

The Abbit Management Corporation



Abbit Management Corp.
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CRD # 110507

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Item 2: Material Changes

Due to a series of recent changes in securities regulation, investment advisers are now required to deliver disclosure information in this new format. This brochure incorporates the same information provided previously within the Form ADV Part II but with expanded disclosures designed to provide further information about the firm, its practices, and its personnel. Material updates to the information contained within this brochure will be provided to clients. This section will be updated to reflect such material changes in a summary form. Should you have any questions related to this brochure, please contact a firm representative at your convenience.

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Item 4: Advisory Business

Founded in 1980, the Abbit Management Corp (“Abbit”) provides fee-based portfolio management services for individuals, corporate entities, and financial institutions. The firm also provides asset management services for pre-paid funeral programs via its Master Trust Management (“MTM”) service. Abbit also offers retirement planning services for employers and their employees. The firm’s president and chief compliance officer is Joseph E. Risselade. Mr. Risselade became president of the firm in late 2010. Abbit is registered as an investment adviser with the US Securities and Exchange Commission. Abbit’s services, as outlined in detail throughout this brochure, are offered in accordance with all applicable federal and state securities regulations. Abbit currently manages \$152,342,177.00 in discretionary assets across 525 accounts.

Abbit provides discretionary fee based portfolio management for individuals and small business. The firm’s portfolio management services incorporate the discretionary use of no load mutual funds, exchange traded funds, exchange-listed securities, bonds, and the selection of other professional asset managers where applicable. Investment objectives, suitability, and retirement needs are determined at the point of contract or soon thereafter. Once the investment plan has been implemented, Abbit will monitor, review, provide recommendations, and ultimately manage the account on behalf of the client. Investment strategies are generally long term and conservative in nature to maintain principal while achieving moderate growth. However, the firm will also employ moderately aggressive strategies where appropriate to the needs of the individual client.

Abbit’s Master Trust Management services are designed to protect, conserve, and grow funds received pursuant to a pre-need funeral contract as defined by the Michigan Preneed Act 255 as amended. Funds within the program are held in trust with the escrow agent of record wherein the funeral director elects the investment option. Abbit manages the assets within the program on a co-mingled basis rather than individually. Within the pre-need program, investment selections range from high quality, fixed income obligations including certificates of deposit and US Government bonds. Also available is an investment option comprised of equity-based mutual funds. The firm also provides certain tax services in tandem with its pre-need asset management offerings.

The firm’s retirement planning services for individuals and small companies utilize a host of no-load mutual fund investments and educational offerings for plan participants. Company plans are offered in concert with an unaffiliated plan administrator, each plan is designed for the maximum amount of investment flexibility and opportunity. Where the overall plan is managed by Abbit, participants within the plan are also provided with ongoing investment education. For individuals, the firm tailors a plan towards each individual’s goals and objectives, taking into account their tax situation and other investments.

Where independent managers are selected, clients are provided with full disclosure of that adviser’s service offerings via a similar disclosure brochure (Form ADV Part 2). Clients are under no obligation to utilize the services of a recommended manager, but where clients have engaged such services, clients should note that the selected manager will render advisory services separate and apart from those services offered by Abbit. Abbit does not receive or participate in any fee sharing arrangement with selected managers.

All services are rendered according to the terms and conditions of a written agreement. The agreement may not be assigned or transferred without written consent by either party. Clients and prospective clients are encouraged to review this brochure in its entirety. Questions regarding this material may be addressed directly with the firm.

Item 5: Fees and Compensation

For each of its services outlined in Item 4, exclusive of Master Trust Services, Abbit is generally compensated via a negotiated percentage of the client’s assets under firm management. This fee is calculated and charged on a quarterly basis in arrears and automatically deducted from client accounts by the broker-dealer/qualified custodian of record. The fee is based upon the portfolio’s market value on the last trading day of the relevant billing period. A pro-rated fee is calculated for services initiated at any time other than at the beginning of a calendar quarter.

The fee will typically not exceed 1.5% (annually) of the client’s assets. The fee may increase or decrease based upon the account and the level of service rendered therein. All deductions of fees from the clients account are made in accordance with the terms and conditions of the written agreement. Clients should note that the broker-dealer/qualified custodian remains independent of Abbit. Therefore, clients are strongly encouraged to review their account statements regularly. Such statements will be provided by the broker-dealer/qualified custodian of record on a monthly or quarterly basis or as transactions occur.

