, Ltd. will typically aggregate trades among clients whose accounts can be traded at a given broker, and generally will rotate or vary the order of brokers through which it places trades for clients on any particular day. Huntley Thatcher Ellsworth, Ltd.'s block trading policy and procedures are as follows:

(1) HTE's policies for the aggregation of transactions shall be fully disclosed in this Form ADV and separately to HTE's existing clients (if any) and the broker-dealer(s) through which transactions will be placed,

(2) HTE will not aggregate transactions unless it believes that aggregation is consistent with its duty to seek best execution (which includes the duty to seek best price) for its clients and is consistent with the terms of HTE's investment advisory agreement with each client for which trades are being aggregated,

(3) no advisory client will be favored over any other client; each client that participates in an aggregated order will participate at the average share price for all of HTE's aggregated transactions in a given security on a given business day,

(4) notwithstanding the foregoing, the order may be allocated on a basis different from that specified in the Allocation Statement if all client accounts receive fair and equitable treatment and the reason for different allocation is explained in writing and is approved by HTE's compliance officer no later than one hour after the opening of the markets on the trading day following the day the order was executed,

(5) HTE's books and records will separately reflect, for each client account, the orders of which are aggregated, the securities held by, and bought and sold for that account,

(6) funds and securities of clients whose orders are aggregated will be deposited with one or more banks or broker-dealers, and neither the clients' cash nor their securities will be held collectively any longer than is necessary to settle the purchase or sale in question on a delivery versus payment basis; cash or securities held collectively for clients will be delivered out to the custodian bank or broker-dealer as soon as practicable following the settlement,

(7) HTE will receive no additional compensation or remuneration of any kind as a result of the proposed aggregation and

(8) individual advice and treatment will be accorded to each advisory client.

Item 13 Review of Accounts

REVIEWS: We review all discretionary portfolios as needed. Non-discretionary portfolios are reviewed as required by the client agreement. Reviews are designed to assess overall asset allocation, risk and performance in light of client objectives. Accounts are reviewed consistently by each client's primary adviser, and less frequently by any of the other investment professionals or by an investment committee consisting of all advisers, portfolio managers and analysts.

REPORTS: We provide quarterly reports generated using the Advent portfolio accounting system and internal proprietary reports. We can provide additional reports upon client request.

Item 14 Client Referrals and Other Compensation

CLIENT REFERRALS

Our firm may pay referral fees to independent persons or firms ("Solicitors") for introducing clients to us. Whenever we pay a referral fee, we require the Solicitor to provide the prospective client with a copy of this document (our *Firm Brochure*) and a separate disclosure statement that includes the following information:

- the Solicitor's name and relationship with our firm;
- the fact that the Solicitor is being paid a referral fee;
- the amount of the fee; and
- whether the fee paid to us by the client will be increased above our normal fees in order to compensate the Solicitor.

As a matter of firm practice, the advisory fees paid to us by clients referred by solicitors are not increased as a result of any referral.

It is our policy not to accept or allow our related persons to accept any form of compensation, including cash, sales awards or other prizes, from a non-client in conjunction with the advisory services we provide to our clients.

Item 15 Custody

We previously disclosed in the "Fees and Compensation" section (Item 5) of this Brochure that our firm directly debits advisory fees from client accounts.

As part of this billing process, the client's custodian is advised of the amount of the fee to be deducted from that client's account. On at least a quarterly basis, the custodian is required to send to the client a statement showing all transactions within the account during the reporting period.

Because the custodian does not calculate the amount of the fee to be deducted, it is important for clients to carefully review their custodial statements to verify the accuracy of the calculation, among other things. Clients should contact us directly if they believe that there may be an error in their statement.

Item 16 Investment Discretion

Clients may hire us to provide discretionary asset management services, in which case we place trades in a client's account without contacting the client prior to each trade to obtain the client's permission. We will not accept discretionary authority for a client's non-public investments.

Our discretionary authority includes the ability to do the following without contacting the client:

- determine the security to buy or sell; and/or
- determine the amount of the security to buy or sell

Clients give us discretionary authority when they sign a discretionary agreement with our firm, but may limit this authority by giving us written instructions specifying such limits. Clients may also change/amend such limitations by once again providing us with written instructions.

Item 17 Voting Client Securities

Proxy voting is an important right of shareholders and reasonable care and diligence must be undertaken to ensure that such rights are properly and timely exercised. We will vote proxies for discretionary clients. We will vote those proxies in the best interest of our clients and in accordance with these policies and procedures.

All proxies we receive will be delivered to the Compliance Officer and voted by the Proxy Voting Officer, as appointed by the Compliance Committee. In the absence of specific voting guidelines from the client, we will vote proxies in the best interests of each particular client, which may result in different voting results for proxies of the same issuer. The Compliance Officer will identify any conflicts that exist between our interests and those of our clients. If a material conflict exists, we will determine whether voting in accordance with the guidelines and factors described above is in the best interest of the client.

Clients may contact our Chief Compliance Officer at (719) 522-1339 to obtain information of how we voted such clients proxies, and to request a copy of these policies and procedures. Files relating to our proxy voting procedures are kept at its primary office address.

We will neither advise nor act on behalf of the client in legal proceedings involving companies whose securities are held in the client's account(s), including, but not limited to, the filing of "Proofs of Claim" in class action settlements. If desired, clients may direct us to transmit copies of class action notices to the client or a third party. Upon such direction, we will make commercially reasonable efforts to forward such notices in a timely manner.

For accounts where we do not vote proxies, we may provide clients with consulting assistance regarding proxy issues if they contact us with questions at our principal place of business.

Item 18 Financial Information

Under no circumstances do we require or solicit payment of fees in excess of \$1200 per client more than six months in advance of services rendered. Therefore, we are not required to

include a financial statement.

Huntley Thatcher Ellsworth, Ltd. has not been the subject of a bankruptcy petition at any time during the past ten years.