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March 17, 2014

This Brochure provides information about the qualifications and business practices of Bares Capital Management, Inc. ("BCM"), also dba Town Lake Capital Management ("TLCM"). If you have any questions about the contents of this Brochure, please contact us at 512-542-1083. 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.

Bares Capital Management, Inc. is an Investment Adviser registered with the United States Securities and Exchange Commission. Registration of an Investment Adviser does not imply any level of skill or training.

Additional information about Bares Capital Management, Inc. also is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

## **Item 2 – Material Changes**

This Item is designed to discuss only specific material changes that have been made to our Brochure and provide clients with a summary of such changes. We will also reference the date of our last annual update of our Brochure.

This Brochure dated March 17, 2014 is our annual update to Form ADV and updates our previous Form ADV dated March 19, 2013, which was the last update of our Brochure. This update to our Form ADV includes an update to our assets under management as of the most recently completed quarter dated December 31, 2013. There are no other material changes to this 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 material 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, a free copy of our Brochure may be requested by contacting us at 512-542-1083.

Additional information about Bares Capital Management, Inc. is also available via the SEC's web site [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The SEC's web site also provides information about any persons affiliated with BCM who are registered, or are required to be registered, as investment adviser representatives of BCM.

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#### **Item 4 – Advisory Business**

Bares Capital Management, Inc. was founded in 2000 by Brian T. Bares. We were originally registered with the States of Texas and Nebraska due to the amount of assets under management. In 2005 as assets under management passed \$30 million we became a registered investment adviser with the SEC. BCM is entirely owned by the principals of the firm, of which Mr. Bares is the only owner of 25% or more of the firm.

BCM provides investment management services predominantly for institutional and family office clients. We manage our client accounts in long-only concentrated Micro-Cap and Small-Cap strategies. In these strategies we invest in the equity of publicly-traded companies predominantly domiciled in the United States. Our typical client in these strategies utilizes a number of other managers that specialize in different investment strategies from ours. This diversification at the manager level alleviates us from the need for a diversified portfolio in the traditional definition and allows us to remain invested in 10-20 of our best investment ideas in each portfolio. We identify candidates for investment using fundamental research. We consider the financial condition of the candidate as well as qualitative factors relevant to the future performance of the candidate. Our qualitative research focuses on the competitive aspects of the business under consideration and an evaluation of management capability.

BCM also markets a modern "endowment model" strategy under the trade name Town Lake Capital Management, which we market to foundations, endowments, family offices, and high net worth individual investors. Many foundations and endowments have evolved over time from a traditional 60/40 split between stocks and bonds, to a modern implementation that includes a variety of uncorrelated, high-return asset classes and reduced reliance on lower returning fixed income instruments. The goal of the endowment model is to reduce volatility and increase returns using a multitude of uncorrelated asset classes that have an underlying performance similar to that of equities. This strategy is more diversified than our Micro- and Small-Cap strategies and is more appropriate for management of a client's entire portfolio. In this strategy we actively manage exposure to asset classes by utilizing mutual and/or exchange traded funds and equity and/or debt of publicly traded companies. While our primary research focus is on individual securities, we will use mutual funds and other types of investment vehicles to obtain access to certain areas of the market where it is either more efficient or in our client's best interest.

Town Lake Capital Management also provides unbundled consulting services to corporate 401(k) plans. The consulting services we provide include fund recommendation and monitoring, employee education, third-party administrator selection, custody selection, and model portfolio guidance. We believe offering our clients unbundled services reduces the potential for conflicts of interest. Our clients benefit from having access to a specialist

in each of the three primary components of a 401(k) plan – custody; administration; and investment management. Further, we do not offer proprietary investment products and receive no compensation from any of the funds we recommend. TLCM utilizes low-cost mutual and/or exchange traded funds for plan participants to select from during the investment process. We offer plan participants several diverse asset allocation models as guidelines that can assist in the fund selection process. TLCM also provides participants with education materials to help them make informed decisions about what risk tolerance is appropriate for their portfolio.

