



# The Corcoran Group

*Cultivating Financial Success*

**The Corcoran Group Ltd.  
Wrap Fee Service  
Disclosure Statement**

**The Corcoran Group Ltd.**  
1010 Wisconsin Ave, NW  
Suite 215  
Washington, DC 20007

This brochure provides clients with information about The Corcoran Group, Ltd., its Wrap fee program [and other consulting services] that should be considered before becoming a client of such services. This information has not been approved or verified by any governmental authority.

**July 2008**

**Table of Contents**

Introduction .....	1
Wrap Fee Service.....	[1]
Service Fees .....	[2]
Identification of Investment Objectives and Client Selection of Investment Managers..	[4]
Important Client Responsibilities .....	[5]
Risk and Tax Disclosure.....	[6]
Client Reports .....	[7]
Screening and Selection of Investment Managers to Participate in the Service .....	[7]
Review of Investment Managers Participating in the Service.....	[8]
Trading in Service Accounts.....	[8]
Investments in Mutual Funds and Other Pooled Products .....	[9]
Custodial & Trust Arrangements .....	[9]
Investment of Cash Balances [Please confirm] .....	[9]
Other Compensation and Conflict of Interest Considerations [Any other issues?] .....	[9]
ADDITIONAL INFORMATION ABOUT THE CORCORAN GROUP.....	[10]
Other Consulting Services .....	[10]
Other Selected Policies and Procedures; Other Important Information .....	[10]
Information on Selected Personnel.....	[11]

## **Introduction**

The Corcoran Group, Ltd., is a registered investment adviser. As a registered investment adviser, The Corcoran Group completes a Form ADV, which contains additional information. Information is available through publicly available filings at the SEC or at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

The following are descriptions of certain investment advisory services that are currently being offered to the public by The Corcoran Group. Advisory clients include individuals, trusts, estates, charitable organizations, pension and profit sharing plans, corporations and certain other types of business. For more information about these or other services that are available, please contact The Corcoran Group.

## **Wrap Fee Service**

The Corcoran Group wrap fee service (the "Service") offers clients the opportunity to select one or more investment managers from a group of managers participating in the service. After considering the choices available, the client selects one or more investment managers based on the compatibility of the investment manager's investment style with the client's investment needs, objectives and level of risk tolerance for the particular client account. The selected investment managers provide discretionary investment advisory services to the client and are responsible for all investment decisions in the client's account as well as the ongoing management and review of that account. These investment managers generally invest in individual equity and fixed income securities, but also may purchase, among other investments, mutual funds, closed-end funds, exchange-traded funds or other pooled products.

In providing the Service, The Corcoran Group utilizes an investment management platform provided by Clearbrook Financial and its affiliates (together "Clearbrook") to administer its wrap fee program (the "Clearbrook Platform"). The Clearbrook Platform services are provided by two of its wholly-owned subsidiaries: Managed Account Services (MAS) and CBF Advisors (CBFA). MAS is broker-dealer registered with the Securities and Exchange Commission (SEC) and is a member of the Financial Institutions Regulatory Authority (FINRA) and the Securities Investor Protection Corporation (SIPC). CBFA is an investment advisor registered with the state of New Jersey.

Neither Clearbrook nor any of its subsidiaries are affiliated with The Corcoran Group or with any separate account managers available on the Clearbrook Platform. MAS acts solely as a broker/dealer with respect to any client accounts and CBFA acts solely as an administrative services provider. Neither MAS nor CBFA provide any investment advice related to the products available on the Clearbrook Platform.

Under the terms of a Master Program Services Agreement, CBFA provides The Corcoran group with access to separately managed accounts (also known as SMAs), mutual funds, individual equity and fixed income securities and other investment products. In addition to access to products, CBFA performs administrative services on behalf of the Corcoran Group which include account administration, billing and payment services, account reconciliation and performance reporting. MAS provides broker-dealer services to client accounts, including new account opening, processing account maintenance items and trade order entry.

