



FIRM BROCHURE

Part 2A of Form ADV

Yosemite Capital Management, LLC

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Part 2A of Form ADV (the “Brochure”) provides information about the qualifications and business practices of Yosemite Capital Management, LLC, a Delaware Limited Liability Company (“YCM”). If you have any questions about the contents of this Brochure, please contact us by phone at (714) 730-3310 and/or by email at pheckler@yosemitecapital.com. 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.

Yosemite Capital Management, LLC is a registered investment adviser with the U.S. Securities and Exchange Commission; however, such registration does not imply a certain level of skill or training and no inference to the contrary should be made. Additional information about Yosemite Capital Management, LLC also is available on the SEC’s website at www.adviserinfo.sec.gov.

Item 2: Material Changes

The purpose of this page is to inform you of material changes to our brochure. If you are receiving this brochure for the first time, this section may not be relevant to you. Yosemite Capital Management, LLC (“YCM”) reviews and updates our brochure at least annually to confirm that it remains current. We have not made material changes since the previous annual update to our brochure, dated March 27, 2017.

YCM encourages each client to read this Brochure carefully and to contact us with any questions you may have. Pursuant to SEC Rules, YCM will ensure that clients receive a summary of any material changes to this Brochure within 120 days of the close of YCM’s fiscal year-end. Additionally, as YCM experiences material changes in the future, we will send you a summary of our “Material Changes” under separate cover. For more information about the firm, please visit www.yosemitecapital.com.

Additional information about YCM and its investment adviser representatives is available on the SEC’s website at www.adviserinfo.sec.gov.

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Item 4: Advisory Business

Description of Firm

Yosemite Capital Management, LLC, a Delaware Limited Liability Company (“YCM” or the “Firm”) is a registered investment adviser based in Tustin, California. YCM provides customized portfolio management and financial planning services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities as described further below.

YCM is registered with the Securities & Exchange Commission (“SEC”) as an investment adviser and has been in business since 2000. YCM’s principal owners are 17th Street Investments, LLC, and Paul H. Heckler.

Types of Advisory Services Offered

YCM provides advisory services in the form of portfolio management, recommendation of independent advisers, and financial planning, each of which is described more fully below.

1. Portfolio Management Services

YCM offers clients a tailored portfolio management solution based on a thorough understanding of each client’s independent investment objectives. YCM’s portfolio management services encompass not only the traditional asset classes of fixed income, domestic equities and foreign securities, but can also include other asset classes. Such advice will typically involve providing a variety of services and may include investment buy/sell recommendations, asset allocation, recommendation of independent advisers, and the selection of mutual funds and/or individual securities for the client’s portfolio.

The investment advice we provide is customizable, with each account managed according to the investment objectives, needs, guidelines, risk tolerance, and other information provided by the client. This begins through gathering information from each client on an Account Information form, Investment Policy Questionnaire or other similar documentation process. Based upon information received from the client, YCM selects the appropriate model (*i.e.*, either conservative, moderate conservative, moderate, moderately aggressive and aggressive) for on-going management. Depending upon the strategy selected by the adviser, YCM invests client assets in various allocations and types of securities, including but not limited to: mutual funds, exchange traded funds (“ETFs”), stocks, bonds, treasuries, variable annuities, foreign securities, and/or real estate investment trusts (“REITs”). YCM does not offer advisory services relating to private placements or non-public offerings. Please refer to Item 8 for additional information about YCM’s investment strategies and their associated risks.

YCM generally manages client assets on a fully discretionary basis, but for select clients, may provide non-discretionary management upon request but only on assets held at “Charles Schwab” custodian and at the sole discretion of the Firm. YCM’s discretionary authority may be subject to conditions or restrictions imposed by a client. This may occur when a client restricts or prohibits transactions in a particular security or industry sector, or requests that the Firm place trades with a specific broker-dealer (aka “directed brokerage”). Please refer to Item 12 for additional information.

2. Recommendation of Independent Advisers

Under certain circumstances, YCM may recommend that the client utilize the services of independent, third party investment advisers (“TPAs”) to manage a portion of their portfolio. YCM makes recommendations regarding the suitability of a TPA and their investment style based on, but not limited to, the client’s financial needs, long-term goals, and investment objectives. YCM has a disciplined process for selecting best-in-class asset managers. The universe of TPAs is screened and reviewed utilizing a multitude of screening metrics. Through fundamental analysis, YCM next reviews the performance and risk attribution of each manager. Then through qualitative analysis, YCM conducts due diligence through meetings, discussions, and evaluation of the characteristics of the various TPAs. Please refer to Item 8 below for additional information on YCM’s methods of analysis and investment strategies.

The TPAs selected by YCM are diversified among multiple strategies, asset classes, regions, industry sectors and securities. Once a TPA is selected, YCM continues to monitor the chosen managers to ensure that they adhere to the philosophy and investment style for which they were selected and to ensure that the TPA’s performance portfolio strategies and management remain aligned to the client’s overall investment goals and objectives. YCM will retain discretionary authority to hire and fire TPAs and reallocate the client’s assets to other TPAs, where such action is deemed to be in the best interest of the client. YCM’s ongoing review includes, but is not limited to, assessment of the TPA’s disclosure brochure, performance information, materials (including questionnaire responses) supplied by the TPA, evaluation of the manager’s investment strategies, personnel turnover, regulatory events, ownership changes and corporate earnings reports.

Fees for using a TPA vary depending upon the TPA selected, the size of the account and the services provided. The fees charged by the TPAs will be in addition to those charged by YCM (as described in Item 5 below) and will be deducted from the client’s account with its custodian. For information regarding the TPA’s minimum account size, requirements, management services and associated advisory and referral fees please refer to the TPA’s client disclosure brochure and other TPA materials.

Clients may be required to sign an Investment Advisory Agreement (“Agreement”) directly with the TPA(s) selected in addition to the one signed with YCM. The client, YCM or the TPA, in accordance with the provisions of those Agreements, may terminate the advisory relationship. If the TPA is compensated in advance, the client will typically receive a pro rata refund of any prepaid advisory fees upon termination of an advisory agreement. Should YCM select a TPA to manage a portion of the client’s portfolio, YCM will instruct the TPA to deliver a copy of the TPA’s disclosure brochure to the client at the time of appointing the TPA. YCM will periodically review the Form ADV delivery process of all TPAs.

3. Financial Planning Services

YCM may provide its clients with a broad range of comprehensive financial planning services (which may include non-investment related matters). YCM’s financial planning services involve a detailed analysis of the individual client’s financial needs and these services may include, but are not limited to, providing advice regarding asset allocation, retirement planning, and other services.

YCM’s financial planning process involves the collection, organization, and assessment of relevant client data including information concerning the client’s lifestyle, risk tolerance, and cash flow, as well as identification of the client’s financial concerns, goals, and objectives. The primary objective of this

process is to allow YCM to assist the client in developing a strategy for the management of income, assets, and liabilities in order to help meet the client's individual financial goals and objectives.

During the initial consultation, YCM gathers pertinent information about the client's financial circumstances and objectives. The information requested generally includes present and anticipated assets and liabilities, expenses, insurance, savings, investments, estate plans, and anticipated retirement or other employee benefits along with projected Social Security benefits. YCM will then assess the client's goals, objectives, time horizon, and risk tolerance to compare where clients are today in relation to the attainment of their stated goals. Once such information has been reviewed and analyzed, a written financial plan will be produced and presented to the client.

Clients will receive information from YCM about the available alternatives and will have the option of utilizing YCM to implement those plan recommendations. Clients may act on YCM's recommendations by either: (i) utilizing YCM's advisory services; (ii) placing trades or implementing strategies through Syndicated Capital, Inc., where certain IARs of YCM serve as Registered Representatives (RRs); (iii) placing securities transactions with any broker-dealer firm selected by the client; or (iv) using a third-party adviser to implement portfolio recommendations. Advice may be given on non-securities matters and any implementation of YCM's recommendations is entirely at the client's discretion. Clients are free at all times to accept or reject any of YCM's financial planning recommendations and further retain the authority and discretion over all such implementation decisions.

Should a client decide to implement any recommendations contained in their financial plan, the client may, but is under no obligation to, utilize YCM or one of its representatives to implement those recommendations. Financial planning clients who wish to engage YCM for portfolio management services will be required to enter into a separate written agreement with YCM for such services, for which YCM will be paid a separate and additional fee based on assets under management in accordance with the fee schedule set forth under Item 5, below.

There can be no assurance that YCM's financial planning services or any products recommended by a financial plan are at the lowest available cost. Clients are advised that potential conflicts of interest exist if YCM recommends its own portfolio management services or if a YCM representative recommends products or services offered in such representative's capacity as a registered representative of a broker-dealer. Specifically, clients should be aware of the following conflicts that may exist between YCM's interests and the interest of the client:

1. If the client implements the financial plan through YCM, the Firm will receive additional payment from the client in the form of advisory fees. This may act as an incentive to YCM to make certain recommendations in the financial plan or to advise the client to instruct YCM to implement the plan. Other firms may charge lower fees for providing such services.
2. If the client places trades through Syndicated Capital following a recommendation by an investment adviser representative (IAR) who is also an RR of Syndicated Capital, that individual will receive compensation in the form of commissions or fees generated by such transactions. This may act as an incentive to that individual to recommend such securities or products or to advise the client to use Syndicated Capital to effect the recommended transactions.
3. Syndicated Capital may offer less favorable prices for those securities or products or charge a higher commission than alternative broker-dealer firms.