Our individual client accounts that are not part of our concentrated investment strategies are invested according to an investment policy statement that details each individual's unique circumstances. We update each client's IP statement at least annually, but each individual client is advised that it remains his/her responsibility to promptly notify us when there is any material change to their financial situation and/or financial objectives for the purpose of reviewing, evaluating, or revising previous recommendations and/or services. In performing its services BCM is not required to verify any information received from the client or from the client's other professionals. The investment advice we offer is limited to the equity or debt of publicly traded companies, mutual funds, and exchange traded funds we invest in. We do not offer tax planning advice or financial planning services. Clients may impose restrictions on investing in certain securities or types of securities. This must be done in writing and be signed by the client and BCM. We will, no less than annually, send clients a market commentary that may include opinions and outlooks for specific investments or the market in general. This commentary will usually accompany one of the periodic quarterly portfolio statements.

Assets under management of BCM are held by independent custodians, including TD Ameritrade, Charles Schwab, State Street, or others, in the client's name. We do not act as a custodian of client assets, although we may at times be considered by the SEC to technically have "custody" over certain accounts held at independent custodians. This occurs primarily because we are typically given authority to bill management fees directly from client accounts. We will have discretionary authority over client accounts when implementing the investment strategy.

As of December 31, 2013, BCM managed approximately \$1,293,796,000 in total assets. Approximately \$1,291,868,000 is managed on a discretionary basis and \$1,928,000 on a non-discretionary basis.

## **Item 5 – Fees and Compensation**

All fees are subject to negotiation.

The specific manner in which fees are charged by BCM is established in a client's written agreement with BCM. BCM will generally bill its fees on a quarterly basis. In most cases we bill clients in advance but in some cases we have agreed to bill clients in arrears each calendar quarter. BCM is typically given authority to directly debit fees from client accounts, but in some cases we have agreed to bill clients directly for management fees. Management fees shall be prorated for each capital contribution and withdrawal made during the applicable calendar quarter (with the exception of de minimis contributions and withdrawals). Accounts initiated or terminated during a calendar quarter will be charged a prorated fee. Upon termination of any account, any prepaid, unearned fees will be promptly refunded, and any earned, unpaid fees will be due and payable.

BCM's fees are exclusive of brokerage commissions, transaction fees, and other related costs and expenses which shall be incurred by the client. Clients may incur certain charges imposed by custodians, brokers, third party investment and other third parties such as fees charged by managers, custodial fees, deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Mutual funds and exchange traded funds also charge internal management fees, which are disclosed in a fund's prospectus. Such charges, fees, and commissions are exclusive of and in addition to BCM's fee, and BCM shall not receive any portion of these commissions, fees, and costs.

Our concentrated Micro-Cap strategy has a fee structure of 1.25% of assets under management per annum. Our concentrated Small-Cap strategy has a fee structure of 1.50% of assets under management per annum. The fee structure for Town Lake Capital Management varies from .50% to 1.00% per annum. Our current fee structure for individual investor clients is 1.00% per annum. For 401(k) consulting services we charge .50% per annum on the assets in the plan.

Item 12 further describes the factors that BCM considers in selecting or recommending broker-dealers for *client* transactions and determining the reasonableness of their compensation (*e.g.*, commissions).

## **Item 6 – Performance-Based Fees and Side-By-Side Management**

BCM does not currently charge any performance-based fees (fees based on a share of capital gains on or capital appreciation of the assets of a client). In some cases, we would be willing to enter into performance fee arrangements with qualified clients: such fees are subject to individualized negotiation with each such client. BCM will structure any

performance or incentive fee arrangement subject to Section 205(a)(1) of the Investment Advisors Act of 1940 (The Advisors Act) in accordance with the available exemptions thereunder, including the exemption set forth in Rule 205-3. In measuring clients' assets for the calculation of performance-based fees, BCM shall include realized and unrealized capital gains and losses. Performance based fee arrangements may create an incentive for BCM to recommend investments which may be riskier or more speculative than those which would be recommended under a different fee arrangement. Such fee arrangements also create an incentive to favor higher fee paying accounts over other accounts in the allocation of investment opportunities. BCM has procedures designed and implemented to ensure that all clients are treated fairly and equally, and to prevent this conflict from influencing the allocation of investment opportunities among clients.

### **Item 7 – Types of Clients**

BCM provides portfolio management services to charitable institutions, foundations, endowments, high net worth individuals, individuals, and trust programs. Town Lake Capital Management also offers consulting services to 401(k) plans.

