

SEC Form ADV Part 2A: Firm Brochure

Item 1 – Cover Page

March 19, 2013



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This brochure provides information about the qualifications and business practices of Lathrop Investment Management Corporation (“**LIMC**”). If you have any questions about the contents of this brochure, please contact us by phone at 501-227-4930 or toll-free at 877-227-4930. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission (“SEC”) or by any state securities authority. While LIMC is registered with the SEC, registration with the SEC does not imply a certain level of skill or training. Part 2B of this filing describes the training and experience of the professionals at **LIMC**. Additional information about LIMC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2 – Material Changes

In July 2010, the Securities and Exchange Commission amended the rules covering Part 2 of Form ADV. Part 2 of Form ADV contains the minimum requirements for the disclosure statements that investment advisors must deliver to their existing and prospective clients.

In the future, this “Item 2 – Material Changes” will discuss only specific material changes that are made to this brochure. It will also reference the date of our last annual update of this document. In lieu of providing existing clients with an updated brochure each year, we may provide our existing clients with Item 2 of our brochure to describe any material changes occurring since the last annual update of the brochure. We will deliver a brochure or Item 2 each year to existing clients within 120 days of our fiscal year end. Clients wishing to receive a complete copy of our brochure may obtain the brochure at no charge by contacting our Chief Compliance Officer, Andy LaGrone at 501-227-4930 or by sending an email to andy@limc.com.

There are no other changes in our Form ADV that we deem to be material since our last updated filing on March 26, 2012.

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Item 4 – Advisory Business

LIMC is an independent investment counseling firm founded in 1981 by Gregory C. Lathrop. Mr. Lathrop is the sole owner of LIMC. Our current professional investment team includes Andrew A. LaGrone, J. Wesley Havens and Gregory C. Lathrop.

LIMC provides discretionary investment counseling to individuals, families, trusts, estates, retirement plans, businesses and not-for-profit institutions. We maintain separately managed accounts for all clients. These separate accounts are maintained at various independent and client-directed custodians, none of which is affiliated with us. Typically, the custodian is a major national brokerage firm or bank trust company. Our client billings for services rendered are based on a percentage of those assets under our management. See Item 5 for fee schedule details. We also provide non-discretionary manager-of-managers investment services for two clients where we recommend and monitor unaffiliated investment advisors and custodians.

LIMC primarily utilizes individual stocks, bonds and cash to construct client portfolios. The companies whose stocks we invest in are typically headquartered in the United States though, in aggregate, these companies typically have a third or more of their operations focused on foreign markets, which gives LIMC stock portfolios meaningful exposure to both the domestic and global economies. We utilize high-quality corporate, municipal and U.S. government treasury and agency bonds, combined with money market funds, to manage our clients' cash flow, liquidity and tax efficiency objectives. We use mutual funds and Exchange-Traded Funds ("ETF") when a client portfolio does not have sufficient size to be properly diversified with individual securities.

We are aware that any individual client may have unique needs with regard to their investment management. We are capable of tailoring portfolios to those individual needs in most situations. Clients may impose restrictions on investment in certain specific securities or types of securities. They might restrict our selling a concentrated legacy holding, may direct that we only invest in fixed income securities or may prohibit us from using specific securities.

As of February 28, 2013, we managed \$360 million of client assets for approximately 156 client relationships composing 527 individual investment accounts. These totals included \$124 million in funds where we act as a manager of other investment managers for two client relationships composing five individual investment accounts.

Item 5 – Fees and Compensation

LIMC clients are charged annual fees, collected quarterly, that are based upon the market value of assets under management as follows:

- 1.00% of the first \$500,000 of assets under management
- 0.75% of the next \$500,000 of assets under management
- 0.50% of assets over \$1,000,000

Unless waived or reduced in consideration of the size and type of account, overall relationship size, as well as other considerations, the minimum annual fee per client is \$5,000. This minimum fee implies a minimum account size of \$500,000. All fees are payable quarterly in advance and based on the market value of managed assets at the beginning of each calendar quarter. Multiple accounts from a single client or family are combined to determine total fees. We typically deduct fees from client assets with a copy of the fee calculation and bill sent to the client. Clients may elect to be billed directly. Either the client or LIMC may terminate the advisory relationship by providing written notice, which shall be effective upon receipt. Fees will be prorated to the date of termination and an appropriate refund made to the client.

Our clients determine the third-party custodian used to maintain the investment assets managed by LIMC. We may advise our clients in that process, but do not act as custodian. Our fees do not include brokerage commissions, transaction fees, or other related costs incurred by the client. Clients may incur charges imposed by custodians, brokers and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire and electronic fund transfer fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds (including money market mutual funds) and ETFs also charge internal management fees, disclosed in each fund's prospectus. These charges, fees and commissions are exclusive of and in addition to our fees. It should be noted that we do not receive any portion of these other fees, costs or commissions. For more information about our use of investment brokers to service your account, please refer to "Item 12 – Brokerage Practices" of this brochure.

Manager-of-manager clients are charged fees reduced from the above discretionary schedule based upon individual negotiations with each client. These fees vary from 0.25% to 0.05% of assets under management depending on the size of the account, the reporting requirements and unique circumstances. These fees are annual fees, collected quarterly, and are based upon the market value of assets under management at the beginning of each quarter.

Neither our firm, nor its employees, accepts compensation for the sale of securities or other investment products, including asset-based sales charges or service fees from the sale of mutual funds.

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

We do not manage any accounts with performance based fees.

Item 7 – Types of Clients

We provide investment advice to individuals, families, trusts, estates, retirement plans, businesses and not-for-profit institutions. LIMC does impose a \$500,000 minimum account size or a minimum annual fee of \$5,000. The aggregate size and potential of the total client relationship is considered for client acceptance and fee calculations.

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

We counsel clients to tailor an investment policy appropriate to their unique needs and circumstances. As a result, each client's asset allocation is based on his or her specific return objective, liquidity preferences and risk tolerance.

We employ fundamental analysis to evaluate the merits of potential securities utilized in client portfolios. Our security selection is based primarily on three factors using our own disciplined stock selection process. We focus on forward potential for earnings, free cash flows and financial strength. Our team conducts its own research and supplements it with research provided by international, national and regional brokerage firms and other sources. Valuation analysis is then utilized to further identify those investments that appear to be attractively valued. Finally, our long-term outlook and our assessment of current market trends guides our purchase and sale decisions.

Our investment team seeks to diversify all portfolios using stocks that operate in varied industries, geographies and economic segments, and that appear to have limited company-specific risks. Most client portfolios will have 25 to 35 different companies represented among stock holdings.

Among other issues, bond investments consider our respective client's unique objectives and risk taking capabilities, the existing structure of their bond portfolio, tax implications, the financial strength of the bond issuer and investment grade ratings assigned to the bond issuer by recognized rating agencies.

Frequent monitoring of market conditions, portfolio positions and security holdings allows us to effectively track performance relative to our expectations. We continually evaluate company and industry fundamentals to detect secular changes or deterioration in future prospects. We periodically rebalance client portfolios to maintain the appropriate investment objective for each client, while minimizing portfolio turnover and stressing income tax efficiency.

Investing in securities of any kind involves the risk that some or all of the money invested in a security could be lost; a risk that clients must be willing to bear. LIMC invests client funds in securities that could involve similar risks of loss that the client should be prepared to bear. The risks associated with equity securities include, but are not limited to, risk of loss related to changes in underlying business and economic conditions for the specific company; non-specific risk might include general changes in industry or market conditions that could impact the investment. Unexpected events such as natural disasters and terrorist acts could result in losses. Management could mislead the public about the true situation and prospects for the company. Among others, bond investments are exposed to credit quality risk, inflationary expectations and interest rate changes.

Item 9 – Disciplinary Information

LIMC and its individual employees have no history of, or current disciplinary actions against them. Such includes criminal or civil actions in a domestic, foreign or military court; administrative proceeding before the SEC, or any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority; or proceedings before a self-regulatory organization.

Item 10 – Other Financial Industry Activities and Affiliations

Neither LIMC or any of its employees is registered as or in any way pursues business or compensation as a broker/dealer of investment securities, a futures commission merchant, a commodity pool operator, or a commodity trading advisor.

With regard to two clients only, the firm operates as manager of managers, where we conduct searches on behalf of clients for investment advisors. Due diligence is conducted on prospective advisors that fit the investment objectives the clients wishes to fill. The client selects from a group of managers that we recommend to the client. No compensation is paid to LIMC, its employees or supervised persons by any prospective or hired outside advisor.

We are not seeking additional manager-of-manager clients at this time. We do not believe that the manager-of-manager work we do presents material conflicts of interest to any of our clients. We take great care to avoid situations which could be conflicted, or even have the appearance of conflict. Our clients' interests will always be our priority. If a conflict should occur, full disclosure of the potential conflict will be made directly with all potentially affected clients.

LIMC owner Gregory Lathrop and LIMC staffer Andrew LaGrone co-own and operate Lathrop & LaGrone LLC ("L&L"). L&L has historically provided two types of services to a very narrow client base – the valuation of closely held businesses for the purposes of estates, employee stock ownership plans and business combinations, and expert advice and testimony for purposes of investment-related legal matters. All work by L&L has

historically been very flexible as to time scheduling and time required. In any given year, the time devoted to this business has not been material relative to the daily operations of the investment management business of LIMC. LIMC and L&L have no common clients and L&L does not pursue any form of investment advisory work.

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

The LIMC Code of Ethics, pursuant to SEC rule 204A-1, is part of our overall Compliance Manual. We will provide a complete copy of our Code of Ethics to any client or prospective client upon request to Andrew A. LaGrone, the Chief Compliance Officer of LIMC. All officers, directors and employees of LIMC annually sign the Code of Ethics policy stating that they shall conduct themselves with integrity and dignity, acting ethically in dealing with the public, clients, customers, fellow officers, directors, employees and members of the professional investment community.

LIMC, its officers, directors and employees may purchase or sell of their own accounts securities that are recommended to clients or purchased or sold on behalf of client accounts. Additionally and based upon, among other things, the investment objectives, guidelines and restrictions of clients, LIMC may purchase or sell securities on behalf of certain client accounts, while selling or purchasing the same securities on behalf of other client accounts. LIMC does not provide disclosure to clients when it or its officers, directors and employees make purchases or sales of securities that LIMC recommends (or intends to recommend) to clients or purchases or sells (or intends to purchase or sell) on behalf of client accounts. These practices may be considered potential conflicts of interest. We believe that we have adopted policies and procedures that are reasonably designed to mitigate these potential conflicts of interest. Our Code of Ethics acknowledges the fiduciary nature of our duty to our clients. Further, the conduct of personal securities transactions will be handled in a manner which does not interfere with client transactions or otherwise take advantage of the client relationship.

Item 12 – Brokerage Practices

Investment or Brokerage Discretion. In most cases, we will have full authority to select the broker to complete client security transactions. When clients have no preference, we generally recommend that clients establish brokerage accounts with Charles Schwab & Co., Inc. ("Schwab"), a registered broker-dealer, to maintain custody of their investment securities assets and to effect trades for their accounts. Schwab does not charge separately for custody but is compensated by clients through commissions and fees on transactions. A division of Schwab, Schwab Institutional, provides LIMC with access to its institutional trading and operations services, which are typically not available to Schwab retail clients. Schwab Institutional's services are generally available to independent investment advisors at no cost to them as long as they maintain at least \$10 million of the advisor's clients' account assets at Schwab. These services include custody, brokerage, research, access to mutual funds and other investments that are,

otherwise, available only to institutional investors, or that might require significantly higher minimum initial investment.

In addition to executing client trades with the custodian of their accounts, we are able to execute some trades away from the account custodian when another broker/dealer has a desired product offering not available at the custodian or offers terms more favorable on a particular investment. These transactions can typically be executed in such a way that our clients do not need to open additional accounts, where personal client information is not communicated to the outside broker/dealer, and where the account's custodian will still process the paper work on the transaction.

Research and Other Soft Dollar Benefits. Schwab also makes available to us other products and services that benefit our firm but may not benefit our clients' accounts directly. These products and services assist us in managing and administering our client accounts. These include software and other services that provide access to client account data such as account statements, transaction histories and trade confirmations; facilitating trade executions and allocations of aggregated trade orders for multiple client accounts; providing research, pricing information and other market data; facilitating payment of our fees from our clients' accounts; and assisting with our back office support, record keeping and client reporting. Many of these services may be used to service all of our accounts, including our clients' accounts not maintained at Schwab.

In addition to those benefits that accrue to us because of our clients who maintain accounts at Schwab, we also receive or otherwise have access to investment research generated by a number of global, national and regional investment broker/dealers because of their anticipation that we will direct investment transactions (commissions) to their firms consistent with the value we derive from their research. When LIMC does "direct" such business, there is the possibility that our clients will pay trade execution commissions higher than those we may be able to negotiate from the custodian of their account or from another broker. There is also the possibility that, for various reasons, we will not direct trades from all accounts that benefit from the related research and, as such, the "costs" of this research may not be spread evenly among our accounts. This issue is typically mitigated in a number of ways. A very few of our investment decisions are heavily swayed by outside research, so we don't feel obligated to direct many transactions to research providers. When we do direct trades, we are still able to negotiate highly competitive commission rates (though possibly higher than otherwise) due to the volume of shares we are able to trade. And finally, these commissions are still typically immaterial to the total on-going investment costs to our clients. Otherwise, we do not enter into written or implied arrangements with custodians or other investment broker/dealers for purposes of their assuming any of our normal operating costs in exchange for directed business.

Individual clients may, from time to time, direct security purchases and sales, amounts to be bought or sold, brokers used and/or commission rates to be negotiated on transactions for their own account. Clients should be aware that such can expose them to

circumstances where we are unable to achieve the most favorable execution of trades on their behalf or may result in higher commissions or other investment costs than we are able to obtain for our clients in general.

Aggregation of Trades. When we execute stock or bond transactions for a number of our clients at substantially the same time, we will typically “aggregate” or “block up” our client trades with the executing broker in an effort to achieve the same or average execution price for all accounts involved. Based on our experience with the brokers we typically deal with and the size of our typical transactions, this aggregation of trades does not normally result in more or less favorable pricing or commission terms for clients. There are many situations where we will not aggregate client trades, such as for unique client issues, for individual client-by-client account reviews, or where aggregating trades to larger blocks of securities for a trade might “tip off” or “move” the market in certain securities in such a way that our clients achieve poorer execution due to the aggregation. Our underlying consideration, with regard to aggregating client trades, is for the most price efficient and fair treatment of our clients in total.

Item 13 – Review of Accounts

Our investment management business model provides two primary levels of account review – all portfolios in aggregate and each portfolio specifically. Substantially all accounts owning stocks own the same 25 to 35 stocks as all of our other stock-owning accounts. As such, our portfolio managers can each consider those holdings in light of any information received at any time. Likewise, substantially all accounts that own bonds, own bonds that are perceived of high quality and typically from an issuer based in the United States, such as a domestic corporation, a state or local municipality, or the U.S. government. This also allows us to consider all bond-owning accounts in general terms as each portfolio manager digests any investment and economic-related information at any time.

For account-specific reviews, our portfolio managers review each of our client accounts on at least a quarterly basis for consistency with our understanding of each client’s investment objectives. In addition, open and on-going communication is encouraged of both our clients and our portfolio managers to further assure that specific portfolios are being managed with all appropriate issues being adequately considered.

As mentioned in “Item 4 – Advisory Business” above, our investment team is composed of Greg Lathrop, Andy LaGrone and Wes Havens. Each is a Chartered Financial Analyst. Greg is President, founder and sole owner of LIMC. Andy is Senior Portfolio Manager/Analyst and is our firm’s Chief Compliance Officer. Wes is Portfolio Manager/Analyst. Additional information on each can be found at the end of this document in the “SEC Form ADV Part 2B: Brochure Supplement”.

Primary written reports that we provide to clients are mailed at the first of each calendar quarter in a “report packet”. This packet typically includes a commentary that we write

about the current investment markets and our opinion on select and timely investment or economic issues. In addition, the packet includes a summary of each client account, a detail of investment holdings, investment activity for the previous quarter, information on the historical investment performance of each account and our billing statement for the coming quarter. The report packet we mail at the beginning of the first calendar quarter of each year will also include detail of investment transactions we executed in the previous year for the account that may have resulted in a realized gain or loss for the clients' tax purposes. Because we do not provide tax return preparations or filings, we intend this report of realized gains and losses as supplemental to documentation from executing brokers or account custodians.

In addition to our reports, each client should receive a statement for each of their investment accounts from the custodian of each respective account on at least a quarterly basis. If the information on those statements is ever materially different from investment detail provided in our quarterly statements, we urge our clients to contact us immediately.

Item 14 – Client Referrals and Other Compensation

LIMC currently operates under no active client referral agreements and does not anticipate any such agreements in the foreseeable future. We presently have two client relationships that began when we participated in the Schwab Advisor Network referral program. LIMC's participation in Schwab's advisor referral program ended in 2006, however, we are obligated to continue paying Schwab a fixed percentage of the fees we charge these two clients. In addition, we are not compensated in any way and do not receive economic benefit of any type from any outside party that may provide investment, financial, tax, accounting or other counsel of any type to our clients.

Item 15 – Custody

LIMC does not act as custodian for any client funds. As noted above in "Item 13 – Review of Account", in addition to quarterly reports received from LIMC, each client should receive a statement for each of their investment accounts from the custodian of each respective account on at least a quarterly basis. Those statements from the custodian should routinely be reviewed in detail, and if the information on those statements is ever materially different from investment detail provided in our quarterly statements, we urge our clients to contact us immediately.

Item 16 – Investment Discretion

Fundamental to our business model and to our legal and business relationship with substantially all of our clients is the granting by each client of discretion to LIMC for purposes of managing investment transactions for the client. In addition to the contract with our firm executed with clients, this granting of investment management discretion is typically further evidenced by documents clients execute with the custodian of investment accounts that also describes the limited powers that we will have within the account with the custodian. Typically our authority is limited to buying and selling

investment securities on behalf of clients. In addition, client consent may allow us to vote shares for purpose of corporate events, it may allow us to direct the custodian to mail or wire funds to the exact title and address on the specific account, and client consent may allow the custodian to pay quarterly fees to us directly from the client account. Nowhere in our contract or in any documentation the client executes with any custodian is there direct or implied authority granted to our firm or employees to move or withdraw client investment assets without written instruction and authorization.

Item 17 – Voting Client Securities

LIMC complies with SEC Rule 206(4)-6 requiring formal proxy voting policies and procedures for SEC registered investment advisers that assume voting authority over their clients' portfolio securities. As such, we have adopted guidelines for voting proxies, which in general emphasize our consideration of shareholder rights and the potential impact on stock valuation. Our proxy voting policy outlines its limitations and special considerations, its guiding principles, and the specific proxy voting procedures that guide our actions with regard to proxy voting. These policies and procedures make no provision for a client to direct our vote on a particular issue, though we would certainly consider a client's voiced perspective in our decision. Should a situation arise in voting a proxy that presents a possible conflict of interest between LIMC and any number of its clients, a "special issues" committee comprised of the LIMC investment team will be convened to consider a satisfactory conclusion. In such an event that this committee cannot agree on a resolution, we will submit the proxy to a knowledgeable third-party entity to be either voted or to abstain from a vote. A copy of LIMC's proxy-voting policies and procedures is available to all of our clients upon written request. In addition, we will provide our clients information about how we voted their securities upon request. Though we take our proxy voting responsibilities very seriously, we believe it is valuable perspective to appreciate that even our largest client holding, in aggregate, would represent no more than one percent ownership of even the smallest company that we might consider investing client funds. Our largest client holding, in aggregate, would represent a very small fraction of one percent ownership in the average company that our clients typically own.

Item 18 – Financial Information

LIMC does not solicit prepayment of more than \$1,200 in fees per client six months or more in advance and therefore is not required to include a balance sheet for the most recent year-end. We do assert that LIMC has no financial commitments that impair our ability to meet contractual and fiduciary commitments to our clients, and that LIMC has never been the subject of a bankruptcy proceeding.

SEC Form ADV Part 2B: Brochure Supplement

Item 1 – Cover Page

March 19, 2013



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This brochure supplement provides information about all of Lathrop Investment Management Corporation's ("LIMC") supervised personnel who are primarily responsible for formulating investment advice, who have direct contact with our clients, and who as agents for LIMC have discretionary authority over client assets. Each is an employee of LIMC and may be contacted at the above address. This information is intended as a supplement to LIMC's SEC Form ADV Part 2 brochure.

Supervised personnel:

Gregory C. Lathrop, CFA, CIC
Andrew A. LaGrone, CFA
J. Wesley Havens, CFA

Additional information about each person is available on the SEC's website at www.adviserinfo.sec.gov.

Item 2 – Educational Background and Business Experience

GREGORY C. LATHROP, CFA, CIC (born 1947) is the President of LIMC and sole owner since founding the company in 1981. He is a Chartered Financial Analyst, a Chartered Investment Counsel, and a member of the CFA Institute and the CFA Society of Arkansas. He received his B.B.A. in Finance from the University of Texas at Austin in 1969 and completed M.B.A. course work at St. Mary's University, San Antonio, Texas, in 1973. In 1976, Greg attended the National Graduate Trust School at Northwestern University in Evanston, Illinois.

Greg is Managing Partner of Lathrop & LaGrone LLC (2001 to present), which provides valuation services to a very limited number of closely held businesses and expert witness testimony in a very limited number of legal disputes. Prior to founding LIMC in 1981, Greg was Vice President and Trust Investment Department Manager, Worthen Bank & Trust Company, N.A., Little Rock, Arkansas - \$500 million Trust Division (1973 to 1981); and prior to that Assistant Trust Investment Officer; National Bank of Commerce, San Antonio, Texas (1970 to 1973).

ANDREW A. LaGRONE, CFA (born 1961) is Senior Portfolio Manager and Analyst (1999 to Present) and Chief Compliance Officer (2003 to present) at LIMC. He is a Chartered Financial Analyst, a Certified Public Accountant (inactive), a member of the CFA Institute and a member and past president and director of the CFA Society of Arkansas. He received his B.S.B.A. in finance from the University of Arkansas in 1984.

Andy is a principal of Lathrop & LaGrone LLC (2001 to present), which provides valuation services to a very limited number of closely held businesses and expert witness testimony in a very limited number of legal disputes. Prior to joining LIMC, Andy was Vice President and Senior Equity Analyst with investment banker Sterne, Agee & Leach, Inc. (1995 to 1999), Chief Financial Officer with investment banker Hill, Crawford & Lanford, Inc. (1986 to 1995), and Staff Auditor with KPMG Peat Marwick, LLP (1984 to 1986). While employed at Hill, Crawford & Lanford, Inc., Andy was a principal in HCL Consulting, Inc. (1989 to 1995), which provided services similar to those currently of Lathrop & LaGrone LLC. All of this employment has been in Little Rock, Arkansas.

JAMES W. HAVENS, CFA (born 1978) is portfolio Manager and Analyst (June 2001 to present) at LIMC. Wes is a Chartered Financial Analyst and a member of the CFA Institute and the CFA Society of Arkansas. He received his B.B.A. in finance in May 2000, and his M.B.A. in May 2001, both from the University of Arkansas at Fayetteville.

Prior to joining LIMC, Wes was a Financial Analyst with Pratt & Whitney PCD, Fayetteville, Arkansas from 2000 to 2001.

Notes:

Chartered Financial Analyst (“CFA”)

To earn a CFA charter, you must have four years of qualified investment work experience, become a member of CFA Institute, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, apply for membership to a local CFA member society, and complete the CFA Program.

The CFA Program is organized into three levels, each culminating in a six-hour exam. Completing the Program takes most candidates between two and five years, but you can take as long as you need to complete the program.

The Program reflects a broad Candidate Body of Knowledge™ developed and continuously updated by active practitioners to ensure that charter holders possess knowledge grounded in the real world of today’s global investment industry.

CFA Institute

CFA Institute is the global association for investment professionals. It administers the CFA and CIPM curriculum and exam programs worldwide; publishes research; conducts professional development programs; and sets voluntary, ethics-based professional and performance-reporting standards for the investment industry. CFA Institute has more than 100,000 members, who include the world’s 90,000 CFA charter holders, in 135 countries and territories, as well as 135 affiliated professional societies in 58 countries and territories. More information may be found at www.cfainstitute.org.

Chartered Investment Counselor (“CIC”)

The Chartered Investment Counselor (CIC) charter is a professional designation established in 1975 and awarded by the Investment Adviser Association (IAA). The Charter was designed to recognize the special qualifications of persons employed by IAA member firms whose primary duties involve investment counseling and portfolio management.

A key educational component of the program is the requirement that candidates hold the Chartered Financial Analyst® (CFA®) designation, administered by CFA Institute (see www.cfainstitute.org/cfaprogram/Pages/index.aspx). In addition to successful completion of the CFA program, the CIC designation requires candidates to demonstrate significant experience (at least 5 cumulative years) in a position performing investment counseling and portfolio management responsibilities. At the time the charter is awarded, candidates must be employed by an IAA member firm in a such a position, must provide work and character references, must endorse the IAA’s Standards of Practice, and must provide professional ethical information. For more information, see: www.investmentadviser.org/eweb/dynamicpage.aspx?webcode=cic.

Item 3 – Disciplinary Information

LIMC has no information to disclose.

Item 4 – Other Business Activities

LIMC owner Gregory Lathrop and LIMC staff Andrew LaGrone co-own and operate Lathrop & LaGrone LLC (“L&L”). L&L has historically provided two types of services to a very narrow client base through the valuation of closely held businesses for the purposes of estates, employee stock ownership plans and business combinations, and expert advice and testimony for purposes of investment-related legal matters. All work by L&L has historically been very flexible as to time scheduling and time required. In any given year the time devoted to this business has not been material relative to the daily operations of the investment management business of LIMC. LIMC and L&L have no common clients and L&L does not pursue any form of investment advisory work.

Item 5 – Additional Compensation

LIMC has no information to disclose.

Item 6 – Supervision

Investment team members at LIMC are generalists, working as a team for the benefit of all of our clients. While Greg Lathrop retains final investment authority over all investment decisions, he, Andy LaGrone and Wes Havens have found they complement one another well and seek mutual agreement in all investment decisions. All three can initiate investment ideas for further research using various global, national and regional research, any forms of media, general reading and any other sources of insight that might allow valuable perspective on potential investment decisions. As important, each has the academic background, investment experience and access to significant data and computing capability to enable them to personally generate and develop investment ideas for consideration by our entire investment team.

Greg Lathrop supervises and evaluates the contribution of each member of our investment team on a subjective and objective basis. He can be reached with the above referenced contact information.