Wrap fee program transactions are typically effected through MAS, subject to the “best execution” obligations of the investment managers managing the assets, which executes and clears trades through First Clearing, LLC on a fully disclosed basis. First Clearing is a wholly-owned subsidiary of Wachovia Corporation and is also a member of the New York Stock Exchange and SIPC. First Clearing serves as the custodian of client assets and is responsible for confirming all transactions in client accounts. First Clearing provides clients with periodic account statements and tax reporting documents.

## Service Fees

The Service fees cover the discretionary investment advisory services provided by each investment manager selected by the client and the custodial, transaction, other account-related services and performance measurement reports with respect to the client’s account.

The current Service fee schedules are set forth below:

<u>Range of Fees (annual)</u>	<u>Low</u>	<u>High</u>
Money Manager Fee	0.18%	1.00%
Brokerage/Clearing/Custody Fee	0.06%	0.35%
Investment Advisory Fee	0.50%	1.25%
<b>Total Fee Range</b>	<b>0.74%</b>	<b>2.60%</b>

Service fees do not cover transaction charges resulting from trades effected through or with a broker-dealer other than MAS (or its affiliates), mark-ups or mark-downs by other broker-dealers (including on fixed-income or over-the-counter transactions in which MAS acts as agent), transfer taxes, margin interest, fees charged by MAS, any of its affiliates or unaffiliated third parties in connection with short sale transactions, mutual fund redemption fees, exchange or similar fees (such as for American Depositary Receipts (“ADRs”)) charged by third parties including issuers and the SEC, electronic fund, wire and other account transfer fees, and any other charges imposed by law or otherwise agreed to with regard to client accounts.

In addition, the Service fees do not cover fees and expenses of shares of, or interests in open-end investment companies (mutual funds) or other pooled products (such as closed-end investment companies, real estate investment trusts ("REIT"), exchange traded funds or private unregistered funds) (collectively "Funds") that the client's investment manager may purchase for the client's account. To the extent that such investments are held in a client account, these fees and expenses may be in addition to certain of the expenses covered by the Service fees. Due to the potential additional economic benefit to MAS when a client account is invested in a mutual fund or other pooled vehicle, a conflict of interest may exist.

The fees paid to investment managers will be based on the aggregate value of all client assets in each investment style managed by the particular investment manager.

The fees for the Service may be negotiable. Fees may differ based on a number of factors including, but not limited to, the amount of the client's assets and the range and extent of services provided or to be provided to the client. Moreover, fees and other account requirements may vary as a result of prior policies and the date the account was opened in the Service.

Service fees are payable quarterly in advance based on the estimated market value of the client's account on a trade date basis as of the last business day of the previous calendar quarter, as determined by MAS or other custodian holding such assets. For the initial quarter, fees are calculated proportionally based upon the number of days left in such quarter from the date of the investment manager's acceptance of the client's account. The initial Service fee is based on the estimated market value of the account as of the close of business on the day preceding the transmission of the account to the investment manager.

The securities held in a client's account will be valued in the sole discretion of MAS using various sources, including quotation services and, for accounts where MAS is not the custodian, reports provided by the custodian. In some cases, values may be based on estimates believed to be reliable. If values are unavailable or believed unreliable, values will be determined in good faith so as to reflect estimated fair market value. Values may vary from prices achieved in actual transactions, especially for thinly traded securities, and are not firm bids or offers or guarantees of any type. For fixed-income securities, the values assume no unusual market conditions and are generally for round lots of one million dollars or more, which may produce values that are higher than the prices that would be achieved in the sale of fewer securities or odd lots. As a result, the client's Service fees may be calculated based on values for some securities that are greater than the amount that would be received upon sale.

The account value used for the calculation of fees may differ from that shown on the client's monthly securities account statement and any performance report due to a variety of factors including: trade date or settlement date accounting, the treatment of accrued income, round lot valuation and other considerations.

Participation in the Service may be terminated at the direction of the client or The Corcoran Group, at any time, upon notice. The client's investment manager can also terminate its management of a client's account by giving notice to the client. Termination is effective upon receipt of notice by the other party. Upon termination, any prepaid Service fees, prorated from the date of termination through the end of the quarter for which fees were prepaid will be refunded.