Information Relating to All YCM Services

1. Gathering Individual Client Information

The investment advice provided by YCM is customizable, with each client's portfolio managed based upon the individual needs, objectives, and other financial goals of the client. At the onset of the client relationship, YCM memorializes each client's investment objectives, risk tolerance, investment guidelines and restrictions, time horizons, tax considerations and other important and necessary information. The information provided will be used by YCM to determine the appropriate portfolio asset allocation and investment strategy or to formulate a customized financial plan (as applicable) for each client.

YCM will not assume any responsibility for the accuracy of the information provided by the client. YCM is not obligated to verify any information received from the client or from the client's other professionals (e.g., attorney, accountant, etc.) and is expressly authorized to rely on such information. Under all circumstances, clients are responsible for promptly notifying YCM in writing of any material changes to the client's financial situation, investment objectives, time horizon, or risk tolerance. In the event that a client notifies YCM of changes in the client's financial circumstances, YCM will review such changes and recommend any necessary revisions to the client's portfolio.

YCM will provide investment advisory services and portfolio management services but will not provide custodial or other administrative services. At no time will YCM accept or maintain custody of a client's funds or securities. Client is responsible for all custodial and securities execution fees charged by the custodian and executing broker-dealer, unless otherwise negotiated.

2. Advisory Agreements

Prior to engaging YCM to provide investment advisory services, the client will be required to enter into one or more written agreements with YCM setting forth the terms and conditions under which YCM shall render its services (collectively the "Agreement"). In accordance with Rule 204-3 under the Investment Advisers Act of 1940, as amended ("Advisers Act"), YCM will provide a brochure and one or more brochure supplements to each client or prospective prior to or contemporaneously with the execution of an investment advisory agreement. The Agreement between YCM and the client will continue in effect until terminated by either party pursuant to the terms of the Agreement. YCM's annual fee shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate, in a timely manner.

Neither YCM nor the client may assign the Agreement without the consent of the other party. Transactions that do not result in a change of actual control or management of YCM shall not be considered an assignment.

3. Restrictions/Guidelines Imposed by Clients

Clients may impose reasonable guidelines and/or restrictions on investing in certain securities or types of securities. For example, a client may specify that the investment in any particular stock or industry should not exceed specified percentages of the value of the portfolio. All such guidelines and restrictions must be communicated to YCM in writing. There may be times when certain restrictions are placed by a client, which prevents YCM from accepting or continuing to manage the account. YCM reserves the right to not accept and/or terminate management of a client's account if it feels that the client imposed restrictions would limit or prevent it from meeting and/or maintaining its investment strategies.

Assets Under Management

As of December 31, 2016, the following represents the amount of client assets under management by YCM on a discretionary and non-discretionary basis:

Type of Account	Assets Under Management ("AUM")
Discretionary	\$227,018,493
Non-Discretionary	\$17,648,648
Total:	\$244,667,141

Item 5: Fees and Compensation

YCM charges fees based on a percentage of assets under management as well as hourly charges and fixed fees, depending on the particular types of advisory services to be provided. The specific fees charged by YCM for its advisory services will be set forth in each client's written agreement with YCM. Although YCM believes its advisory fees are competitive, clients should be aware that lower fees for comparable services may be available from other sources.

A. Description of Fees; Fee Schedule

1. Portfolio Management Fees

YCM generally charges a quarterly management fee, payable in advance, based on a percentage of the client's assets under management (AUM) as of the close of business on the last business day of the preceding calendar quarter. Management fees are calculated and paid quarterly in advance based on the market value of the portfolio on the last day of the preceding calendar quarter in accordance with the following fee schedules:

Portfolio Type	Maximum Fee
Balanced/Equity Portfolio	2.0%
Fixed Income Portfolio	1.0%

Advisory fees are negotiable and arrangements with any particular client may differ from those described above. In addition, for family and friends of the firm, YCM may, in its sole discretion, waive management fees in their entirety.

Advisory fees are payable quarterly in advance, based on the market value of the portfolio on the last day of the preceding calendar quarter. The first payment is due upon execution of the advisory agreement. Should a client open an account at any time other than the first day of the calendar quarter, YCM's fees will be assessed pro rata based on the number of days that the account was open during the quarter. If YCM or the client terminates the agreement under which YCM provides its Portfolio Advisory Services to the client YCM will refund any unearned fees to the client on a pro rata basis, calculated back to the date of receipt of the notice of termination.

Clients are informed YCM utilizes Charles Schwab as a custodian. In accordance with each client's advisory agreement, payment of YCM's advisory fees will be made by the qualified custodian directly

from the client's account upon receipt of YCM's quarterly invoice, unless otherwise agreed to in writing between YCM and the client. Further, the qualified custodian agrees to deliver an account statement, at least quarterly, to the client and YCM, showing all disbursements from the account, including the advisory fees paid to YCM. The client is encouraged to review all account statements for accuracy and is urged to compare the statements received from YCM with those received from the custodian. Please refer to Item 13 for additional information on the reports clients receive from YCM and from the qualified custodian.

2. Financial Planning Fees

YCM typically charges a fixed fee for its financial planning services. Generally, the fee will range from \$750 - \$20,000, based on the scope and complexity of the requested services, as stipulated in the Financial Planning Agreement. Customized proposals are available upon request. Under certain circumstances, YCM may offer financial planning services for an hourly rate negotiated with each client. The hourly rate and the flat fee may be negotiated or waived in the sole discretion of YCM.

Clients are generally requested to pay 50% of the estimated fee upon execution of the Agreement. An invoice for services is issued on completion of the written analysis, which is payable upon receipt. Clients may terminate the Financial Planning Agreement, without penalty, at any time on written notice. Upon termination, any prepaid fees will be prorated based on the amount of work completed by YCM as of the date the notice of termination is received and any unearned fees will be returned to the client.

B. Other Fees and Expenses

Clients should understand that the advisory fees described in the sections above do not include certain charges imposed by third parties such as custodial fees, mutual fund fees and expenses, and fees charged by third party investment managers. Client assets may also be subject to transaction costs, retirement plan administration fees (if applicable), deferred sales charges on mutual funds initially deposited in the account, 12b-1 fees, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions.

In addition, all fees paid to YCM for investment advisory services are separate and distinct from the fees charged by TPAs. Client assets invested in mutual funds will be subject to certain fees and expenses imposed directly by mutual funds to their shareholders, which shall be described in each fund's prospectus. These fees will generally include a management fee, other fund expenses, and a possible distribution fee. If the sponsor also imposes sales charges, a client may pay an initial or deferred sales or surrender charge.

Additionally, clients may incur brokerage commissions and other execution costs charged by the custodian or executing broker-dealer in connection with transactions for a client's account. Clients should further understand that all custodial fees and any other charges, fees and commissions incurred in connection with transactions for a client's account will be paid out of the assets in the account. YCM does not share in any of these fees and all such fees will be paid out of the assets in the account. Please refer to Item 12 of this Brochure entitled "Brokerage Practices" for additional important information about the brokerage and transactional practices of YCM.

These fees and expenses are separate from and in addition to the fees charged by YCM. Accordingly, the client should review the fees charged by any TPAs, mutual funds and other investment products in which the client's assets are invested, together with the fees charged by YCM, to fully understand the total

amount of fees to be paid by the client and to thereby evaluate the advisory services being provided.

Additionally, from time to time, YCM will host special financial educational events in which attendees shall be required to pay a fee to cover incidentals of the event such as food served during the presentation. These fees will be fully disclosed to the attendees and are only solely intended to cover these incidental expenses.

C. Important Considerations

1. Compensation for Sales of Securities or Other Investment Products

Certain IARs of the firm are licensed as RRs to sell securities through Syndicated Capital, Inc., a securities broker-dealer registered with the Securities and Exchange Commission (SEC) and member of the Financial Industry Regulatory Authority (FINRA). Certain members also serve as insurance agents of various independent insurance brokers or agencies. In this capacity, and pursuant to the client instruction, these individuals may transact in various types of insurance products and/or securities, including, but not limited to stocks, bonds, mutual funds and other types of securities for separate and typical compensation. YCM clients are not obligated to implement recommended transactions through any particular broker-dealer or to purchase such products or services.

2. Conflicts of Interest

Clients should be aware that the receipt of additional compensation itself creates an inherent conflict of interest, and may affect the judgment of these individuals when making recommendations. YCM and Syndicated Capital are separate, nonaffiliated entities. Nevertheless, to the extent that a YCM representative recommends the purchase of securities or other investment products where the representative receives commissions for doing so, a conflict of interest exists because the representative may have an incentive to make recommendations based on the compensation received rather than on a client's needs.

YCM has adopted certain procedures designed to mitigate the effects of these conflicts. For example, as part of YCM's fiduciary duty to clients, YCM and its representatives will endeavor at all times to put the interests of the clients first, and recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Additionally, the conflicts presented by these practices are disclosed to clients at the time of entering into an advisory agreement. Clients are not obligated to implement recommended transactions through any YCM representative or any particular broker-dealer. Clients have the option to purchase any recommended investment products or services through brokers or agents other than Syndicated Capital.

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

YCM does not charge performance-based fees (*i.e.*, fees calculated based on a share of capital gains upon or capital appreciation of the funds or any portion of the funds of an advisory client). Consequently, YCM does not engage in side-by-side management of accounts that are charged a performance-based fee with accounts that are charged another type of fee (such as assets under management). As described above, YCM provides advisory services for a fixed fee, hourly charges and/or based upon a percentage of assets under management, in accordance with SEC Rule 205(a)(1).