Fees for Master Trust Services are limited by statute to 1% annually of the balance in escrow and are calculated and billed to the escrow agent on a monthly basis. The fee is based upon the portfolios market value on the last trading day of the month taking into account deposits and withdrawals as they occur throughout the month. In addition, the firm charges Master Escrow Trust Accounts an additional fee for tax reporting services on an annual basis. This fee is derived from the costs associated with preparing such reports and any associated postage and documentation costs.

Fees may be paid via an invoice delivered directly to the client. Payment for services is due within ninety (90) days of receipt. The firm reserves the right to renegotiate the stated fee (above) with thirty (30) days written notice. The stated fee may be re-evaluated on an annual basis. Clients may terminate the agreement at any time. Where termination is made prior to the end of a calendar quarter, fees for services rendered will be due in full to the date of termination. The agreement may not be transferred or assigned without written consent from both parties.

Abbit remains amenable to any reasonable client-imposed restrictions placed on the investment in certain securities and/or types of securities. Clients should note that advisory services may be found elsewhere at reduced cost. Clients should also note that additional costs including brokerage, mutual fund/investment company expenses, and other account related charges may be charged to the account and are exclusive of fees charged by and paid to Abbit for its services.

Clients invested in mutual and electronically traded funds (ETF) should note that a fund management fee may be included in the cost of each fund. Although not shared with Abbit, this fee is paid directly to the fund/investment company and remains separate and distinct from those fees paid to Abbit for its advisory services. Where there may also be a sales charge included in the cost of such funds, the investment adviser representatives of Abbit are not entitled to, and do not receive any portion of, such sales charges. Clients should review the applicable fund prospectus material and/or other disclosure documents carefully to fully understand the costs associated with the investment made in their account(s).

Clients are also encouraged to review their account statements regularly for a full appreciation of the total costs associated with account management services. Questions regarding fees, fee deduction, or account management services may be addressed directly with the firm.

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

The nature of Abbit's advisory services does not incorporate or invite the charge of any fee based upon a percentage of capital gains within a client's account. Where certain advisers may manage private funds or other incentive-based accounts in addition to those accounts charged a base fee, such firms are said to have an incentive to favor those incentive-based accounts. Abbit does not currently manage accounts subject to the implementation of any incentive or performance-based fees. In addition, firm policy requires personnel to treat each account equally. As reflected within the firm's Code of Ethics, this policy is acknowledged by firm personnel and enforced by firm management. Please see Item 11 for further information about the firm's Code of Ethics.

Item 7: Types of Clients

Abbit's advisory services are provided to individuals, banks, and other corporate entities. Abbit does not have any predetermined requirements with respect to account size or value.

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

Abbit's methods of analysis include monitoring daily market movement, reviewing regulatory filings and financial news, annual reports, and assorted research materials. The firm also utilizes several internet-based tools to further its knowledge of specific securities offerings and the market in general. As stated previously, most strategies are conservative in nature and utilize a long term approach. However, a client's needs or investment goals may alter the traditional approach and call for more aggressive investing. As with all investments, investing in securities carries an inherent risk of loss-including loss of principal which the client should be prepared to bear.

Item 9: Disciplinary Information

Pursuant to Rule 206(4)-4 of the Investment Advisers Act of 1940 and corresponding state statutes, investment advisers are required to provide clients with disclosure as to any legal or disciplinary activities deemed material to the client's evaluation of the adviser. Abbit and its personnel are not subject to any applicable disciplinary, regulatory, criminal, civil, or other such activity at this time. For further background review of both the firm and its personnel, please visit the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

Item 10: Other Financial Industry Activities and Affiliations

Abbit maintains a relationship with a trust bank to service its Master Trust Management accounts. This relationship is memorialized in a formal agreement and is subject to periodic revision. For its services, the bank is subject to a monthly fee which is automatically deducted from the respective trust account(s). Abbit and its management are not affiliated with any third party service provider in any way. Where the firm has the duty to disclose any conflicts of interest apparent in its advisory practice, Abbit has taken a full assessment of its business relationships and those of its management personnel and determined that there is no conflict of interest readily apparent in any such relationship. However, any and all potential relationships with third parties would be subject to those policies and procedures outlined within the firm's Code of Ethics. Please see Item 11 below for further information relative to the Code of Ethics.