We impose minimum dollar value of assets per account for new clients in each of our strategies, all of which we may waive at our discretion. The minimum initial investment in our concentrated Micro-Cap strategy is \$2 million, but we are currently not accepting additional capital in the strategy. The minimum initial investment in our concentrated Small-Cap strategy is \$5 million. The minimum initial investment in our Town Lake Capital Management strategy is \$2 million. The minimum 401(k) plan size for our consulting services is \$500,000.

### **Item 8 – Methods of Analysis, Investment Strategies and Risk of Loss**

BCM identifies candidates for investment using fundamental research. Our research style is most often considered bottom-up, in that we focus on the individual company more than the general state of the economy or overall price to value ratio of the equity markets. We consider the financial condition of the candidate as well as qualitative factors relevant to the future performance of the candidate. Our qualitative research focuses on the competitive aspects of the business under consideration and an evaluation of management capability. Since we take a long-term view of financial performance, clients should note that we are not “market timers” and do not buy and sell securities because we think the markets

in general are undervalued or overvalued. Our primary focus is on individual securities and their prospects over multi-year periods.

In our concentrated Micro- and Small-Cap strategies we invest in the equity of publicly traded companies predominantly denominated in the United States. In our endowment model strategy, which we offer to clients via Town Lake Capital Management, we purchase mutual and/or exchange traded funds and equity of publicly traded securities. We do not purchase derivatives, use leverage, or take short positions in publicly traded companies.

Investing in securities involves risk of loss that clients should be prepared to bear. Included in these risks are the risk of permanent loss of capital, interest-rate risk, inflation risk, currency risk, reinvestment risk, business risk, liquidity risk, financial risk, and volatility risk.

### **Item 9 – Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of BCM or the integrity of BCM's management. BCM has no information applicable to this Item.

### **Item 10 – Other Financial Industry Activities and Affiliations**

As an independently owned and operated investment advisory, BCM does not have any other financial industry affiliations. Our day-to-day investment management activities include interaction and relationships with various broker-dealers, custodians, and third-party administrators. BCM has neither a financial investment nor ownership position in any such entity.

BCM will, from time to time, pay marketing agents to promote BCM's investment strategies. The management fee we charge will not be higher because of the fees paid to solicitors. Maury McCoy dba McCoy & Associates, a third-party solicitor, exclusively represented the Bares Capital Management, Inc. Micro-Cap Equity strategy until assets in the strategy reached \$50 million. Maury McCoy's recommendation of BCM may have been biased as a result of this exclusivity. Maury McCoy was paid on a sliding scale ranging from 15-13% of the management fee. Maury McCoy dba McCoy & Associates no longer solicits clients on behalf of Bares Capital Management, Inc.



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

BCM has adopted the CFA Institute’s Code of Ethics and Standards of Professional Conduct for all access persons of the firm. The Code of Ethics recognizes BCM’s fiduciary duty to our clients, a high standard of business conduct, adherence to federal securities laws, and promotes a culture of honesty, integrity, and professionalism among our employees. 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 access persons at BCM must acknowledge the terms of the Code of Ethics annually, or as amended.

BCM’s clients or prospective clients may obtain a free copy of our Code of Ethics by calling our office and requesting such.

BCM and/or the firm’s employees may hold, purchase, and sell securities that are also held, purchased, or sold by our clients. Many of our clients prefer that we have some “skin in the game” and invest our personal accounts in the same securities that we purchase for their accounts. We may not own all of the securities that our clients own and we may own securities that we have not purchased for client accounts, but investors should be aware that the potential for conflict exists. In addition to our Code of Ethics requirement to prioritize the securities transactions of our clients before those of our own, we also have internal rules and policies that are designed to assure that the personal securities transactions, activities, and interests of the access persons of BCM will not interfere with (i) making decisions in the best interest of advisory clients and (ii) implementing such decisions while, at the same time, allowing access persons to invest for their own accounts. Under our internal policies certain classes of securities have been designated as exempt transactions, based upon a determination that these would materially not interfere with the best interest of BCM’s clients. In addition, our internal policies require pre-clearance of all non-exempt transactions and restrict trading until the day following the completion of client trading activity in that particular security. Nonetheless, because our internal policies permit access persons to invest in the same securities as clients, there is a possibility that we might benefit from market activity by a client in a security held by an access person. Access person trading is continually monitored by our Chief Compliance Officer in an attempt to reasonably prevent conflicts of interest between BCM and our clients.