Notably, accounts that are managed in the same style (*e.g.*, moderately aggressive) may not be managed the same way due to the client's overall investment objectives and guidelines, account restrictions, asset

size, and discretion of the investment professional assigned to the account.

Item 7: Types of Clients

YCM provides personalized investment advisory services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and other business entities.

YCM maintains a best practice minimum of \$250,000 to open an account. However YCM reserves the right to accept or decline a potential client for any reason in its sole discretion. Prior to engaging YCM to provide any of the investment advisory services described in this Brochure, the client will be required to enter into one or more written agreements with YCM setting forth the terms and conditions under which YCM shall render its services.

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

A. Methods of Analysis

Generally, YCM uses a variety of analytical information to assist with its security analysis. Such information may include, fundamental and technical analysis, cyclical analysis. The primary sources of information that may be used by YCM include: market news reports and other financial publications; corporate rating services; outside research reports; annual reports, prospectuses, and SEC filings; and company press releases.

For individual stocks, YCM primarily uses fundamental analysis by reviewing, among other factors: a company's financial statements; information about its management, operations, and competitive advantages; and information about its competitors. YCM may also use technical analysis to identify price patterns and market trends. YCM relies on public information about companies and industries such as company reports (Form 10-K and 10-Q), press releases, news articles, and industry publications. YCM follows the markets to determine potential factors driving prices and analyzes trends and developments in order to capitalize on price movements. YCM uses Morningstar, a mutual fund service for information and data on mutual funds and ETFs for client accounts, and analyzes funds based on various criteria, such as the fund manager's tenure, and/or overall career performance.

YCM may invest its clients' assets with TPAs that pursue investment approaches that are diversified among multiple strategies, asset classes, regions, industry sectors and securities. YCM uses "best-in-class" managers that have been screened by the custodian and analyzed based on a number of factors and metrics.

When selecting a TPA for a client, YCM reviews information about the TPA such as its disclosure brochure and/or other material supplied by the TPA or independent third parties for a description of the TPA's investment strategies, past performance and risk results to the extent available. Through fundamental analysis, YCM reviews the performance and risk attribution of each manager based on Sharpe ratio, alpha, and other measures to isolate potential TPAs. In selecting TPAs and allocating assets among them, YCM considers both quantitative and qualitative factors including, but not limited to, a TPA's performance during various time periods and market cycles; a TPA's reputation, experience and training; its articulation of, and adherence to, its investment philosophy; the presence and deemed effectiveness of a TPA's risk management discipline; the structure of a TPA's portfolio and the types of securities or other instruments held; its fee structure; the quality and stability of a TPA's organization,

including internal and external professional staff; and whether a TPA has a substantial personal investment in the investment program it pursues.

Utilizing the information obtained through this process, YCM then selects TPAs for client accounts based on the particular needs and objectives of the client.

B. Investment Strategies

YCM provides customized investment advisory services for client accounts utilizing various allocations and types of securities, including, among others: publicly traded securities, certificates of deposit, municipal securities, mutual funds, ETFs, variable annuities and variable insurance, United States government securities, foreign securities, real estate investment trusts (“REITs”), and other types of securities. YCM may on occasion, recommend moving to a cash position as market circumstances warrant. YCM does not invest client assets in private placements or other private securities transactions. YCM will not provide advice on securities and/or any other investments owned by clients but not being managed by YCM and not held at Charles Schwab, and YCM accepts no responsibility for any investment decisions made by the client or the client’s other advisors with respect to securities not held in the client’s account under management of YCM.

YCM reserves the right to advise clients on any type of investment that it deems appropriate, based on the client’s stated investment goals, risk temperament, and investment objectives. YCM also may provide advice on any type of investment held in client’s portfolio at the inception of the advisory relationship but is not liable for the investment decisions made either prior to the client’s engagement of YCM or independent of the recommendations provided by YCM for client assets held with YCM. YCM will provide only such advice in relation to assets that are held with the custodial broker-dealer selected by the client at the outset of their relationship with YCM.

The investment strategies YCM may pursue on behalf of clients may include long- and short-term purchases, trading, short sales, margin transactions, and other strategies deemed appropriate for a client’s portfolio based on each client’s investment objectives, risk tolerance, and circumstances. YCM may recommend, on occasion, rebalancing investment allocations to diversify the portfolio in an effort to reduce risk and/or increase performance. YCM may recommend specific stocks to increase sector weighting and/or dividend potential, or may recommend employing cash positions as a possible hedge against market movement which may adversely affect the portfolio. Additionally, YCM may recommend selling positions for reasons that include, but are not limited to, harvesting capital gains or losses, reducing business or sector risk exposure to a specific security or class of securities, overvaluation or overweighting of the position(s) in the portfolio, change in the risk tolerance of the client, or any risk deemed unacceptable for the client’s risk tolerance. When appropriate to the needs of the client, YCM may recommend the use of short-term trading (i.e. securities sold within thirty days), margin transactions, or option writing. Because these investment strategies may involve higher degrees of risk, they will only be recommended when consistent with the client’s risk tolerance.

C. Risk of Loss

1. Generally

Investing in securities involves a significant risk of loss that clients should be prepared to bear. YCM’s investment recommendations are subject to various market, currency, economic, political and business risks, and such investment decisions may not always be profitable. Clients should be aware that there may

be a significant loss or depreciation to the value of the client's account, and that at any given time, the value of the client's portfolio may be worth more or less than the amount invested. There can be no assurance that the client's investment objectives will be obtained and no inference to the contrary should be made. In addition, there is no assurance that any investment purchased for the client's account will achieve its objective. Past performance of investments is no guarantee of future results.

Clients are advised that they should only commit assets for management that can be invested for the long term, that volatility from investing can occur, and that all investing is subject to risk and consequently, the value of the client's account may at anytime be worth more or less than the amount invested.

2. Risks Involved in Particular Types of Securities Recommended by YCM

Although the investment advice provided by YCM is not limited any to specific type of investment, the Firm may provide advice on stocks, bonds, mutual funds, ETFs, variable insurance products, U.S. government securities, foreign securities, and other types of securities.

The market value of stocks will generally fluctuate with market conditions, and small-stock prices generally will fluctuate more than large-stock prices. Stocks of mid-capitalization companies often have greater price volatility, lower trading volume, and less liquidity than the stocks of larger, more established companies. While stocks have historically outperformed other asset classes over the long term, they tend to fluctuate over the short term as a result of factors affecting the individual companies, industries or the securities market as a whole. Past performance of investments is no guarantee of future results.

The market value of bonds will generally fluctuate inversely with interest rates and other market conditions prior to maturity and will equal par value at maturity. Although high yield bonds have higher return potential, they are also subject to greater risk, including the risk of default, compared to higher-rated securities. Interest rates for bonds may be fixed at the time of issuance, and payment of principal and interest may be guaranteed by the issuer and, in the case of U.S. Treasury obligations, backed by the full faith and credit of the U.S. Treasury. The market value of Treasury bonds will generally fluctuate more than Treasury bills, since Treasury bonds have longer maturities.

Investments in securities of foreign issuers will be subject to risks not typically associated with securities of domestic issuers. Foreign issuers, especially issuers located in emerging markets, can be riskier and more volatile than investments in the U.S. market. Adverse political and economic developments, changes in the value of foreign currency, differences in tax and accounting standards, and difficulties in obtaining information about foreign companies can all negatively affect investment decisions.

Mutual fund investing involves risk including the possible loss of principal. Non-diversified funds are more susceptible to financial, market and economic events affecting the particular issuers and industry sectors in which they invest and therefore may be more volatile or risky than less concentrated investments. There can be no assurance that any fund will be able to achieve its investment objective.

YCM or certain TPAs may also employ alternative or riskier strategies, such as the use of leverage or hedging. Leverage is the use of debt to finance an activity. For example, leverage is used when one uses margin to buy a security. Hedging on the other hand occurs when an investment is made in order to reduce the risk of adverse price movements in a security. For example, hedging is used when one takes an offsetting position in a related security, such as an option or short sale. While leverage or hedging can operate to increase rates of return, it also increases the amount of risk inherent in an investment.

YCM typically invests for the long-term and does not engage in high frequency trading. Nevertheless, the

TPAs selected by YCM may employ such strategies, and as a result, such frequent trading may result in increased brokerage and other transaction costs.

Item 9: Disciplinary Information

Registered investment advisers such as YCM are required to disclose all material facts regarding any legal or disciplinary events that would be material to a client's or prospective client's evaluation of YCM or the integrity of its management.

YCM and certain of its representatives have a disciplinary history involving certain regulatory actions, the details of which are summarized below. Should you have any questions, please contact our Chief Compliance Officer.

Undertaking Pursuant to SEC Administrative Proceeding

On March 17, 2010, the U.S. Securities and Exchange Commission ("Commission") instituted public administrative and cease-and-desist proceedings against YCM and its Managing Director, Paul H. Heckler ("Heckler"). In anticipation of these proceedings, YCM and Heckler submitted Offers of Settlement, which the Commission determined to accept. Without admitting or denying the findings, YCM and Heckler contented to the entry of an Order Instituting Administrative and Cease-and-Desist Proceedings pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order ("Order") In the Matter of Paul H. Heckler and Yosemite Capital Management, LLC. In accordance with the terms of the Order, the following summary is provided for your reference below.