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

For their personal accounts, Abbit's supervised personnel may purchase and/or sell investments that they have similarly recommended to clients. Where such a practice is deemed to create a conflict of interest, firm personnel are required to acknowledge and adhere to those policies and procedures rendered within the firm's Code of Ethics. On a quarterly basis, access persons of the firm are required to submit duplicate copies of their personal brokerage statements to the firm's Chief Compliance Officer. Such statements are reviewed to ensure compliance with firm policy and ensure the firm's fiduciary duty to its clients is being upheld. Firm personnel are also prohibited from engaging in any activity that could disadvantage a client or the client's account. This policy is also memorialized within the Code of Ethics, a copy of which will be made available upon request.

Item 12: Brokerage Practices

Abbit maintains discretionary authority over the selection and amount of securities to be purchased and/or sold in client accounts and over the broker or dealer to be used to effect such a transaction in a client's account without obtaining prior consent or approval from the client. However, these purchases or sales are subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by the firm. Discretionary authority is authorized with full disclosure to the client. The granting of such authority is implemented with the client's execution of an agreement/contract containing all applicable limitations to such authority. All discretionary trades made by the firm are conducted in accordance with each client's investment objectives and goals.

As previously stated elsewhere in this brochure, Abbit remains amenable to any reasonable client-imposed restrictions placed on the investment in certain securities and/or types of securities. Where Abbit maintains the authority to select the broker-dealer used to execute client securities transactions, such selections are made according to the following criteria:

- The broker's capital depth.
- The broker's market access.
- The broker's transaction confirmation and account statement practices.
- The firm's knowledge of negotiated commission rates and spreads currently made available.
- The nature and character of the markets for the security to be purchased or sold.
- The desired timing of the transaction.
- The execution.
- Quality of research
- Clearance and settlement capabilities of the broker selected and others considered.
- The firm's knowledge of any actual or apparent operational problems of a broker.
- The reasonableness of the commission or its equivalent for the specific transaction.

Based on the above criteria, Abbit will not necessarily pay the lowest commission or commission equivalent to the selected broker-dealer(s) as certain transactions can involve specialized brokerage services. This can result in higher commissions (or their equivalent) than other transactions requiring more routine services. Pursuant to Section 28(e) of the Securities Exchange Act of 1934, Abbit may cause an account to pay commission rates in excess of those another broker-dealer would have charged for effecting the same transaction, where the firm has made a good faith determination that the commission paid is reasonable in relation to the value of the brokerage and research services provided. This determination may be viewed in terms of either the particular transaction involved or the overall responsibilities of the firm with respect to the accounts over which it exercises investment discretion. Thus, such research furnished by broker-dealers may be used to service any or all of Abbit's clients and may be used in connection with accounts other than those that pay commissions to the broker-dealers providing said research (third-party research may be used to benefit all of the firm's clients). The firm has an incentive to continue utilizing such broker-dealers for their transaction-based services dependent upon the quality of research received. Questions regarding this arrangement may be addressed directly with firm personnel.

Where Abbit is directed by the client to direct trades to a specific broker-dealer other than the custodian typically used by the firm for trade execution, clients should note that the firm's ability to negotiate commissions (where applicable), obtain volume discounts, or otherwise obtain best execution may not be as favorable as might otherwise be obtained. Please note: Abbit is not affiliated with any broker-dealer for the purposes of effecting client securities transactions. Abbit also maintains a fiduciary obligation to seek the best execution pricing available for client transactions. While best execution is difficult to define and challenging to measure, there is some consensus that it does not solely mean the achievement of the best price on a given transaction. Rather, it appears to be a collective consideration of factors concerning the trade in question. Such factors include:

- The security being traded,
- the price of the trade,
- the speed of the execution,
- the apparent conditions in the market, and
- the specific needs of the client.

Abbit's primary objective when placing orders for the purchase and sale of securities for client accounts is to obtain the most favorable net results taking into account such factors as:

- Price,
- Size of order,
- Difficulty of execution,
- Confidentiality and
- Skill required of the broker.

Abbit may combine orders into block trades when more than one account is participating in the trade. This blocking or bunching technique must be equitable and potentially advantageous for each such account (e.g. for the purposes of reducing brokerage commissions or obtaining a more favorable execution price). Block trading is performed when it is consistent with the duty to seek best execution and within the terms of the client/firm agreement.

Equity trades are blocked based upon fairness to the client, both in the participation of their account, and in the allocation of orders for the accounts of more than one client. Allocations of all orders are performed in a timely and efficient manner. All accounts participating in a block execution receive the same execution price (average share price) for the securities purchased or sold in a trading day. Any portion of an order that remains unfilled at the end of a given day will be rewritten on the following day as a new order with a new daily average price to be determined at the end of the following day.