BCM may engage in agency cross transactions for its advisory clients. Pursuant to Rule 206(3)-2, BCM will not knowingly engage in such agency cross transactions without prior consent of the advisory clients. BCM may initiate or maintain existing discretionary purchases for clients in the same securities as are being sold as a part of client directed cash raisings, tax sales, or liquidations. BCM may use different price limits or trading venues to mitigate the possibility of securities being inadvertently purchased and sold between BCM client accounts that trade at the same broker.

Financial institutions must comply with legislation governing the privacy of their clients' information. Except when required by law, it is a Bares Capital Management, Inc. policy to never share individual client information with any entity outside the firm without the client's permission. The only time information is shared about accounts is when the client has made the information publicly available or we report or advertise performance numbers in aggregate groupings of similarly managed accounts without revealing the specifics of an individual account. Additionally, it is a firm policy that violation of the confidentiality of client account information by employees, third party marketers, interns, or any other access persons of Bares Capital Management, Inc. is grounds for termination.

From time to time Bares Capital Management, Inc. may make an error when submitting a trade on behalf of a client. Errors may include, but are not limited to, the purchase/sale of the incorrect number of shares, purchase/sale of wrong or unintended security, and the incorrect or lack of usage of a trade rotation.

If a trading error on behalf of BCM occurs we will first determine if the most prudent course of action is to have the custodian or broker-dealer correct or cancel the trade. If letting the trade stand does not negatively bias another client and is the best course of action for the client account in which the error occurred, we will allow the trade to stand. If the best course of action is to have the trade corrected or cancelled we will attempt to have the custodian or broker-dealer take that action. If the aforementioned actions are either not in the best interest of the client or are not possible, BCM will attempt to calculate the aggregate amount of the error, whether positive or negative to the client. If a trade error results in a gain for the client the gain will remain in the client account unless a legal reason prohibits that action. If a trade error results in a loss for the client, BCM will refund the client for the amount lost.

## Item 12 – Brokerage Practices

All BCM client assets are maintained in a separate account at a qualified custodian. Most of our institutional clients inform us of their preference of custodian. BCM recommends discount brokerage firms to custody our individual client accounts. Currently all of our individual clients' assets are held at either Charles Schwab & Co. and/or TD Ameritrade. We recommend custodians based on the proven integrity and financial responsibility of the firm, best execution of orders at reasonable commission rates, and the quality of client service. Custodians will hold your assets in a brokerage account and buy and sell securities when we instruct them to do so. BCM is independently owned and operated and is not affiliated with any custodian or broker-dealer. BCM does not receive fees or commissions from any of these arrangements, although we may receive soft dollar benefits such as electronic delivery of client information, electronic trading platforms, proprietary and/or third-party research, continuing education, practice management advice, and other services provided by custodians for the benefit of clients. Soft dollar benefits are not limited to those clients who may have generated a particular benefit although certain soft dollar allocations are connected to particular clients or groups of clients.

BCM clients are responsible for all brokerage transaction costs and fees. In some cases the custodian of your assets has a set schedule of transaction costs and fees that are non-negotiable. Some custodians offer lower transaction costs for larger accounts, but these discounts are determined by the custodians, not BCM.

In all transactions on behalf of clients we seek what is referred to as "best execution." The SEC defines this as the execution of securities transactions for clients in such a manner that the client's total costs or proceeds in each transaction are the most favorable under the circumstances. The key phrase is "under the circumstances." As discussed above, BCM does not always have discretion over the costs and fees charged by your custodian, therefore you will pay such charges according to the related schedules of such custodians. In some cases we may establish "Prime Broker" relationships with broker-dealers. In such a case the custodian will allow BCM to buy securities from other broker-dealers and have them delivered into client accounts. When buying or selling through such broker-dealers, clients will pay the related costs and fees charged by such entities, which often results in higher transaction costs and fees to the client. We do the majority of our trading using Electronic Crossing Networks (ECNs) and dark pools, which allow us to aggregate the trades for many accounts together into one trade and allocate the shares across the applicable accounts, with each client receiving the same price. We use such services for five primary reasons:

access to blocks of stock (i.e. large quantities of stock that are generally not available in the open market on a day-to-day basis); accumulation or disposition of large quantities of stock in the open market; competitive pricing structure (we generally pay between \$.01 and \$.03 per share); allocation of shares to multiple accounts at the average price executed; and anonymity while trading.

When utilizing ECNs, dark pools, and Prime Brokers we evaluate a wide range of criteria in seeking best execution for client accounts. Such criteria includes, but is not limited to, implicit trading costs, access to securities with limited liquidity, software functionality and flexibility, efficiency of execution, research capabilities, financial strength and stability, perceived value of various financial industry conferences held by such broker-dealer, and prior experience in working with such networks, systems, and broker-dealers. Under such circumstances, clients should think of “best execution” as not necessarily the best “price,” although in some situations it is, but rather a confluence of factors that allow BCM to seek the best way of doing business on behalf of our clients.

If we are either unable to aggregate the trades of multiple accounts or deem doing so to not be in the best interest of our clients, we utilize a rotation to ensure fairness of trade order over time. In this case each client account would be responsible for the particular trade executed on their behalf. In all cases with respect to allocation of securities bought and sold it is BCM’s objective to distribute such transactions in a fair and equitable manner. Due to the number of specific client factors considered in each allocation (e.g. available cash, tax implications, risk tolerance, portfolio holdings, size of transaction, multiple account overlap, etc.) accounts with the same investment objectives may vary in terms of the quantity of securities purchased or sold, as well as the average price paid or derived for such transactions, respectively.

### **Item 13 – Review of Accounts**

All client reviews are done by Brian T. Bares, President, and/or James S. Bradshaw, Chief Compliance Officer, and/or Clayton A. Ripley, Managing Director of Town Lake Capital Management, at least annually with each client, except as noted below. If a client’s financial situation changes in some material way, reviews may be performed more often. Reviews include, but are not limited to, an Investment Policy Statement that includes return objectives, risk tolerance, and various other constraints. Reviews may be triggered by client request, changes in market condition, new information about an investment, changes in tax laws, or other important changes.

No Investment Policy Statements or reviews are completed for clients that hire BCM specifically to manage accounts in the concentrated Micro-Cap and Small-Cap strategies. The clients for which these strategies are appropriate typically use them as one part of an overall investment strategy. These clients sign a contract with BCM specifically stating the desired strategy they wish BCM to implement.

Written reports are sent to clients quarterly and may consist of account positions, investing commentary, and performance computations.

#### **Item 14 – *Client Referrals and Other Compensation***

BCM has been fortunate to receive many client referrals over the years. The referrals have come from current clients, employees, personal friends of employees, and other sources. Other than as discussed in Item 10 above, BCM does not pay for referrals.

BCM does not accept referral fees or any form of remuneration from other professionals when a prospect or client is referred to them.

#### **Item 15 – *Custody***

Clients can choose to have assets held at any qualified custodian. BCM does not have physical custody of any assets held for clients, but most clients permit us to deduct advisory fees directly from the account, request checks to be issued to the account holder and sent to the address of record, and in some instances transfer funds between like-titled accounts at the same custodian. In addition to these services, clients authorize us to give the custodian instructions for the purchase, sale, conversion, redemption, exchange, or retention of any security, cash or cash equivalent, or other investments for the client's account.

Clients should receive at least quarterly statements from the broker-dealer, bank or other qualified custodian that holds and maintains client's investment assets. BCM urges you to carefully review such statements and compare such official custodial records to the account statements that we may provide to you. Our statements may vary from custodial statements based on accounting procedures, reporting dates, or valuation methodologies of certain securities.

## **Item 16 – Investment Discretion**

Since BCM is a discretionary investment manager, clients provide written authority (e.g. limited power of attorney) for us to conduct account management services as defined in our investment management contract and your independent custodian agreement/contract. Any limitations of such authority are included in these written and signed agreements/contracts. In all cases, however, such discretion is to be exercised in a manner consistent with the stated investment objectives for the particular client account.

## **Item 17 – Voting *Client* Securities**

Clients may delegate proxy voting authority over their account to BCM. Such delegation may be made by the client through notice to the account custodian. In the event a client delegates proxy voting authority to us, it remains the client's obligation to direct their account custodian to forward applicable proxy materials to BCM so their account shares can be voted. BCM will not vote shares unless we receive the proxy materials on a timely basis from the custodian. Clients may revoke our voting authority without notice to BCM.

BCM will vote all proxies received by the firm in the best interest of the beneficiaries of client accounts. All proxies will be voted by firm Research Analysts. The objective in the voting is to support proposals and director nominees that maximize the value of our clients' investments over the long term. Each proposal will be evaluated on its merits, based on the particular facts and circumstances as presented. The responsibility of ensuring that all properly received proxies are voted in a timely manner will fall to the Chief Compliance Officer.

Should a conflict of interest exist between BCM and client(s) regarding the outcome of certain proxy votes, BCM is committed to resolving the conflict in the best interest of clients before it votes the proxy in question. We may take the following courses of action to resolve the conflict: (i) disclose the conflict to clients and obtain consent before voting; (ii) suggest that client(s) engage another party to determine how the proxy should be voted.

Clients may obtain a copy of BCM's proxy policy on request by contacting Jim Bradshaw, Chief Compliance Officer. Clients may also obtain information from BCM about how we voted any proxies on behalf of their account(s). Jim Bradshaw, Chief Compliance Officer is responsible for tracking and delivery of the proxy policy or specifics on how proxies were voted upon client's request.

## **Item 18 – Financial Information**

Registered investment advisers are required in this Item to provide you with certain financial information or disclosures about BCM's financial condition. BCM 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. A balance sheet is not required to be provided because BCM does not serve as a custodian for client funds or securities, other than as described above, and does not require prepayment of fees of more than \$1,200 per client, six months or more in advance.

Brian T. Bares, CFA  
Bares Capital Management, Inc.  
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December 31, 2013

**This Brochure Supplement provides information about Brian Bares that supplements the Bares Capital Management, Inc. Brochure. You should have received a copy of that Brochure. Please contact our Compliance Department if you did not receive Bares Capital Management's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Brian Bares is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Educational Background and Business Experience**

Brian T. Bares, CFA – President, Research Analyst

DOB: 10/30/1973

Education: University of Nebraska, BS – Mathematics, 1995

Designations: Brian holds the Chartered Financial Analyst designation. The Chartered Financial Analyst (CFA) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations over two to four years. The three levels of the CFA Program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



**Business Experience:** Brian has served as President and Research Analyst at BCM since he founded the company in 2000. From 2012-present Brian has served as Secretary of the Board of Directors of Cellmedix Holdings LLC, a medical device company. From 2009-present Brian has served as an Investment Committee Member of the Missionary Society of St. Columban. He is also currently a member of the University of Texas MBA Investment Fund Advisory Committee. The Advisory Committee is responsible for advising the investment counselors and the students on their investment policies. The Advisory Committee holds two formal meetings each year, one in the spring and one in the fall, during which Brian may discuss previous, current, and/or future investments of BCM. Brian's assistance to the fund as a member of the Advisory Committee is on an uncompensated basis.

Brian is the author of the book *The Small-Cap Advantage* (Wiley 2011).

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Brian has no information applicable to this Item.

### **Other Business Activities**

Brian has no information applicable to this item.

### **Additional Compensation**

Brian has no information applicable to this item.

### **Supervision**

Brian is supervised by Jim Bradshaw, Chief Compliance Officer. Jim reviews Brian's work through frequent office interactions.

Jim Bradshaw's contact information: 512-542-1083 or [jbradshaw@barescapital.com](mailto:jbradshaw@barescapital.com)

Joshua K. Braden

Bares Capital Management, Inc.

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512-542-1083

December 31, 2013

**This Brochure Supplement provides information about Joshua Braden that supplements the Bares Capital Management, Inc. Brochure. You should have received a copy of that Brochure. Please contact our Compliance Department if you did not receive Bares Capital Management's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Joshua Braden is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

### **Educational Background and Business Experience**

Joshua K. Braden – Research Analyst

DOB: 05/23/1982

Education: Florida State University, BS – Finance, 2004; University of Texas, Master of Business Administration, 2011

Business Experience: Josh has served as a Research Analyst at BCM since he joined the company in 2012. From 2013-present Josh has served as a Managing Member of The New Outfit Project, LLC, a curated online fashion recommendation engine. From 2004-2009 Josh served in the U.S. Army in a variety of capacities and functions in the Military Intelligence branch, including two years deployed in support of Operation Iraqi Freedom. After receiving an Honorable Discharge from the Army, Josh entered the MBA program at the University of Texas, during which time he worked as an intern at BCM.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Josh has no information applicable to this Item.

### **Other Business Activities**

Josh has no information applicable to this item.

### **Additional Compensation**

Josh has no information applicable to this item.

### **Supervision**

Josh is supervised by Brian Bares, President and Jim Bradshaw, Chief Compliance Officer. Brian and Jim review Josh's work through frequent office interactions.

Brian Bares' contact information: 512-542-1083 or [bbares@barescapital.com](mailto:bbares@barescapital.com)

Jim Bradshaw's contact information: 512-542-1083 or [jbradshaw@barescapital.com](mailto:jbradshaw@barescapital.com)

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**Additional information about James Bradshaw is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

### **Educational Background and Business Experience**

James S. Bradshaw, CFA – Chief Compliance Officer, Research Analyst

DOB: 03/24/1972

Education: University of Alabama, BS – Finance, 1994

Designations: Jim holds the Chartered Financial Analyst designation. The Chartered Financial Analyst (CFA) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations over two to four years. The three levels of the CFA Program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.

Business Experience: Jim has served as a Research Analyst at BCM since he joined the company in 2001. During almost all of that time, including all of the most recent five years, he has also served as BCM's Chief Compliance Officer.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Jim has no information applicable to this Item.

### **Other Business Activities**

Jim has no information applicable to this item.

### **Additional Compensation**

Jim has no information applicable to this item.

### **Supervision**

Jim is supervised by Brian Bares, President. Brian reviews Jim's work through frequent office interactions.

Brian Bares' contact information: 512-542-1083 or [bbares@barescapital.com](mailto:bbares@barescapital.com)

James J. Creel, Jr.

Bares Capital Management, Inc.

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Austin, TX 78738

512-542-1083

December 31, 2013

**This Brochure Supplement provides information about James Creel that supplements the Bares Capital Management, Inc. Brochure. You should have received a copy of that Brochure. Please contact our Compliance Department if you did not receive Bares Capital Management's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about James Creel is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

### **Educational Background and Business Experience**

James J. Creel, Jr. – Research Analyst

DOB: 12/24/1979

Education: Princeton University, AB – History, Cum Laude, 2002

Business Experience: Jay has served as a Research Analyst at BCM since he joined the company in 2012. From 2007-2013 Jay was a Partner and Research Analyst at Treaty Oak Capital Management, a long/short hedge fund focused on the energy industry. From 2004-2007 Jay served as an Associate at Molecular Securities, an independent investment bank providing merger, acquisition, restructuring and strategic advisory services to international public and private companies in the healthcare and life sciences industries. From 2002-2004 Jay served as an Analyst in the Global Corporate Finance Division of Deutsche Bank Securities where he provided comprehensive investment banking services to international public and private companies in the consumer products, food, beverage, retail and business services industries. Jay is currently the Treasurer of The Princeton Club of Austin.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Jay has no information applicable to this Item.

### **Other Business Activities**

Jay has no information applicable to this item.

### **Additional Compensation**

Jay has no information applicable to this item.

### **Supervision**

Jay is supervised by Brian Bares, President and Jim Bradshaw, Chief Compliance Officer. Brian and Jim review Jay's work through frequent office interactions.

Brian Bares' contact information: 512-542-1083 or [bbares@barescapital.com](mailto:bbares@barescapital.com)

Jim Bradshaw's contact information: 512-542-1083 or [jbradshaw@barescapital.com](mailto:jbradshaw@barescapital.com)

Russell C. Mollen, CFA  
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512-542-1083  
December 31, 2013

**This Brochure Supplement provides information about Russell Mollen that supplements the Bares Capital Management, Inc. Brochure. You should have received a copy of that Brochure. Please contact our Compliance Department if you did not receive Bares Capital Management's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Russell Mollen is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

#### **Educational Background and Business Experience**

Russell C. Mollen, CFA – Research Analyst

DOB: 10/16/1982

Education: University of Texas, BBA – Finance, 2005

Designations: Russell holds the Chartered Financial Analyst designation. The Chartered Financial Analyst (CFA) charter is a professional designation established in 1962 and awarded by CFA Institute. To earn the CFA charter, candidates must pass three sequential, six-hour examinations over two to four years. The three levels of the CFA Program test a wide range of investment topics, including ethical and professional standards, fixed-income analysis, alternative and derivative investments, and portfolio management and wealth planning. In addition, CFA charterholders must have at least four years of acceptable professional experience in the investment decision-making process and must commit to abide by, and annually reaffirm, their adherence to the CFA Institute Code of Ethics and Standards of Professional Conduct.



Business Experience: Russell has served as a Research Analyst at BCM since he joined the company in 2010. From 2007-2010 Russell served as a Research Associate at Hotchkis & Wiley Capital Management. Russell served as an Analyst at the University of Texas Investment Management Company from 2005-2007.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Russell has no information applicable to this Item.

### **Other Business Activities**

Russell has no information applicable to this item.

### **Additional Compensation**

Russell has no information applicable to this item.

### **Supervision**

Russell is supervised by Brian Bares, President and Jim Bradshaw, Chief Compliance Officer. Brian and Jim review Russell's work through frequent office interactions.

Brian Bares' contact information: 512-542-1083 or [bbares@barescapital.com](mailto:bbares@barescapital.com)

Jim Bradshaw's contact information: 512-542-1083 or [jbradshaw@barescapital.com](mailto:jbradshaw@barescapital.com)

Clayton A. Ripley, CPA  
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December 31, 2013

**This Brochure Supplement provides information about Clayton Ripley that supplements the Bares Capital Management, Inc. Brochure. You should have received a copy of that Brochure. Please contact our Compliance Department if you did not receive Bares Capital Management's Brochure or if you have any questions about the contents of this supplement.**

**Additional information about Clayton Ripley is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).**

**Educational Background and Business Experience**

Clayton A. Ripley, CPA – Managing Director

DOB: 04/20/1983

Education: Baylor University, BBA – Accounting, 2005

Designations: Clayton is a Certified Public Accountant. To earn the CPA designation candidates are required to hold a baccalaureate or higher college degree, have completed 150 semester hours of college credit, 30 semester hours of upper level accounting courses, 24 semester hours of upper level related business courses and a 3 semester hour ethics course. Candidates must also pass all four sections of the CPA exam. The four sections consist of Auditing and Attestation, Business Environment and Concepts, Financial Accounting and Reporting, and Regulation.

**Business Experience:** Clayton joined BCM in 2007. From 2010 to the present he has served as the Managing Director of Town Lake Capital Management. From 2007-2010 he served at BCM as a Research Analyst. From 2005-2007 Clayton served as a Staff Accountant at Bounds, Chatelain and Pharr. Since 2010 Clayton has been a Board Member and Treasurer of the Texas Land Trust Council. From 2013-present Clayton has been a Board Member of the Texas Health Institute. Since 2014 Clayton has been an at-large Board Member of the Texas Society of CPAs.

### **Disciplinary Information**

Registered investment advisers are required to disclose all material facts regarding any legal or disciplinary events that would be material to your evaluation of each supervised person providing investment advice. Clayton has no information applicable to this Item.

### **Other Business Activities**

On occasion Clayton may be engaged as a consultant by private companies that require guidance on matters relating to tax, audit, capital raising, and mergers and acquisitions. Clayton may be directly or indirectly compensated for providing such consulting services.

### **Additional Compensation**

Clayton has no information applicable to this item, except as mentioned in the Other Business Activities above.

### **Supervision**

Clayton is supervised by Brian Bares, President and Jim Bradshaw, Chief Compliance Officer. Brian and Jim review Clayton's work through frequent office interactions.

Brian Bares' contact information: 512-542-1083 or [bbares@barescapital.com](mailto:bbares@barescapital.com)

Jim Bradshaw's contact information: 512-542-1083 or [jbradshaw@barescapital.com](mailto:jbradshaw@barescapital.com)