SUMMARY

These [administrative] proceedings involve the failure of a registered investment adviser, Yosemite Capital Management, LLC ("Yosemite"), and its managing director, Paul H. Heckler ("Heckler"), to disclose to clients that their promised due diligence had encountered significant problems. Yosemite, through Heckler, placed \$3.25 million of four of its clients' funds through a "feeder fund," Ashton Investments LLC ("Ashton"), into purported bridge loans arranged by Norman Hsu ("Hsu") and Next Components, Ltd. ("Next") Instead of being placed in bridge loans, however, the moneys were part of Hsu's and Next's \$60 million Ponzi scheme.

In January 2007, prior to placing his clients' investments with Ashton and Next, Heckler promised to conduct due diligence to at least two clients prior to placing his clients into the Ashton investment. Although Heckler asked Ashton representatives several key questions, he received incomplete, contradictory, and evasive responses. He received no financials. Investors were promised a high rate of return, effectively 24% per year, and received a post-dated check shortly after investing in the amount of their principal plus interest. In response to Heckler's requests for information, he was told that Hsu was a private person and no information was available. He also received an eight-page brochure from Ashton replete with misspellings, and was told that the bridge loans were safer than stocks or bonds. Because Ashton had no offices, Heckler met the three Ashton representatives -- one of whom Heckler believed was a UPS truck driver or deliveryman -- at local restaurants to discuss the investment. Despite these red flags, Heckler placed four Yosemite clients into the Ashton investment without disclosing to clients that his due diligence process had been thwarted.

As a result of the conduct described above, Heckler and Yosemite willfully¹ violated Section 206(2) of the Advisers Act, which prohibits any investment adviser from engaging in any transaction, practice, or course of business, which operates as a fraud or deceit on any client or prospective client, and Heckler caused Yosemite's violations of Section 206(2) of the Advisers Act.

¹ A willful violation of the securities laws means merely “that the person charged with the duty knows what he is doing.” *Wonsover v. SEC*, 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor “also be aware that he is violating one of the Rules or Acts.” *Id.* (quoting *Gearhart & Otis, Inc. v. SEC*, 348 F.2d 798, 803 (D.C. Cir. 1965)).

Additional information can be found on the Investment Adviser Public Disclosure (“IAPD”) website. The IAPD link is www.adviserinfo.sec.gov. To access the Firm’s disciplinary information, click on the link above and follow the instructions to access the IARD system. Select the radio button “investment advisory firm” and enter YCM’s CRD number, which is 124298. The relevant information can be found under Item 11 of Form ADV Part 1A entitled “Disclosure Information” and on the Regulatory Action Disclosure Reporting Pages (DRPs).

Item 10: Other Financial Industry Activities and Affiliations

A. Other Financial Industry Activities

Partners in 17th Street Investments, LLC, Jeffrey C. Hipshman, Curtis E. Campbell, and Steven C. Williams, also are officers of HMWC CPAs & Business Advice (HMWC), which provides certified public accountancy, estate planning, business consultation and tax preparation services to individuals and business entities. HMWC’s clients may turn to YCM for assistance with their financial planning and asset management needs and vice-versa. A conflict of interest may exist when referring YCM clients to HMWC because the aforementioned principals (who spend approximately 95% of their time in these affiliations) receive remuneration from their roles with and ownership interests in these entities.

B. Registered Representatives of Unaffiliated Broker-Dealer/Adviser and Agents of Unaffiliated Insurance Agencies

Certain IARs of the firm are licensed as RRs to sell securities through Syndicated Capital, Inc., a securities broker-dealer registered with the Securities and Exchange Commission (SEC) and member of the Financial Industry Regulatory Authority (FINRA)/SIPC. In this capacity, and pursuant to client instruction these individuals transact in various types of securities, including, but not limited to stocks, bonds, mutual funds, and limited partnerships for separate and typical compensation such as 12b-1 fees for investment company products. Certain YCM IARs are also licensed as agents through various insurance companies. In this capacity, and pursuant to client instruction, these individuals recommend that clients purchase various types of insurance products, where appropriate.

A potential conflict of interest may exist to the extent that certain recommendations result in commissions being paid to the representative by Syndicated Capital, Inc. or one or more insurance companies for transactions effected for client accounts. The amount paid is the normal commission paid for services rendered as an RR or insurance representative. YCM makes no assurance that the insurance products are offered at the lowest available cost. Clients are under no obligation to implement any recommended

transactions through any particular broker-dealer or insurance company, and are not obligated to purchase any securities or insurance products from YCM or its associated persons.

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

A. Code of Ethics Summary

YCM has adopted a Code of Ethics (“Code”) in compliance with Rule 204A-1 under the Investment Advisers Act of 1940, as amended. The Code establishes standards of conduct for YCM’s supervised persons and includes general requirements that such supervised persons comply with their fiduciary obligations to clients and applicable securities laws, and specific requirements relating to, among other things, personal trading, insider trading, conflicts of interest and confidentiality of client information. It contains written policies reasonably designed to prevent the unlawful use of material non-public information by YCM or any of its associated persons. The Code also requires that certain of YCM’s personnel (called “Access Persons”) report their personal securities holdings and transactions and obtain pre-approval of certain investments such as initial public offerings and limited offerings. Unless specifically permitted in the Code, none of YCM’s Access Persons may effect for themselves or for their immediate family (i.e., spouse, minor children, and adults living in the same household as the Access Person) any transactions in a security which is being actively purchased or sold, or is being considered for purchase or sale, on behalf of any of YCM’s clients.

The Code also requires supervised persons to report any violations of the Code promptly to the Firm’s Chief Compliance Officer (“CCO”). Each supervised person receives a copy of the Code and any amendments to it and must acknowledge in writing having received the materials. Annually, each supervised person must certify that he or she complied with the Code during that year.

YCM will provide a copy of its Code of Ethics to any client or prospective client upon request by contacting the Firm at (714) 730-3310.

B. Participation or Interest in Client Transactions

It is YCM’s policy not to enter into any principal transactions or agency cross transactions on behalf of client accounts. Principal transactions occur where an adviser, acting as principal for its own account, buys securities from or sells securities to any advisory client. Agency cross transactions occur where a person acts as an investment adviser in relation to a transaction in which the adviser, or an affiliate of the adviser, acts as broker for both the advisory client and for another person on the other side of the transaction.

The Firm or individuals associated with the Firm may buy or sell for their personal account(s) securities or investment products identical to those recommended to or already owned by clients. Alternatively, YCM may cause clients to buy a security in which YCM or such individuals have an ownership position. Such recommendations will only be made to the extent that they are reasonably believed to be in the best interests of the client. Nevertheless, such practices present potential conflicts of interest. To mitigate these conflicts, it is YCM’s policy that no person employed by the Firm may purchase or sell certain securities or investment products without first obtaining prior approval from the CCO as required by the Firm’s Code of Ethics. Additionally, as part of YCM’s fiduciary duty to clients, YCM and its associated persons will endeavor at all times to put the interests of the clients first, and at all times are required to adhere to

the Firm's Code of Ethics.

C. Personal Trading

YCM and its officers, directors, agents, and employees ("Associated Persons") may invest personally in securities of the same classes as are purchased for clients and may own securities of the issuers whose securities are subsequently purchased for clients. YCM understands that this could create a conflict of interest, where the employee's interest may be at odds with the interest of YCM's clients. To help mitigate these conflicts of interest, the Firm's Code of Ethics sets forth certain standards of business and professional conduct regarding the personal trading activities of its Associated Persons. The following are our procedures for the purchase and or sales of securities held within personal accounts.

1. The Firm requires quarterly reporting of all personal securities transactions with the exception of certain exempt transactions and securities (such as government securities and money market funds). Associated Persons or those members with a beneficial interest, such as immediate family members, may not buy or sell securities for their personal portfolio(s) where their decision is derived in whole or in part, by material non-public information.
2. Investment opportunities must be offered first to clients before the firm or Associated Persons may participate in such transactions. Furthermore, security holdings and financial circumstances of clients must be kept confidential.
3. The Firm and its Associated Persons may not participate in private placements or initial public offerings (IPOs) without pre-clearance from YCM's Chief Compliance Officer.
4. Records will be maintained of all securities bought or sold by the Firm, Associated Persons of the Firm, and related entities and shall be reviewed periodically by designated Firm personnel.
5. Any individual not in observance of the above may be subject to termination.

YCM and its Associated Persons may also buy or sell specific securities for their own accounts based on personal investment considerations, which YCM does not deem appropriate to buy or sell for clients.

1. Aggregation with Client Orders

YCM may aggregate orders for clients in the same securities in an effort to seek best execution, negotiate more favorable commission rates, and/or allocate differences in prices, commissions, and other transaction costs equitably among our clients. These are benefits of aggregating orders that we might not obtain if we placed those orders independently.

Further, YCM may aggregate trades in like securities among client accounts as well as with accounts of YCM and our Associated Persons, as described in the policies below. Aggregation presents a conflict of interest as we may have an incentive to allocate more favorable executions to our own accounts or the accounts of our Associated Persons.