Clients will receive regular statements from the selected broker-dealer. Each client is encouraged to review their account statements carefully. Questions and/or concerns regarding same may be addressed to firm personnel.

Item 13: Review of Accounts

All accounts are subject to continuous and regular review (no less than quarterly) by the firm's portfolio management staff. Account review is performed to ensure consistency with stated investment objectives and other criteria. Upon request or at the firm's discretion the firm may provide a consolidated annual portfolio report in written form. Portfolio management clients are provided with quarterly account statements from the broker-dealer of record. Such statements may be issued more frequently depending upon the activity within the account. Master Trust management clients will receive statements on a monthly basis.

Item 14: Client Referrals and Other Compensation

Abbit is compensated via commissions for acting as producer in the sale of guaranteed travel assurance plans (GTAP). GTAPs are products sold to individuals by funeral homes, acting as sub-producers, in the sale of this product. Product applications and checks, made payable to the GTAP's issuer, are collected by Abbit and forwarded to the product issuer, who remits compensation to Abbit for acting as producer. Abbit then remits a portion of the commissions received to the sub-producer/funeral home, per terms of an agreement with the sub-producer/funeral home, and retains the remainder of the commissions.

Abbit does not currently compensate others for the referral of clients.

Item 15: Custody

Abbit has custody of client assets solely as a result of its computation and billing of advisory fees to custodians who then deduct the invoiced fees from client accounts and remit the proceeds to Abbit. Portfolio management clients assets (exclusive of Master Trust management assets) are held with a qualified custodian who has agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account, including the amount of management fees paid directly to Abbit.

Currently, Master Trust management clients receive a statement generated by Abbit, who acts as the recordkeeper for funeral home client assets held in Master Escrow Trust Accounts. Due to recent review of Michigan State Prepaid Funeral Contract Funding Act 255 of 1986 and Abbit's current business model, Abbit is in the process of restructuring its business model to accept the escrow agent, who has responsibility for investment of the funds in escrow, as it client

This change in Abbit's business model will be considered material, and Abbit's Form ADV will be amended to reflect this material change once this new structure has been implemented.

Item 16: Investment Discretion

As mentioned in Item 12, Abbit maintains discretionary authority over the selection and amount of securities to be bought or sold in client accounts and the broker-dealer to be used without obtaining prior consent or approval from clients. However, these purchases, sales, and selections may be subject to specified investment objectives, guidelines, or limitations previously set forth by the client and agreed to by the firm. Discretionary authority is authorized upon full disclosure to the client. The granting of such authority is made evident by the client's execution of an agreement containing all applicable limitations to such authority. All discretionary trades made by Abbit are conducted in accordance with each client's investment objectives and goals. Broker-dealer selection is made according to those specific guidelines previously mentioned in Item 12 of this brochure.

Item 17: Voting Client Securities

Abbit does not vote proxies on behalf of its clients. Client receive their proxies directly from the custodian. Clients may contact Abbit with any questions about a particular solicitation by contacting the firm directly.

Item 18: Financial Information

Pursuant to Rule 206(4)-4 of the Investment Advisers Act of 1940, investment advisers are required to disclose certain information about their business practices that might serve as material to the client's decision in choosing an investment adviser. As of the date of this filing, Abbit does not require the pre-payment of any fees or maintain any financial hardships or other conditions that might impair its ability to meet its contractual obligations to clients.

Item 19: Miscellaneous

Personnel: Abbit requires that persons providing investment advice be properly registered as investment adviser representatives. Such representatives must meet the appropriate qualifications for registration and have a suitable background. Accordingly, neither the firm nor its personnel have any current or prior financial hardship or other such disclosure history to report. Please refer to Part 2B *brochure supplements* for further information with respect to firm personnel.

Privacy: Abbit generally prohibits the disclosure of any client-related non-public personal information as collected by the firm throughout the client/firm relationship. However, the firm may make limited disclosure of such information as authorized by the client, or as otherwise provided by law. Abbit's privacy policy is provided at the inception of the client/firm relationship and annually thereafter.

Business Continuity: Abbit has made preparations to expedite the resumption of business in the event of a major disruption. Among other issues, the plan details how clients may access their accounts in the event of an emergency. A copy of the Business Continuity Plan is available for review by request.

The Abbit Management Corporation



Joseph E. Risselade

President/Chief Compliance Officer/Investment Adviser Representative
CRD#1517194

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February 2012

This brochure supplement provides information about Joseph E. Risselade that supplements the Abbit Management Corp. brochure. You should have received a copy of that brochure. Please contact Joe Risselade at the number above if you did not receive Abbit Management Corp.'s brochure or if you have any questions about the contents of this supplement. The information in this brochure supplement has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, where this brochure supplement may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training. Additional information about the firm and its representatives is also available on the SEC's website at www.adviserinfo.sec.gov

Joseph E. Risselade: President/Chief Compliance Officer/Investment Adviser Representative
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Educational Background and Business Experience:

Mr. Risselade (born 1964) serves as the firm's President, Chief Compliance Officer, and lead portfolio manager. Having worked with the firm since 1989, Mr. Risselade was previously a registered representative of North Star Investment Services, Inc. a FINRA registered broker-dealer. Mr. Risselade was with North Star from 1986 to 2000. A finance major at Grand Valley State University (May 1992), Mr. Risselade has served as president of Abbit since 2010. Mr. Risselade currently holds the Series 65 & 7 examinations.

Disciplinary Information:

Mr. Risselade has not been subject to any applicable legal, civil, criminal, regulatory, or disciplinary event history. Further review of Mr. Risselade's background may be found by visiting the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

Other Business Activity & Additional Compensation:

Mr. Risselade devotes 100% of his time to Abbit related activity. At this time he does not have any other business activity or related compensation to report.

Supervision:

As President and Chief Compliance Officer, Mr. Risselade remains solely responsible for firm operations. Accordingly, he is also responsible for monitoring the firm's advisory practices. Questions or concerns related to the firm's operation or its personnel may be addressed directly with Mr. Risselade.

The Abbit Management Corporation



James E. Slater, II
Chief Investment Officer
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May 2012

This brochure supplement provides information about James E. Slater II that supplements the Abbit Management Corp. brochure. You should have received a copy of that brochure. Please contact Joe Risselade at the number above if you did not receive Abbit Management Corp.'s brochure or if you have any questions about the contents of this supplement. The information in this brochure supplement has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Please note, where this brochure supplement may use the terms "registered investment adviser" and/or "registered", registration itself does not imply a certain level of skill or training. Additional information about the firm and its representatives is also available on the SEC's website at www.adviserinfo.sec.gov

James E. Slater II: Chief Investment Officer

Educational Background and Business Experience:

Mr. Slater (born 1967) joined the firm as Chief Investment Officer in May 2012. Mr. Slater's prior employment history is as follows:

12/09 – 05/12: PNC Bank; SVP, Director of Institutional Investments
08/08 – 12/09: NatCity Investments & National City Bank; Client Advisor and Consumer Banker
02/08 – 08/08: JPMorgan Chase Bank & J.P. Morgan Securities, Inc.; Investment Advisor
05/04 – 02/08: JPMorgan Chase Bank; Trust Officer/Advisor

Mr. Slater attended Andrews University from September 1985 to June 1990, earning a double major, BS in Business Administration and BS in Communications.

Mr. Slater currently holds the CTFA designation as well as Series 6, 7 & 66 examinations.

CTFA - The Certified Trust and Financial Advisor designation is a professional credential offered by the American Bankers Association for financial professionals. This mark provides training and knowledge in taxes, investments, financial planning, trusts and estates. To achieve the designation candidates must have a minimum of three years' experience in personal trusts along with the completion of an ICB trust training program. Candidates can also have five years' experience in personal trusts along with a bachelor's degree or ten years' experience in personal trusts. To go along with the prerequisites, candidates must also sign a professional code of ethics and successfully pass an examination. To maintain the CTFA in good standing, an advisor must adhere to ICB's Professional Code of Ethics, pay an annual fee, and complete 45 credits of continuing education every three years in the areas of Investments Management, Fiduciary and Trust Activities, Personal Financial Planning, Tax Law, and Ethics.

Disciplinary Information:

Mr. Slater has not been subject to any applicable legal, civil, criminal, regulatory, or disciplinary event history. Further review of Mr. Slater's background may be found by visiting the SEC's Investment Adviser Public Disclosure website at www.adviserinfo.sec.gov.

Other Business Activity & Additional Compensation:

Mr. Slater devotes 100% of his time to Abbit related activity. At this time he does not have any other business activity or related compensation to report.

Supervision:

Mr. Slater's duties on behalf of the firm are subject to the supervision of the President and Chief Compliance Officer, Joseph Risselade. Questions regarding Mr. Slater's conduct or his qualifications may be forwarded to Mr. Risselade at the phone number listed on the cover page of this brochure.