## **Identification of Investment Objectives and Client Selection of Investment Managers**

In connection with the Service, The Corcoran Group and clients work together to identify the client's investment strategy so that the client can select one or more investment managers from the investment managers participating in the Service. Each client is asked to complete a questionnaire ("Questionnaire") that elicits information about the client's financial circumstances, investment objectives, risk tolerance, investment restrictions, and other relevant information relating to their accounts. Clients should understand that their answers to any questions, including those relating to investment returns, do not constitute a promise or guarantee. It is the client's responsibility to provide accurate and complete information, and update previously provided information if it changes materially, since the failure to do so could affect the suitability of the services being provided.

The client should review the profile ("Profile") for each investment manager that the client is considering. The client may also discuss relevant topics with representatives of the investment manager. The client then selects one or more investment managers based on the above information. The client's risk category is designed to assist the client in selecting an investment manager, and the client may select an investment manager or blend of investment managers whose risk category, as indicated on its Profile, is the same or different than that of the client.

The Corcoran Group encourages its clients to call us with questions concerning the Service, their accounts, or their selected investment managers. However, since the investment manager is solely responsible for managing client accounts in accordance with client instructions and restrictions, it is important for clients to understand that they can communicate directly with their selected investment managers.

Clients may impose reasonable investment restrictions on the management of their accounts. There are two types of investment restrictions that a client may impose:

individual security restrictions and sector restrictions. Restrictions will be reviewed by the client's selected investment manager to determine whether they are reasonable. The investment manager will implement any sector restrictions in a manner it determines in its sole discretion from time to time. If the restriction is reasonable, the investment manager will make a determination to allocate the funds which would have been invested in the restricted security or sector pro rata across other investments held in the client's account, to a substitute security, which might include exchange-traded funds ("ETFs"), or to cash. If one or more restrictions are determined to be unreasonable, the account will not be opened and the client should consider other more appropriate investment styles, or other products or services. The Corcoran Group may modify its practices regarding client-imposed restrictions for new clients and new accounts. Please see the section entitled *Important Client Responsibilities* for a discussion on the effect client-imposed restrictions may have on an account and instances where such restrictions will not apply.

The Corcoran Group will notify clients when an investment manager selected by a client is terminated from the Service. The termination of a client's investment manager from the Service will result in the termination of the client's account in the Service unless the client selects another participating investment manager prior to the termination date of the manager. To assist the client in the client's selection of a replacement manager, The Corcoran Group may notify affected clients of a potential replacement manager with a similar investment style. When The Corcoran Group does so, the Client Agreement provides that The Corcoran Group can deliver information about the client's account to the potential replacement manager before the scheduled termination date.

## **Important Client Responsibilities**

The client's answers to the Questionnaire are provided to the investment managers for their review, acceptance and subsequent management of the account. Accordingly, it is the client's obligation to notify The Corcoran Group promptly of any material change in financial circumstances, investment objectives, or investment restrictions (if any) that may affect account management. Clients are notified periodically to emphasize the need for them to report such information.

If the client has an investment policy statement or other investment guidelines (each, "Investment Policy"), it is the client's responsibility to notify The Corcoran Group. The Corcoran Group will assist the client in sending the Investment Policy to the client's selected investment managers. It is the investment manager's responsibility to adhere to the Investment Policy in managing the client's account. Clients are encouraged to review their account periodically to make sure that their investment manager is complying with the Investment Policy.

Clients who have imposed reasonable investment restrictions on the management of their accounts should understand that if they have selected to restrict investments, they accept any effect such restrictions may have on the investment performance and diversification of the securities in the accounts. Clients should understand that such restrictions will not apply to any portion of an account invested in any Funds. Consequently, to the extent there are Funds in an account that the client selects, the client's ability to restrict investments in the account will be limited and will not flow through to investments made by the Fund.