Our policies to address this conflict are as follows:

1. We will disclose our aggregation policies in this brochure;
2. We will not aggregate transactions unless we believe that aggregation is consistent with our duty to seek best execution (which includes the duty to seek best price) for our clients. The trade also

needs to be consistent with the terms of our investment advisory agreement with each client that has an account included in the aggregation;

3. We will not favor any account over any other account. This includes accounts of YCM or any of our personnel. Each account in the aggregated order will participate at the average share price for all of our transactions in a given security on a given business day (per custodian). All accounts will pay their individual transaction costs;
4. Before entering an aggregated order, we will prepare a written statement (the “Allocation Statement”) specifying the participating accounts and how we intend to allocate the order among those accounts;
5. If the aggregated order is filled entirely, we will allocate shares among clients according to the Allocation Statement; if the order is partially filled, we will allocate it pro-rata according to the Allocation Statement.
6. However, we may allocate the order differently than specified in the Allocation Statement if all client accounts receive fair and equitable treatment. (See also **Item 12 – Brokerage Practices** below) In this case, we will explain the reasons for a different allocation in writing, which the CCO must approve promptly following the day the order was executed;
7. If an aggregated order is partially filled and we allocate it differently than the Allocation Statement specifies, no participating account may purchase or sell the security for a reasonable period following the execution of the block trade. This only applies when the participating account sells or receives more shares than it would have if the aggregated order been completely filled;
8. Our books and records will separately reflect each aggregated order and the securities held by, bought, and sold for each client account;
9. Funds and securities of clients participating in an aggregated order will be deposited with one or more qualified custodians. Clients’ cash and securities will not be held collectively any longer than is necessary to settle the trade on a delivery versus payment basis. Following settlement, cash or securities held collectively for clients will be delivered out to the qualified custodian as soon as practical;
10. We do not receive additional compensation or remuneration of any kind as a result of aggregating orders; and
11. We will provide individual investment advice and treatment to each client’s account.

Item 12: Brokerage Practices

A. The Custodian and Brokers We Use

YCM does not maintain custody of your assets that we manage. Nevertheless, we may be deemed to have custody of client assets because you give us authority to withdraw assets from your account (*see Item 15 Custody, below*). Client assets must be maintained in an account at a “qualified custodian,” generally a broker-dealer or bank. YCM recommends that our clients use Charles Schwab & Co., Inc. (“Schwab”), a FINRA-registered broker-dealer, member SIPC, as the qualified custodian. YCM is independently owned

and operated and not affiliated with Schwab. Schwab will hold our clients' assets in a brokerage account and buy and sell securities when YCM instructs them to. While YCM recommends that you use Schwab as custodian/broker, clients will decide whether to do so when they open an account with Schwab by entering into an account agreement directly with them. YCM does not open the custodial account for you.

B. How We Select Custodians/Brokers

YCM seeks to select and recommend a custodian/broker who will hold your assets and execute transactions on terms that are overall most advantageous when compared to other available providers and their services. YCM considers a wide range of factors, including, among others, these:

- combination of transaction execution services along with asset custody services (generally without a separate fee for custody);
- capability to execute, clear and settle trades (buy and sell securities for your account);
- capabilities to facilitate transfers and payments to and from accounts (wire transfers, check requests, bill payment, etc.);
- breadth of investment products made available (stocks, bonds, mutual funds, ETFs, etc.);
- availability of investment research and tools that assist us in making investment decisions;
- quality of services;
- competitiveness of the price of those services (commission rates, margin interest rates, other fees, etc.) and willingness to negotiate them;
- reputation, financial strength and stability of the provider;
- the custodian/broker's prior service to us and our other clients; and
- availability of other products and services that benefit us, as discussed below (*see "Products and Services Available to Us from Schwab"*).

C. Custody and Brokerage Costs

Schwab generally does not charge YCM client accounts separately for custody services but is compensated by charging you commissions or other fees on trades that it executes or that settle into your Schwab account. For some accounts, Schwab may charge you a percentage of the dollar amount of assets in the account in lieu of commissions. Schwab's commission rates and asset-based fees applicable to YCM client accounts were negotiated based on our commitment to maintain YCM client assets in accounts at Schwab. This commitment benefits you because the overall commission rates and asset-based fees you pay are lower than they would be if YCM had not made the commitment. In addition to commissions, or asset-based fees Schwab charges a flat dollar amount as a "trade away" fee for each trade that YCM executes by a different broker-dealer but where the securities bought or the funds from the securities sold are deposited (settled) into a Schwab account. These fees are in addition to the commissions or other compensation you pay the executing broker-dealer. Because of this, in order to minimize trading costs, YCM exclusively uses Schwab to execute trades for your account.

D. Products and Services Available to Us from Schwab

Schwab Advisor Services is Schwab's business serving independent investment advisory firms like YCM. They provide YCM and our clients with access to its institutional brokerage – trading, custody, reporting and related services – many of which are not typically available to Schwab retail customers. Schwab also makes available various support services. Some of those services help us manage or administer our clients' accounts while others help us manage and grow our business. Schwab's support services

generally are available on an unsolicited basis (*i.e.*, YCM does not have to request them) and at no charge to us as long as we keep a total of at least \$10 million of our clients' assets in accounts at Schwab. Below is a detailed description of Schwab's support services:

1. Schwab Services that Benefit You

Schwab's institutional brokerage services include access to a broad range of investment products, execution of securities transactions, and custody of client assets. The investment products available through Schwab include some to which we might not otherwise have access or that would require a significantly higher minimum initial investment by our clients. Schwab's services described in this paragraph generally benefit you and your account.

2. Schwab Services that May Not Directly Benefit You

Schwab also makes available to us other products and services that benefit us but may not directly benefit you or your account. These products and services assist YCM in managing and administering our clients' accounts. They include investment research, both Schwab's own and that of third parties. YCM may use this research to service all, some or a substantial number of our clients' accounts. In addition to investment research, Schwab also makes available software and other technology that:

- provide access to client account data (such as duplicate trade confirmations and account statements);
- facilitate trade execution and allocate aggregated trade orders for multiple client accounts;
- provide pricing and other market data;
- facilitate payment of our fees from our clients' accounts; and
- assist with back-office functions, recordkeeping and client reporting.

3. Schwab Services that Generally Benefit Only Us

Schwab also offers other services intended to help us manage and further develop our business enterprise. These services include:

- educational conferences and events;
- technology, compliance, legal, and business consulting;
- publications and conferences on practice management and business succession; and
- access to employee benefits providers, human capital consultants and insurance providers.

Schwab may provide some of these services itself. In other cases, it will arrange for third-party vendors to provide the services to us. Schwab also may discount or waive its fees for some of these services or pay all or a part of a third party's fees. In addition, Schwab may provide YCM with other benefits such as occasional business entertainment of our personnel.

E. YCM's Beneficial Interest in Schwab's Services

The availability of these services from Schwab benefits us because YCM does not have to produce or purchase them. YCM does not have to pay for Schwab's services so long as we keep a total of at least \$10 million of client assets in accounts at Schwab. The \$10 million minimum may give YCM an incentive to recommend that you maintain your account with Schwab based on our interest in receiving Schwab's services that benefit our business rather than based on your interest in receiving the best value in custody services and the most favorable execution of your transactions. This is a potential conflict of interest.

YCM believes, however, that our selection of Schwab as custodian/broker is in the best interests of our clients. It is primarily supported by the scope, quality and price of Schwab's services (based on the factors discussed above – see *"How We Select Custodians/Brokers"*) and not Schwab's services that benefit only us. We have approximately \$190 million in client assets under management, and do not believe that maintaining at least \$10 million of those assets at Schwab in order to avoid paying Schwab quarterly service fees presents a material conflict of interest.

F. Best Execution

It is the policy and practice of YCM to strive for the best price and execution that are competitive in relation to the value of the transaction ("best execution"). In order to achieve best execution, YCM will use its best judgment to choose the broker-dealer most capable of providing the brokerage services necessary to obtain the best overall qualitative execution. Although YCM will strive to achieve the best execution possible for client securities transactions, this does not require it to solicit competitive bids and YCM does not have an obligation to seek the lowest available commission cost. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the overall best qualitative execution, taking into consideration the full range of a broker-dealer's services, including among other things, the value of research provided, execution capability, commission rates, and responsiveness. Consistent with the foregoing, while YCM will seek competitive rates, it may not necessarily obtain the lowest possible commission rates for client transactions. YCM is not required to negotiate "execution only" commission rates, thus the client may be deemed to be paying for research and related services (*i.e.*, "soft dollars") provided by the broker which are included in the commission rate.

To ensure that brokerage firms recommended by YCM are conducting overall best qualitative execution, YCM will periodically (and no less often than annually) evaluate the trading process and brokers utilized. YCM's evaluation will consider the full range of brokerage services offered by the brokers, which may include, but is not limited to price, commission, timing, research, aggregated trades, capable floor brokers or traders, competent block trading coverage, ability to position, capital strength and stability, reliable and accurate communications and settlement processing, use of automation, knowledge of other buyers or sellers and administrative ability. Clients have no obligation to open accounts with such custodial broker-dealers as YCM may recommend.

1. Research and Other Soft Dollar Benefits

YCM may select a broker-dealer in recognition of the value of various services or products, beyond transaction execution, that such broker-dealer provides where, considering all relevant factors, it believes the broker-dealer can provide best execution. Selecting a broker-dealer in recognition of the provision of services or products other than transaction execution is known as paying for those services or products with "soft dollars." The amount of compensation paid to such broker-dealer (which may include disclosed markups and markdowns on riskless principal transactions with market-makers if YCM were to conduct such transactions) may be higher than what another, equally capable broker-dealer might charge. The following discussion is intended to provide clients with certain important information regarding such practices, including the potential conflicts of interest that may arise should YCM enter into any soft dollar arrangements.

The receipt of such services may benefit YCM, because YCM does not have to produce or pay for the research or other products or services when it obtains such products and services by using client commissions. Many of these research items are provided to YCM as part of a "bundled" package by the

provider that YCM may or may not use. However, the cost of execution may be higher than those typically obtained from other providers who do not provide research services. Although customary, these arrangements present potential conflicts of interest in allocating securities transactional business to broker-dealers in exchange for soft dollar benefits, including an incentive to select or recommend a broker-dealer based on YCM's interest in receiving the research or other products or services, rather than on clients' interest in receiving most favorable execution. Additionally, YCM may have an incentive to effect more transactions than might otherwise be the case in order to obtain those benefits. The agreements between YCM and its clients generally authorize YCM to use client soft dollars for a wide range of purposes. The extent of any such conflict depends in large part on the nature and uses of the services and products acquired with soft dollars.

YCM's general policy is to comply with the provisions of Section 28(e) of the Securities Exchange Act of 1934 ("Section 28(e)") when entering into soft dollar arrangements. Section 28(e) recognizes the potential conflict of interest involved in this activity, but generally allows investment advisers to use client commissions to pay for certain research and brokerage products and services under certain circumstances without breaching their fiduciary duties to clients.

For these purposes, "research" means services or products used to provide lawful and appropriate assistance to YCM in making investment decisions for its clients. "Brokerage" services and products are those used to effect securities transactions for YCM's clients or to assist in effecting those transactions.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research and brokerage products and services which assist YCM in its investment decision-making process. YCM may cause clients to pay commissions that are higher than those that another qualified broker-dealer might charge to effect the same transaction where YCM determines, in good faith, that the commission is reasonable in relation to the value of the brokerage and research services received. Research and other products and services purchased with soft dollars will generally be used to service all of YCM's clients, but brokerage commissions paid by one client may be used to pay for research that is not used in managing that client's portfolio, as permitted by Section 28(e). In other words, there may be certain client accounts that benefit from the research services, which did not make the payment of commissions to the broker-dealer providing the services.

Brokerage services obtained with soft dollars may include, for example, quotation and communication equipment and services, other order management systems that provide trading software or provide connectivity to such software, trade analysis software, on-line pricing services, communication services relating to execution, clearing and settlement and message services used to transmit orders. Research and related services furnished by brokers may include, but are not limited to, written information and analyses concerning specific securities, companies or sectors; market, financial and economic studies and forecasts; financial publications; recommendations as to specific securities; portfolio evaluation services; financial database software and services; computerized news, pricing and statistical services; and discussions with research personnel, along with hardware, software, data bases and other technical and telecommunication services and equipment utilized in the investment management process. Research received by YCM under such soft dollar arrangements may include both proprietary research (created or developed by the broker-dealer) and research created or developed by a third party.

There may be cases when YCM may receive both non-research (e.g. administrative or accounting services etc.) and research benefits from the services provided by broker-dealers. If and when this happens, YCM will make a good faith allocation between the non-research and research portion of the services received,

and will pay “hard dollars” (*i.e.*, YCM will pay from their own monies) for the non-research portion. In making a good faith allocation between research services and non-research services, a conflict of interest may exist by reason of YCM’s allocation of the costs of such services and benefits between those that primarily benefit YCM and those that primarily benefit clients. YCM strives to always put the client’s interests first.

2. Directed Brokerage

Generally, YCM has the authority over the selection of the broker to be used without obtaining specific client consent. In limited situations YCM may accept written direction from a client regarding the use of a particular broker-dealer to execute some or all transactions for the client. In the event that a client directs YCM to use a particular broker or dealer, the client will negotiate terms and arrangements for the account with that broker-dealer, and YCM will not seek better execution services or prices from other broker-dealers or be able to “batch” client transactions for execution through other broker-dealers with orders for other accounts managed by YCM (as described below). Additionally, in directed brokerage situations, YCM will have limited ability to ensure the broker-dealer selected by the client will provide best possible execution. As a result, the client may pay higher commissions or other transaction costs or greater spreads, or receive less favorable net prices, on transactions for the account than would otherwise be the case.

Subject to its duty of best execution, YCM may decline a client’s request to direct brokerage if, in YCM’s sole discretion, such directed brokerage arrangements would result in additional operational difficulties or violate restrictions imposed by other broker-dealers.

G. Trade Aggregation and Allocation

We describe our aggregation practices in detail under *Item 11 - Aggregation with Client Orders*, above.

Item 13: Review of Accounts

A. Periodic Reviews

All accounts are typically reviewed semi-annually by the Investment Adviser Representative responsible for the client account. Accounts are reviewed for overall adherence with the investment philosophy employed by YCM and any specific requirements of the client. Asset allocation occurs on an as-needed basis or as required by the client based on each client’s objectives, needs, and circumstances.

B. Other Reviews and Triggering Factors

In addition to the periodic reviews described above, reviews may be triggered by changes in an account holder’s personal, tax or financial status. Account holdings also are reviewed when changing market conditions warrant such review. Clients are expected to notify YCM and its advisory representatives of any changes in his/her personal financial situation that might affect his/her investment needs, objectives, or time horizon.

C. Regular Reports

Written brokerage statements are generated no less than quarterly and are sent directly from the account custodian. These reports list the account positions, activity in the account over the covered period, and

other related information. Clients are also sent confirmations following each brokerage account transaction unless confirmations have been waived.

For its fully discretionary accounts, YCM provides performance reports on a semi-annual basis and may provide similar information for other account types as agreed upon by YCM and the client on a case-by-case basis. Clients are urged to compare the statements received from YCM to those received from the account custodian. In addition, clients may receive other supporting reports from mutual funds, TPAs, trust companies, broker-dealers or insurance companies based on their involvement with the account and their applicable internal reporting requirements.

Item 14: Client Referrals and Other Compensation

YCM receives an economic benefit from Schwab in the form of the support products and services it makes available to us and other independent investment advisers that have their clients maintain accounts at Schwab. These products and services, how they benefit us, and the related conflicts of interest are described above (*see Item 12 – Brokerage Practices*). The availability to YCM of Schwab's products and services is not based on us giving particular investment advice, such as buying particular securities for our clients.

A. Economic Benefits Received

As discussed under Item 12, YCM may enter into "soft dollar" arrangements whereby brokerage transactions are directed to certain broker-dealers in return for investment research products and/or services which assist YCM in its investment decision-making process. The receipt of such services may be deemed to be the receipt of an economic benefit by YCM, and although customary, these arrangements give rise to potential conflicts of interest, including the incentive to allocate securities transactional business to broker-dealers based on the receipt of such benefits rather than on a client's interest in receiving most favorable execution.

B. Compensation for Client Referrals

YCM may, from time to time, enter into agreements with individuals and organizations, some of whom may be affiliated or unaffiliated with YCM, that refer clients to YCM. All such agreements will be in writing and comply with the requirements of Rule 206(4)-3 of the Advisers Act. If a client is introduced to YCM by a solicitor, YCM may pay that solicitor a fee in accordance with the requirements of Rule 206(4)-3 of the Advisers Act and any corresponding state securities law requirements. Under such an arrangement, YCM has full discretionary authority over the account and directs the selection of an independent custodian and the placement of all brokerage transactions. While the specific terms of each agreement may differ, generally, the compensation will be based upon YCM's engagement of new clients and the retention of those clients and is calculated using a varying percentage of the fees paid to YCM by such clients until the account is closed by written authorization from the client. Any such fee shall be paid solely from YCM's investment management fee, and shall not result in any additional charge to the client.

Each prospective client who is referred to YCM under such an arrangement will receive a copy of YCM's firm brochure and a separate written disclosure document disclosing the nature of the relationship between the third party solicitor and YCM and the amount of compensation that will be paid by YCM to the third party. The solicitor is required to obtain the client's signature acknowledging receipt of YCM's disclosure brochure and the solicitor's written disclosure statement. In any case, applicable state laws may

require these persons to become licensed either as representatives of YCM or as an independent investment adviser. YCM will request that its clients acknowledge this arrangement prior to acceptance of the clients' account for advisory services.

C. Compensation for Expenses related to Educational Events

As previously discussed in Item 5 – Fees and Compensation, YCM at times, shall host Investment Education events whereby attendees will be required to pay a fee to cover the expenses relating to their attendance at these events. These fees are solely intended to cover the expenses of the event. For a further description of these fees please refer to Item 5 above.

Item 15: Custody

Pursuant to federal regulations, YCM is deemed to have custody of your assets if you authorize us to instruct Schwab to deduct our advisory fees directly from your account. Schwab maintains actual custody of your assets. You will receive account statements directly from Schwab at least quarterly. They will be sent to the email or postal mailing address you provided to Schwab. You should carefully review those statements promptly when you receive them. YCM also urges you to compare Schwab's account statements to the periodic portfolio reports you will receive from us.

Under the Custody Rule, advisers with custody are generally required to undergo an independent verification of the assets for which the adviser has custody through an annual surprise examination by an independent certified public accountant. Advisers deemed to have custody solely as a consequence of the authority to debit fees directly from client accounts are not required to obtain an independent verification of those client funds and securities maintained by a qualified custodian.

Item 16: Investment Discretion

A. Discretionary Authority; Limitations

YCM primarily is a discretionary investment adviser. Accordingly, all assets are managed on a discretionary basis. However, YCM may provide these services on a non-discretionary basis as agreed upon with the client. In exercising its discretionary authority, YCM has the ability to determine the type and amount of securities to be bought or sold, and the commission rates to be paid without obtaining specific client consent. YCM has limited brokerage discretion to the extent that YCM offers clients a limited universe of available custodial broker-dealers. Once a custodial broker-dealer is selected by a client both YCM and any TPAs will only use that broker-dealer to effect all transactions on behalf of the client. Such discretion is to be exercised in a manner consistent with each client's stated investment objectives, risk tolerance, and time horizon. In addition, YCM's authority to trade securities may be limited in certain circumstances by applicable legal and regulatory requirements. In some instances, YCM's discretionary authority may be limited by conditions imposed by clients on YCM's discretionary authority, including restrictions on investing in certain securities or types of securities. All such limitations, restrictions, and investment guidelines must be provided to YCM in writing.

B. Limited Power of Attorney

Unless clients specifically request in writing that YCM manage all or part of their account on a non-discretionary basis, by signing YCM's advisory agreement, clients authorize YCM to exercise full

discretionary authority with respect to all investment transactions involving the client's account. Client's account refers only to assets held at Charles Schwab. Pursuant to such agreement, YCM is designated as the client's attorney-in-fact with discretionary authority to effect investment transactions in the client's account which authorizes YCM to give instructions to third parties in furtherance of such authority.

Item 17: Voting Client Securities

It is YCM's policy not to accept proxy voting authority with respect to client securities holdings. Consequently, all proxy solicitations related to securities held in client accounts will be sent directly to the client for voting. In the event a proxy solicitation is sent to YCM on a client's behalf, it is YCM's practice to forward the solicitation to the client's address of record immediately so that the client may cast the proxy vote.

Item 18: Financial Information

YCM does not require or solicit prepayment of more than \$1,200 in fees per client, six months or more in advance and therefore is not required to provide, and has not provided, a balance sheet. YCM does not have any financial commitments that impair its ability to meet contractual and fiduciary obligations to clients, and has not been the subject of a bankruptcy proceeding.

Form ADV, Part 2B Brochure Supplement

**Paul Heckler
John Kleponis, CFA®
Debra Curry, CFP®
David Jones, CFP®
Lawrence Rutherford, CFP®**

Yosemite Capital Management, LLC

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Tustin, CA 92780
(714) 730-3310
www.yosemitecapital.com

July 25, 2017

This brochure supplement provides information about Paul Heckler, John Kleponis, Debra Curry, David Jones, and Lawrence Rutherford that supplements the Yosemite Capital Management, LLC brochure. You should have already received a copy of that brochure. Please contact us by phone at (714) 730-3310 and/or by email at pheckler@yosemitecapital.com if you did not receive our brochure or if you have any questions about the contents of this supplement. Additional information about the above individuals is available on the SEC's website at www.adviserinfo.sec.gov.

Description of Professional Designations Used in this Brochure Supplement*

¹Chartered Financial Analyst[®]

The Chartered Financial Analyst[®] (“CFA[®]”) designation is sponsored by CFA Institute. To earn the CFA[®] Mark, candidates must have four years of qualified investment work experience, become a member of CFA Institute, pledge to adhere to the CFA Institute Code of Ethics and Standards of Professional Conduct on an annual basis, apply for membership to a local CFA member society, and complete the CFA Program. The CFA Program is organized into three levels, each culminating in a six-hour exam. The three proctored course exams correspond to three 250-hour self-study levels. Completing the Program takes most candidates between two and five years. More information regarding the CFA[®] is available at <https://www.cfainstitute.org>.

²CERTIFIED FINANCIAL PLANNER[™]

The CERTIFIED FINANCIAL PLANNER[™] and CFP[®] (collectively, the “CFP[®] marks”) are professional certification marks granted in the United States by Certified Financial Planner Board of Standards, Inc. (“CFP[®] Board”). The CFP[®] certification is a voluntary certification; no federal or state law or regulation requires financial planners to hold CFP[®] certification. The CFP[®] is recognized in the United States and a number of other countries for its (1) high standard of professional education; (2) stringent code of conduct and standards of practice; and (3) ethical requirements that govern professional engagements with clients.

To earn the credential, each CFP[®] candidate must have a bachelor’s degree (or higher) from an accredited college or university and three years of full-time personal financial planning experience. In addition, candidates must take the CFP[®] Certification examination and complete a CFP[®] -board registered program or hold an accepted designation, degree, or license. Every two years, CFP[®] certificate holders must complete a minimum of 30 hours of continuing education. More information regarding the CFP[®] is available at <http://www.cfp.net/default.asp>.

³NFLPA Registered Player Financial Advisor

Any person wishing to represent a Player as a Financial Advisor may become a Registered Player Financial Advisor with the NFLPA only if he/she submits an Application for Registration and is approved for Registration by the NFLPA. Registration will be granted to individual persons, and generally not to any firm, corporation, partnership, or other business entity. To be registered as an NFLPA Registered Financial Advisor, an Applicant must meet the following requirements:

1) All Financial Advisors must have the appropriate professional qualifications to be eligible to participate, pass a background investigation, as well as having a Bachelor’s degree and a minimum of 8 years of licensed experience (qualifying licenses include FINRA series licenses, Attorney, CPA, or an insurance license), and a minimum of \$4M of insurance coverage through professional liability, E&Os, or a Fidelity bond. 2) All Financial Advisors must be in good standing (no civil, criminal or regulatory history related to fraud), no pending customer complaints and/or litigation, and must fully comply with all federal and state laws governing the Registered Player Financial Advisor’s professional activities.

The NFL Players Association promotes the program to players and contract advisors at over 50 events and meetings throughout the year. The NFL Players Association currently has less than 250 Financial Advisors in the program nationwide that offer investment, estate and/or tax advice. The NFLPA currently hosts one annual conference to provide all Registered Player Financial Advisors with information regarding compensation structure and benefits for NFL players, as well as financial issues confronting NFL players. For more information on the NFL Players Association, go to: <http://www.NFLPA.com>.

Paul Heckler

Item 2: Educational Background and Business Experience

Paul Henry Heckler, Managing Director, Chief Compliance Officer, b. 1958

Education:

- University of Southern California (“USC”), B.S. in Business Administration (1987)

Business Background:

- Yosemite Capital Management, LLC, Managing Director, Chief Compliance Officer, 04/2001 to present;
- Syndicated Capital, Inc., Registered Representative, 06/2002 to 12/2010.

Item 3: Disciplinary Information

YCM is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of each of the Firm’s investment persons, including Paul Henry Heckler, providing advice to you. Mr. Heckler has applicable legal or disciplinary events required to be disclosed under this Item.

In anticipation of a public administrative and cease-and-desist proceedings by the U.S. Securities and Exchange Commission (“SEC” or the “Commission”) against Mr. Heckler and YCM, Mr. Heckler and YCM submitted Offers of Settlement, which the Commission determined to accept on March 17, 2010. Without admitting or denying the findings, Mr. Heckler and YCM consented to the entry of an Order Instituting Administrative and Cease-and-Desist Proceedings pursuant to Sections 203(e), 203(f) and 203(k) of the Investment Advisers Act of 1940, Making Findings, and Imposing Remedial Sanctions and a Cease-and-Desist Order (“Order”), which is summarized below.

Summary

The above-referenced Order relates to the SEC’s findings that YCM and its Managing Director, Paul H. Heckler, failed to disclose to clients that their promised due diligence had encountered significant problems. YCM, through Mr. Heckler, placed \$3.25 million of four of its clients’ funds through a “feeder fund,” Ashton Investments LLC (“Ashton”), into purported bridge loans arranged by Norman Hsu (“Hsu”) and Next Components, Ltd. (“Next”) Instead of being placed in bridge loans, however, the moneys were part of Hsu’s and Next’s \$60 million Ponzi scheme.

As a result, the SEC found that Mr. Heckler and YCM failed to conduct adequate due diligence and willfully¹ violated Section 206(2) of the Advisers Act, for which Mr. Heckler caused YCM's violations of

¹ A willful violation of the securities laws means merely “that the person charged with the duty knows what he is doing.” *Wonsover v. SEC* 205 F.3d 408, 414 (D.C. Cir. 2000) (quoting *Hughes v. SEC*, 174 F.2d 969, 977 (D.C. Cir. 1949)). There is no requirement that the actor also be aware that he is violating one of the Rules or Acts.” *Id.* (quoting *Gearhart & Otis, Inc. v. SEC*, 348 F.2d 798, 803 (D.C. Cir. 1965)).

Section 206(2) of the Advisers Act.² Mr. Heckler and YCM were ordered to cease and desist from committing or causing any violations and any future violations of Section 206(2) of the Advisers Act, were censured and Mr. Heckler was ordered to pay a civil penalty of \$26,000. Details relating to the Order, IA Release No. 3005, may be found at <http://www.sec.gov/litigation/admin/2010/ia-3005.pdf>. Please click on the link provided or contact (714) 730-3310 to obtain a copy.

The following language appears on Mr. Heckler's broker check disclosure, dated 6/1/2010: Allegations that registered representative Paul Heckler, while registered with Syndicated Capital, Inc., sold [customer] and [customer] interests in promissory notes issued by Saveonline, a company in which Heckler was CFO. The [customers] allege that Heckler engaged in private securities transactions, made unsuitable recommendations, and made material misrepresentations and omissions.

Additional information can be found on the Investment Adviser Public Disclosure ("IAPD") website. The IAPD link is www.adviserinfo.sec.gov. To access the Firm's disciplinary information, click on the link above and follow the instructions to access the system.

Item 4: Other Business Activities

Outside of his activities at Yosemite Capital Management, LLC, Mr. Heckler is engaged in an investment-related business as an insurance agent (CA license # 0782394), and is appointed with various insurance companies. Additionally, Mr. Heckler does not engage in other business activities outside of his position at Yosemite Capital Management, LLC, which represent a substantial source (*i.e.*, more than 10%) of his time or income. Mr. Heckler serves as a Board Counselor of the USC School of Gerontology for which he does not receive compensation. Mr. Heckler is also a frequent guest speaker at many Southern California community hospitals.

Item 5: Additional Compensation

In addition to the compensation Mr. Heckler may earn from his employment at YCM, Mr. Heckler, as an equity owner of YCM, shares in the profits and losses of the Firm. Additionally, as described in Item 4 above, from time to time, advisory clients may purchase insurance products. Accordingly, Mr. Heckler may earn typical and customary commissions for the sale of insurance products purchased for a client's account.

Item 6: Supervision

Paul H. Heckler is the Managing Director and Chief Compliance Officer of Yosemite Capital Management, LLC. As such, Mr. Heckler oversees all advice provided to clients. Mr. Heckler may be contacted at (714) 370-3310 or pheckler@yosemitcapital.com.

² Rule 206(2) of the Advisers Act prohibits any investment adviser from engaging in any transaction, practice, or course of business, which operates as a fraud or deceit on any client or prospective client.

John Kleponis

Item 2: Educational Background and Business Experience

John Kleponis, CFA[®], Chief Investment Officer, b. 1958

Education:

- Drexel University, B.S. in Mechanical Engineering (1981)
- Pepperdine University, M.B.A. Master of Business Administration (1987)
- CFA Institute, Chartered Financial Analyst (2006)

Business Background:

- Yosemite Capital Management, LLC, Chief Investment Officer, 08/2005 to present;
- Self Employed, Expert witness in litigations involving financial issues, 03/2004 to 06/2005;
- WCM Investment Management, Equity Analyst and Sr. Portfolio Manager, 11/1992 to 02/2004;
- Concordia University, Class Instructor, 08/2004 to 12/2008;
- University of California, Irvine Extension, Class Instructor, 02/2004 to 06/2013.

**Professional Designations:*

John Kleponis holds the following professional designations:

- Chartered Financial Analyst^{® 1}

Item 3: Disciplinary Information

YCM is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of each of the Firm's investment persons, including John Kleponis, providing advice to you. Mr. Kleponis does not have applicable legal or disciplinary events required to be disclosed under this Item.

Item 4: Other Business Activities

Outside of his activities at Yosemite Capital Management, LLC, Mr. Kleponis is not actively engaged in any investment-related business or occupation. Additionally, Mr. Kleponis does not engage in other business activities outside of his position at Yosemite Capital Management, LLC, which represent a substantial source (*i.e.*, more than 10%) of his time or income.

Item 5: Additional Compensation

Mr. Kleponis does not receive any outside economic benefit from someone who is not a client for providing advisory services.

Item 6: Supervision

John Kleponis is an Investment Adviser Representative of Yosemite Capital Management, LLC. Paul H. Heckler is the Managing Director and Chief Compliance Officer of Yosemite Capital Management, LLC. As such, Mr. Heckler oversees all advice provided to clients. Mr. Heckler may be contacted at (714) 370-3310 or pheckler@yosemitecapital.com.

Debra Curry

Item 2: Educational Background and Business Experience

Debra Beth Curry, CFP®, Director of Investment Strategies, b. 1958

Education:

- University of Colorado Boulder, B.A. in Economics (1980)
- University of California, Irvine, Personal Financial Planning Certificate (2008)

Business Background:

- Yosemite Capital Management, LLC, Senior Vice President – Director, 05/2007 to present;
- Syndicated Capital, Inc., Registered Representative, 05/2007 to present;
- Rodan & Fields Dermatologists, Executive Consultant, 02/2012 to present.

**Professional Designations:*

Debra Curry holds the following professional designations:

- CERTIFIED FINANCIAL PLANNER™²

Item 3: Disciplinary Information

YCM is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of each of the Firm's investment persons, including Debra Beth Curry, providing advice to you. Ms. Curry does not have applicable disciplinary events required to be disclosed under this Item, but does have a legal event to disclose.

Ms. Curry filed Chapter 7 Bankruptcy in the United States Bankruptcy Court Central District of California in March 2012. The filing was due to the recession and spousal disability.

Item 4: Other Business Activities

Outside of her activities at Yosemite Capital Management, LLC, Ms. Curry is engaged in other investment-related business as an insurance agent (CA license # 0A26767), and is appointed with various unaffiliated insurance companies. Ms. Curry is also engaged as a Registered Representative of Syndicated Capital, Inc. She spends approximately 20% of her time on broker/dealer-related activities.

Ms. Curry serves on the California Parkinson's Group Foundation as a board member. She does not receive compensation for this activity. In addition, Ms. Curry is an executive consultant through Rodan & Fields Dermatologists for which she receives compensation. Ms. Curry does not engage in other business activities outside of her position at Yosemite Capital Management, LLC, which represent a substantial source (*i.e.*, more than 10%) of her time or income.

Item 5: Additional Compensation

Ms. Curry does not receive any outside economic benefit from someone who is not a client for providing advisory services. As described in Item 4 above, from time to time, advisory clients implement securities

transactions through Ms. Curry in her capacity as a Registered Representative of Syndicated Capital, Inc. Accordingly, Ms. Curry receives commissions for the sale of securities purchased for a client's account. In addition, advisory clients may choose to purchase insurance products from Ms. Curry. Ms. Curry earns typical and customary commissions for the sale of insurance products purchased for a client's account.

Item 6: Supervision

Debra Curry is an Investment Adviser Representative of Yosemite Capital Management, LLC. Paul H. Heckler is the Managing Director and Chief Compliance Officer of Yosemite Capital Management, LLC. As such, Mr. Heckler oversees all advice provided to clients. Mr. Heckler may be contacted at (714) 370-3310 or pheckler@yosemitecapital.com.

David Jones

Item 2: Educational Background and Business Experience

David Michael Jones, CFP®, Director of Wealth Management, b. 1952

Education:

- University of Illinois at Urbana-Champaign, B.S. in Electrical and Electronics Engineering (1975)
- University of California, Irvine, Executive MBA in Business Administration (1993)
- CFP® Designation² (2009)
- NFLPA Designation³ (2014)

Business Background:

- Yosemite Capital Management, LLC, Director of Wealth Management, 06/2012 to present;
- Securities Equity Group, Registered Representative, 07/2005 to 06/2017;
- Select Portfolio Management, Inc., Director of Financial Planning, 04/2005 to 05/2012.

**Professional Designations:*

David Jones holds the following professional designations:

- CERTIFIED FINANCIAL PLANNER™²

Item 3: Disciplinary Information

YCM is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of each of the Firm's investment persons, including David Michael Jones, providing advice to you. Mr. Jones does not have applicable legal or disciplinary events required to be disclosed under this Item.

Item 4: Other Business Activities

Outside of his activities at Yosemite Capital Management, LLC, Mr. Jones is also engaged in other investment-related business as an insurance agent (CA license # 0E65326), and is appointed with various unaffiliated insurance companies.

In addition, Mr. Jones serves as a member of the University of California Irvine's professional advisory committee for planned gift giving and is the chair of the Concordia University planned giving committee. Mr. Jones does not receive compensation for either position.

Item 5: Additional Compensation

Outside economic benefits for providing advisory services, Mr. Jones receives commissions for the sale of insurance products purchased for clients, when applicable.

Item 6: Supervision

David Jones is an Investment Adviser Representative of Yosemite Capital Management, LLC. Paul H. Heckler is the Managing Director and Chief Compliance Officer of Yosemite Capital Management, LLC. As

such, Mr. Heckler oversees all advice provided to clients. Mr. Heckler may be contacted at (714) 370-3310 or pheckler@yosemitecapital.com.

Lawrence Eugene Rutherford

Item 2: Educational Background and Business Experience

Lawrence Eugene Rutherford, CFP®, Director of Retirement Planning, b. 1942

Education:

- California State University at Fullerton, B.A. in Social Science and Economics (1966)
- University of Southern California, Studies in Aero Space Management (1966)
- CFP® Designation² (1983)

Business Background:

- Yosemite Capital Management, LLC, Director of Retirement Planning, 12/2008 to present;
- Glencrest Investment Advisors, Inc. Managing Director, 04/2002 to 12/2008.

**Professional Designations:*

David Jones holds the following professional designations:

- CERTIFIED FINANCIAL PLANNER™²

Item 3: Disciplinary Information

YCM is required to disclose all material facts regarding any legal or disciplinary event that would be material to your evaluation of each of the Firm's investment persons, including Lawrence Eugene Rutherford, providing advice to you. Mr. Rutherford does not have applicable legal or disciplinary events required to be disclosed under this Item.

Item 4: Other Business Activities

Outside of his activities at Yosemite Capital Management, LLC, Mr. Rutherford is not actively engaged in any investment-related business or occupation. