

# L. Cooper Investments

## Form ADV Part 2 Brochure

This brochure provides information about the qualifications and business practices of L. Cooper Investments. If you have any questions about the contents of this brochure, please contact us at 210-828-9479. 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 L. Cooper Investments also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for L. Cooper Investments is 110059.

L. Cooper Investments is a Registered Investment Adviser. Registration of an Investment Adviser does not imply any level of skill or training.

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Brochure prepared on March 11, 2011

On July 28, 2010, the United State Securities and Exchange Commission published "Amendments to Form ADV" which amends the disclosure document that we provide to clients as required by SEC Rules. This Brochure dated March 11, 2011 is a new document prepared according to the SEC's new requirements and rules. As such, this Document is materially different in structure and requires certain new information that our previous brochure did not require.

In the future, this Item will discuss only specific material changes that are made to the Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our brochure.

In the past we have offered or delivered information about our qualifications and business practices to clients on at least an annual basis. Pursuant to new SEC Rules, we will ensure that you receive a summary of any materials changes to this and subsequent Brochures within 120 days of the close of our business' fiscal year. We may further provide other ongoing disclosure information about material changes as necessary.

We will further provide you with a new Brochure as necessary based on changes or new information, at any time, without charge.

Currently, our brochure may be requested by contacting Larry Cooper, Sole Proprietor and Chief Compliance Officer, at 210-828-9479.

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## **Advisory Business**

L. Cooper Investments is located in San Antonio, Texas and is fully owned by Larry C. Cooper. The Firm has been providing investment advice since 1983.

### **Advisory Services**

L. Cooper Investments ("We" or "the Firm") renders discretionary investment advisory services by investing in securities that the Firm believes are suitable for each client based on the clients investment objectives, risk tolerance and other individual client needs and circumstances.

Our assets under management as of year-end 2010 is \$69,440,000 which are managed on a discretionary basis.

## **Fees and Compensation**

Fees are charged on a percentage of the market value as follows:

1 ½% on the first \$500,000 of the market value

1% on amounts from \$500,000 to \$1,000,000 of market value

½% on market value above \$1,000,000

Fees are calculated by multiplying the assets under management by the relevant percent and dividing such product by four (4). Accounts opened in mid-quarter will be assessed at a pro-rated management fee. Fees are payable quarterly, in advance and such fees may be deducted from client's account(s) quarterly within thirty (30) days following the ending of the quarter for which said fees will be incurred.

To the extent mutual funds are selected the annual advisory fee set forth above does not include the customary fees and expenses associated with investing in mutual funds or other costs of establishing and maintaining an account with mutual funds including Rule 12b-1 fees and expenses. In addition to the annual advisory fee each mutual fund in which your assets are invested will incur separate investment advisory fees and other expenses for which you will bear a proportionate share.

The section referred to as "Brokerage Practices" further describes the factors that we consider in selecting or recommending broker-dealers for transactions and determining the reasonableness of their compensation (e.g., commissions).

### **Termination**

The relationship may be terminated by either party upon 30 days written notice.

### **Fee Payment Options**

As indicated in our advisory agreement with you, there are two options you may select to pay for our services:

- Direct debiting (preferred): at the inception of the relationship and each quarter thereafter, we will notify your custodian of the amount of the fee due and payable to us through our fee schedule and contract. The custodian does not validate or check our fee, its calculation on the assets on which the fee is based. They will “deduct” the fee from your Account(s) or, if you have more than one account from the account you have designated to pay our advisory fees.
  - Each month, you will receive a statement directly from your custodian showing all transactions, positions and credits / debits into or from your account; the statements after the quarter end will reflect these transactions, including the advisory fee paid by you to us.
- Pay-by-check: At the inception of the Account and each quarter thereafter, we issue you an invoice for our services and you pay us by check.

### **Additional Fees and Expenses**

Advisory fees payable to us do not include all the fees you will pay when we purchase or sell securities for your account(s). The following list of fees or expenses are what you pay directly to third parties, whether a security is being purchased, sold or held in your Account(s) under our management. Fees charged are by the broker dealer / custodian.

We do not receive, directly or indirectly any of these fees charged to you. They are paid to your broker, custodian or the mutual fund or other investment you hold. The fees include:

- Brokerage commissions;
- Transaction fees;
- Exchange fees;
- SEC fees;
- Advisory fees and administrative fees charged by Mutual Funds (MF), Exchange Traded Funds (ETFs)
- Custodial Fees;
- Odd-Lot differentials;
- Transfer taxes;
- Wire transfer and electronic fund processing fees;
- Commissions or mark-ups / mark-downs on security transactions ;
- Among others that may be incurred.

We do not have or employ any employee that receives (directly or indirectly) any compensation from the sale of securities or investments that are purchased or sold for your account or to which we provide consulting expertise / services. As a result, we are a “fee only” investment adviser. We do not have any potential conflicts of interest present that relate to any additional (and un-disclosed) compensation from you or your assets that we manage.

### **Performance-Based Fees and Side-By-Side Management**

We do not charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client).

### **Types of Clients**

We provide our services to:

- Individuals, including high net worth individuals
- Trusts, estates and charitable organizations

### **Minimum Account Size**

We do not require a minimum account size for management of accounts.

## **Methods of Analysis, Investment Strategies and Risk of Loss**

### **Our Investment Strategies**

We offer several investment strategies to you and in doing so may invest in a wide range of securities and other financial instruments including:

- Equity securities
- Exchange-listed securities
- Over-the-counter securities
- Corporate debt
- United States government securities
- Municipal securities
- Mutual fund shares
- Mortgage related and other asset backed securities

As financial markets and products evolve, we may invest in other instruments or securities, whether currently existing or developed in the future, when consistent with client guidelines, objectives and policies.

### **Security Analysis**

Our security analysis methods include fundamental analysis and technical analysis.

### **Sources of Information**

In conducting security analysis, we utilize a broad spectrum of information, including financial publications, third-party research materials, annual reports, prospectuses, regulatory filings, company press releases, corporate rating services, and meetings with management of various companies.

### **Investment Strategies**

We employ a range of investment strategies to implement the advice we give to clients including long-term purchases, short-term purchases, and trading.

### **Risk of Loss**

All investments in securities include a risk of loss of your principal (invested amount) and any profits that have not been realized (the securities were not sold to “lock in” the profit). As you know, stock markets, bond markets fluctuate substantially over time. In addition, as recent global and domestic economic events have indicated, performance of any investment is not guaranteed. As a result, there is a risk of loss of the assets we manage that may be out of our control. We will do our very best in the management of your assets; however, we cannot guarantee any level of performance or that you will not experience a loss of your account assets. Investing in securities involves risk of loss that clients should be prepared to bear.

### **Disciplinary Information**

We do not have any legal, financial or other “disciplinary” item(s) to report to you. We are obligated to disclose any disciplinary event that would be material to you when evaluating us to initiate a Client / Adviser relationship, or to continue a Client /Adviser relationship with us.

### **Other Financial Industry Activities and Affiliations**

L. Cooper Investments nor any of its employees have other external affiliations to report to you.

### **Code of Ethics**

No security may be bought or sold by an employee of L. Cooper Investments before L. Cooper Investments clients' accounts have had the opportunity to make such transactions as appropriate. Employees will not receive a more favorable execution price on a particular day than those received by L. Cooper Investments' investment advisory clients.

All trades made by employees of L. Cooper Investments, who make recommendations or participate in the determination of which recommendation shall be made, will require a review for all securities transactions by the designated person responsible (except transactions in investment company securities and/or other exempt transactions). L. Cooper Investments will also maintain quarterly reports on all personal securities transactions, except transactions in investment company securities and/or other exempt transactions. We have adopted a Code of Ethics for all supervised persons of the Firm describing its high standard of business conduct, and fiduciary duty to its clients. The Code of Ethics includes provisions relating to the confidentiality of client information, a prohibition on insider trading, restrictions on the acceptance of significant gifts and the reporting of certain gifts and business entertainment items, and personal securities trading procedures, among other things. All employees at L. Cooper Investments must acknowledge the terms of the Code of Ethics annually, or as amended.

## **Participation in Client Transactions**

The Firm and their employees may purchase for themselves similar or different securities as are purchased recommended for investment advisory clients of L. Cooper Investments, and that different securities or transactions may be affected or recommended for different investment advisory clients of L. Cooper Investments.

## **Personal Trading**

Employee trading is continually monitored under the Code of Ethics, and to reasonably prevent conflicts of interest between L. Cooper Investments and its clients.

## **Prohibition on Use of Insider Information**

We have also adopted policies and procedures to prevent the misuse of “insider” information (material, non-public information). A copy of such policies and procedures is available to any person upon request.

You may request a complete copy of our Code by contacting us at the address, telephone or email on the cover page of this Part 2.

## **Brokerage Practices**

L. Cooper Investments, as agent and attorney-in-fact with respect to the client's account, without prior consultation with the client, may, (a) direct the purchase, sell, exchange, conversion, and otherwise trade in stocks, bonds and other securities including money market instruments, (b) direct the amount of securities purchased, sold, exchanged, and otherwise traded, (c) place orders for the execution of such securities transactions other third party broker/dealers, and (d) determine the commission rates paid. The Firm will allocate brokerage transactions in a manner it believes to be fair and responsible to its clients, and consistent with client objectives. Adhering to a strict formula will not be practicable given the variation in client objectives and guidelines.

## **Allocation of Investment Opportunities and Orders**

We have adopted the following policies and procedures related to the fair allocation of investment opportunities. These policies are designed to help ensure that each client receives fair and equitable treatment in the investment process:

- Transactions in the same security on behalf of more than one client are aggregated to facilitate best execution and to reduce brokerage commissions and/or other costs.
- When orders cannot be aggregated, we employ a trading rotation process that is fair and objective among institutional and private client accounts, managed account sponsors and passively managed accounts.
- Aggregated executions to participating accounts are allocated in a fair, equitable and objective manner and permissible reasons are delineated for deviating from the standard methodology and the related approval requirements.
- IPOs are only allocated to accounts when the issuer meets the investment objectives of participating accounts as well as a review process for allocations.
- Secondary offerings are allocated using our standard methodologies taking into account situations in which securities are allocated by the issuer based on a client's existing holdings.



- Accounts in which our employees or affiliates have a beneficial interest, or in which L. Cooper Investments has a conflict of interest, do not receive preferential treatment.

Our allocation procedures differ for each of our equity strategies. When orders are generated, the decision on which accounts should participate, and in what amount, is based on the type of security or other asset, the present or desired structure of the various portfolios and the nature of the account's goals. Other factors include risk tolerance, tax status, permitted investment techniques and, for fixed-income accounts, the size of the account and settlement and other practical considerations. As a result, we may have different price limits for buying or selling a security in different accounts. Portfolio information systems, portfolio reports and quality control reports permit us to consider these factors as appropriate.

### **Brokerage Selection and Analysis**

In placing orders for the purchase and sale of securities for its customers, the Firm seeks quality execution at favorable prices through responsible Broker-Dealers. In selecting Broker-Dealers to execute transactions, such factors as the Broker's reliability, the quality of its execution services, its financial condition, its commission rates and the general brokerage and research services that it provides are considered.

Unless Client instructs the Firm otherwise, the firm may place orders for the execution of transactions with or through a broker/dealer as the Firm may select, and complying with Section 28( e) of the Securities exchange Act of 1934, may pay a commission on transactions in excess of the amount of commission another broker or dealer would have charged. The Firm will select such brokers that can effect transactions at the best price and execution under the prevailing circumstances. In managing investment portfolios, we act in a manner in keeping with what it understands and believes to be the best interests of the client.

### **Principal vs. Agency Transactions**

The Firm does not participate in principal or agency transactions.

### **Research Services/Soft Dollars**

The Firm may affect security transactions on behalf of its clients with Broker-Dealers who furnish research services that provide lawful and appropriate assistance to the Firm as a Money Manager in the performance of its investment decision-making responsibilities. These research services may include information on securities markets, the economy, individual companies, pricing information and services, and performance studies; these services may be delivered by written reports, telephone contacts, personal meetings and in electronically and computer generated formats.

Not all clients may receive the benefit of such administrative and/or research assistance and therefore, the Applicant hereby advises the client that the receipt of such research or other services provided by a Broker-Dealer may present a potential conflict to which some clients may contribute to a soft dollar arrangement associated with a particular Broker-Dealer while others who do not may in fact still benefit from the relationship.

### **Cross Transactions**

We do not participate in cross transactions.

### **Trading Aggregation Practices**

When we trade the same security in more than one client account, we generally attempt to batch or “bunch” the trades in order to create a “block transaction.” Generally, buying and selling in blocks helps create trading efficiencies, prompt attention and desired price execution. We will place all or substantially all transactions to purchase or sell common stocks with the client's “directed” broker, when applicable. (See the discussion below entitled, “**Directed Brokerage**”) Whenever possible, we will attempt to batch or aggregate trades for clients who use the same directed brokers in order to create a “block transaction.”

The commission amount and per share commission rate will differ between our clients with directed brokerage relationships due to the dollar value and the size (number of shares) of the trade for each account, and the total relationship between the client and their broker. Because each client may differ in portfolio size, investment objective, equity exposure and the extent of the relationship with their broker, we do not negotiate commission discounts on the block transaction itself.

### **Directed Brokerage**

L. Cooper Investments may place all or a portion of the transactions with a broker with whom the client has a special advisory or consulting relationship. Such transactions are placed with a broker who may have provided manager selection services, performance measurement services, asset allocation services, or a variety of other consulting or monitoring assistance, all with the specific knowledge and full approval of the client.

The Firm does not maintain agreements with referring brokers regarding our internal allocation of brokerage transactions. However, all or a sizable portion of a particular clients' brokerage transaction business may be directed to a particular broker if the client has directed, agreed or stipulated us to do so. Commissions are not intended to compensate brokers for client referrals.

With regard to client directed brokerage, the Firm is required to disclose that they may be unable to negotiate commissions, block or batch client orders or otherwise achieve the benefits described above, including best execution, if you limit our brokerage discretion. Directed brokerage commission rates may be higher than the rates The Firm might pay for transactions in non-directed accounts. Also, clients that restrict our brokerage discretion may be disadvantaged in obtaining allocations of new issues of securities that we purchase or recommend for purchase in other clients' accounts. It is the Firm's policy that such accounts not participate in allocations of new issues of securities obtained through brokers and dealers other than those designated by the client. As a general rule, the Firm encourages each client to compare the possible costs or disadvantages of directed brokerage against the value of the custodial or other services provided by the broker to the client in exchange for the directed broker designation.

### **Review of Accounts**

We review our investment advisory accounts and managed portfolios frequently, with a general review occurring monthly but not less than quarterly. Accounts are reviewed by Larry Cooper.

In addition, all clients receive separate monthly accounting reports from their portfolio custodian detailing all cash and asset transactions and activity.

## **Client Referrals and Other Compensation**

We do not participate in client referrals or any other compensation other than listed under Advisory Services.

## **Custody**

We do not have custody of client assets. Therefore, each client must select a custodian and may be required to pay custodian fees. Also, clients will incur brokerage and other transaction costs in the course of our management of their accounts. (See the section in this brochure entitled, "Brokerage Practices" for a discussion of how we make brokerage decisions that affect client accounts.) Clients will receive account statement from one or more qualified custodians covering the funds and securities in their account(s).

## **Investment Discretion**

L. Cooper Investments usually receives discretionary authority from the client at the outset of an advisory relationship to select the identity and amount of securities to be bought or sold. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account

When selecting securities and determining amounts, L. Cooper Investments observes the investment policies, limitations and restrictions of the clients for which it advises.

## **Discretionary Management**

We have discretionary authority to make determinations regarding the securities that are to be bought and sold, as well as the quantities of such securities, for most clients. Such authority is provided in our contract with each client. In many cases, this discretion is subject to mutually agreed upon investment guidelines relative to the client's portfolio. We have model portfolio guidelines available for clients to adopt, in whole or in part, if they do not have their own.

We maintain a limited Power of Attorney for all discretionary accounts for directing and or effecting investments on behalf of the managed account, for the direct payment of our fees and or the payment of commissions, custodial fees and or other charges incurred by your managed account.

## **Wrap Account Management**

We do not participate in the management of wrap account programs.

## **Voting Client Securities**

L. Cooper Investments does not have any authority to and does not vote proxies on behalf of advisory clients. Clients retain the responsibility for receiving and voting proxies for any and all securities maintained in client portfolios.

#### **Performance Presentation Standards**

We do not participate in performance reporting.

#### **Financial Information**

L. Cooper Investments has no financial commitment that impairs its ability to meet contractual and fiduciary commitments to clients, and has not been the subject of a bankruptcy proceeding.

We do not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance, therefore have no material additional financial disclosures to make.

#### **Privacy Notice To Customers**

We do not disclose nonpublic personal information about our individual clients or former clients except as permitted by law. We restrict access to nonpublic personal information about you (that we may obtain from your account and your transactions) to those employees who need to know that information to provide products or services to you or to alert you to new, enhanced or improved products or services we provide. We maintain physical, electronic and procedural safeguards that comply with federal standards to safeguard your nonpublic personal information.

# **Form ADV Part 2 Brochure Supplement**

**Larry Cooper**

**L. Cooper Investments**

126 El Rancho Way

San Antonio, TX 78209

Phone: 210-828-9479

Brochure Supplement prepared on March 11, 2011

This Brochure Supplement provides information about Larry Cooper that supplements L. Cooper Investments' Form ADV Part 2A Brochure. Please contact Larry Cooper, Sole Proprietor and Chief Compliance Officer if you did not receive L. Cooper Investments' Brochure or if you have any questions about the contents of this supplement.

## **Educational Background and Business Experience**

### **Larry C. Cooper**

Born in 1942

B.A. in Economics from Texas Christian University in 1965 and Graduate Work (1965-1966)

Business background for preceding five (5) years:

L. Cooper Investments, Sole Proprietor from 10/1983 to Present.

### **Disciplinary Information**

Larry Cooper has not been a party to a criminal or civil action in a domestic, foreign or military court, been a party to an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency or any foreign financial regulatory authority or been a party to a self-regulatory proceeding.

### **Other Business Activities**

Larry Cooper does not have any other investment related business activities.

### **Additional Compensation**

Larry Cooper does not receive any additional economic benefit from third parties for providing advisory services.

### **Supervision**

Larry Cooper is a sole proprietor and the Chief Compliance Officer for L. Cooper Investments; therefore, he is responsible for his own supervision. Larry Cooper monitors portfolios for investment objectives and other supervisory reviews. He can be contacted at the phone number as shown on the cover page.