The Corcoran Group does not assume responsibility for the client's choice of investment managers, the manager's investment performance, its adherence to client objectives and restrictions, its compliance with applicable laws or regulations or other matters within the investment manager's control. Similarly, The Corcoran Group does not monitor transactions directed by the investment managers for conformity with any applicable restrictions or requirements, even where The Corcoran Group executes the transactions. Clients always retain the final authority, obligation and responsibility for making their own determinations regarding the selection and retention of their investment managers as well as the monitoring of their accounts.

Employee benefit plan clients subject to the Employee Retirement Income Security Act of 1974 or comparable state statutes should understand that The Corcoran Group services described above are offered in order to assist plan fiduciaries as they carry out their investment related responsibilities and are not intended to be a primary basis for the client's decision. Moreover, these services should not substitute for or diminish the careful deliberation and determination of those plan fiduciaries, after appropriate consultation with their other professional advisers and the review of relevant plan documentation.

## **Risk and Tax Disclosure**

Clients should understand that all investments involve risk (the amount of which may vary significantly), including the risk of loss of principal invested, that investment performance can never be predicted or guaranteed and that the values of their accounts will fluctuate due to market conditions and other factors. Clients should also understand that for those strategies in which the investment manager may sell securities short and/or use margin, there are additional risks, which may be substantial.

Clients should also understand that all or a portion of their securities may be sold either at the initiation of or during the course of the management of their account(s). Clients are responsible for all the tax liabilities arising from these transactions and are encouraged to seek the advice of their qualified tax professionals.



## **Client Reports**

As part of the Service, The Corcoran Group provides performance measurement reports through to help clients monitor and assess the performance of their accounts. These reports contain information regarding investment return, risk and selected benchmark comparisons for the client's account. These reports are based on information obtained exclusively from MAS, and while The Corcoran Group believes that they are reliable, we are unable to guarantee their accuracy.

## **Screening and Selection of Investment Managers to Participate in the Service**

In selecting investment managers to participate in the Service, The Corcoran Group seeks to provide clients with access to professional investment management and to make available a choice of various investment styles and corresponding risk levels. The criteria for designating investment managers for participation in the Service are both quantitative and qualitative, and both objective and judgmental factors are involved. Each such factor may have a different weight in the decision-making process, and generally no factor alone determines the outcome of any selection.

As a general matter, when The Corcoran Group identifies the need for a particular investment management style in the Service (either through client demand or to replace an existing investment manager), The Corcoran Group personnel first screen one or more of the available investment managers on the Clearbrook Platform for candidates. Initial screening criteria (and, as applicable, corresponding benchmarks) include: (i) management style and total assets under management; (ii) assets managed in the particular style identified; (iii) number of years in which the firm has been in business; and (iv) number of investment professionals. Investment manager candidates identified in this process are then screened based on their past performance (with the understanding that past performance is not necessarily indicative of future results) using the composite data reported by those firms. Although The Corcoran Group screens past performance, it does not audit this data to verify either its accuracy or that each investment manager has calculated past performance in a manner that is consistent with industry standards or the methodology used by other investment managers. Further, The Corcoran Group may make available for selection investment managers that have no prior performance in particular styles. In such cases, The Corcoran Group screens these managers for all other applicable criteria described above and may evaluate past performance achieved in other styles as a consideration for inclusion in the Service.

The next portion of the evaluation process consists of gathering additional information on the investment manager candidates from published materials, from investment manager databases, and potentially through other sources. A number of factors, including the candidate's investment philosophy and style, investment strategies, personnel and overall client base are also analyzed.

After the completion of the above, candidate firms are reviewed by The Corcoran Group personnel and, as appropriate, may be offered the opportunity to participate in the Service. Once included, they would then be available for client selection.

## **Review of Investment Managers Participating in the Service**

The Corcoran Group personnel conduct certain periodic reviews of the activities of investment managers participating in the Service. This is generally accomplished through various means, including reviews of composite performance at least quarterly, updates of certain documents and information, and periodic sampling of Service account performance.

Clients should understand that The Corcoran Group's review of investment managers does not substitute for their continued review of their accounts and the performance of their investments. While The Corcoran Group does review each investment manager's investment style for consistency with its investment style, The Corcoran Group does not monitor each transaction directed by an investment manager for conformity with client investment objectives or restrictions. As indicated previously, the investment manager is responsible for managing client accounts in accordance with client objectives and restrictions, and the responsibility for investment manager selection and the consequences of that selection belong to the client. See section above entitled *Important Client Responsibilities* for additional information.

## **Trading in Service Accounts**

Trades for a client in the Service are generally placed by, and are the responsibility of, the client's chosen investment managers to whom the client has granted the discretionary authority to determine (subject to the client's investment objectives and constraints) the securities to be bought or sold on behalf of the client, the amount of such securities, and the brokers or dealers to be used in such transactions.

Generally, the investment manager implementing transactions is obligated, absent client direction to the contrary, to effect client transactions with or through those brokers or dealers that, in the investment manager's view, are capable of providing best price and execution of orders for the benefit of the client. Consistent with this general obligation, it is anticipated that most investment managers will generally place

transactions with MAS because the Service fees paid by clients cover transaction charges only when transactions are executed through MAS.

## **Investments in Mutual Funds and Other Pooled Products**

Certain investment managers may purchase pooled investment products in a client's account. These vehicles may be used for liquidity purposes or to allow greater diversification than can be achieved by investing directly in individual securities. Generally, pooled investment vehicles will bear their own investment management, portfolio, transaction and other fund related expenses, and these expenses are in addition to the Service fees.

When these pooled vehicles are held in an account, these expenses are indirectly borne by the account in proportion to its ownership of the pooled vehicle. If a fund is affiliated with the client's investment manager, it is the responsibility of the investment manager to provide the client, to the extent required by law, with any such credit or to waive the fund's fees and expenses.

## **Custodial & Trust Arrangements**

Generally, First Clearing carries brokerage accounts and maintains custody of assets for Service clients. Under certain circumstances, Service clients may use custodians other than First Clearing to maintain custody of assets. Where a client retains a custodian other than First Clearing, the client is responsible for paying that custodian's fees. Depending upon the arrangement, these fees may or may not be in addition to the applicable Service fees.

## **Investment of Cash Balances**

Cash balances and funds pending investment will automatically be invested or "swept," either temporarily, as part of an asset allocation or for defensive purposes, in accordance with the underlying MAS and/or First Clearing securities account agreement for each of the client's Service accounts. Depending upon the type of account, cash balances will be swept to one or more individual bank deposit accounts, to one or more money market funds, or to another available cash option. Cash and assets held in these funds, deposit accounts or other cash options are included in the value of the client's account for the calculation of the Service fee.

## **Other Compensation and Conflict of Interest Considerations**

The Corcoran Group, and its employees benefit from some of the fees and charges paid by clients for the services described in this Disclosure Statement. Such clients may also

use other products or services available from or through The Corcoran Group and, in such case, pay additional compensation.

Clients may be able to separately obtain some or all of the types of services available through the service from The Corcoran Group or other firms. Depending upon the circumstances, the aggregate of any separately paid fees may be lower or higher than the applicable Service fees. Further, Service fees may be higher or lower than the fees charged by other firms for comparable services, assuming such services are available.

Clients can purchase shares of some (but not all) of the funds that investment managers may purchase in Service accounts directly from the funds, their agents, or through The Corcoran Group without enrolling in the Service. If clients do so, they would not pay Service fees. However, clients might not be eligible to purchase the same share class for each of the funds available through the Service and the purchase of a different share class may be subject to applicable sales charges.

MAS and/or its affiliates, and the investment managers participating in the Service may pay for, or reimburse The Corcoran Group for, various costs arising from client and prospective client meetings, sales and marketing materials, and educational, training meetings. These parties may also make charitable donations or cover the costs of reasonable entertainment in connection with The Corcoran Group sponsored or client-related events.

Finally, The Corcoran Group and its affiliates act in a variety of capacities to a wide range of clients. From time to time in the course of those duties, confidential information may be acquired which cannot be divulged or acted upon for investment advisory or other clients. Similarly, The Corcoran Group may give advice or take action with regard to certain clients which may differ from that given or taken with regard to other clients.

## **ADDITIONAL INFORMATION ABOUT THE CORCORAN GROUP**

### **Other Consulting Services**

The Corcoran Group does not offer other consulting services.

### **Other Selected Policies and Procedures; Other Important Information**

The Corcoran Group generally maintains no rigid educational or business background requirements for its employees, but professional personnel generally have a minimum of a college degree or equivalent business experience, frequently complemented by experience in other fields, as well as their current activities at The Corcoran Group. Employees are offered a wide variety of internal training programs covering numerous

financial services topics. All employees are subject to the Guidelines of Business Conduct of The Corcoran Group and are committed to the observation of the highest ethical standards and the exercise of proper judgment in all aspects of their business dealings.

The Corcoran Group has imposed policy restrictions on all personnel with respect to transactions for their own accounts and accounts over which they have control or a beneficial interest. One such restriction is the "24-Hour Rule" under which employees, in certain instances such as where a research opinion has changed or where a new opinion has been issued, are prohibited from trading until 24 hours after the information has been made available to the public.

In addition, The Corcoran Group has adopted an Investment Adviser Code of Ethics covering its personnel who are involved in the operation and offering of investment advisory services. The Code of Ethics is based on the principle that clients' interests come first, and it is intended to assist employees in meeting the high standards that The Corcoran Group follows in conducting its business with integrity and professionalism. The Code covers such topics as the requirement that all employees comply with all applicable securities and related laws and regulations, the reporting and clearance of the personal trading of certain covered personnel, preventing the misuse of material non-public information, and the obligation to report possible violations of the Code to management or other appropriate personnel. All covered personnel must certify receipt of the Code. The Corcoran Group Investment Adviser Code of Ethics is available to clients upon request.

In addition to the Service, The Corcoran Group may, from time to time, enter into specialized agreements to provide particular or unique services to certain clients, subject to negotiated fees. The fees for certain of the services described in this Disclosure Statement may be reduced for employees of The Corcoran Group or be subject to prior fee schedules. For more information regarding the above programs or any other services offered by The Corcoran Group, please contact us.

### **Information on Selected Personnel**

The following are brief biographical descriptions of The Corcoran Group personnel either who act as principal executive officers or have certain responsibilities for the Service.

Helenmarie A. Corcoran, CFP, ChFC (02/05/40). Ms. Corcoran received her B.S. degree in Mathematics from Saint Mary's College, Notre Dame, Indiana in 1961. She received her M.S. in Financial Services from The American College in 1989. Ms. Corcoran is founder, president and director of The Corcoran Group Ltd. From 1995 until 2003, she was a registered principal of Linsco/Private Ledger. Ms. Corcoran is a Certified

Financial Planner (CFP®) licensee and has successfully passed the National Association of Securities Dealers Series 6, 7, 24, 63 and 65 examinations. She is insurance licensed.

Philip Edmund Corcoran, CFP, CIMA (10/14/65). Mr. Corcoran received his B.S. degree from the United States Naval Academy in 1987. Mr. Corcoran is a principal and investment adviser representative of The Corcoran Group Ltd., which he joined in 1992. He was a registered representative of Linsco/Private Ledger from 1995 to 2000 and again from 2001 to 2003. From 2000 to 2001, Mr. Corcoran was President and Chief Executive Officer of e-stockoptions, Inc. He is Certified Financial Planner (CFP®) licensee and holds the Certified Investment Management Analyst (CIMA) designation. He has successfully passed the National Association of Securities Dealers Series 7, 63 and 65 examinations. He is insurance licensed.

Joel R. Cundick, CFP (10/17/76) Mr. Cundick received his B.S. degree in Business Management (Finance) from Brigham Young University in 2000. Mr. Cundick is an investment adviser representative of The Corcoran Group Ltd., which he joined in 2008. From 2004 to 2008 he was Director of Operations and a Financial Planner at Financial Services Advisory, Inc., a Registered Investment Advisor firm in Rockville, MD. From 2003 to 2004, he was Director of Finance at The Ritz-Carlton, Marina del Rey in Marina del Rey, CA. He is a Certified Financial Planner (CFP®) licensee.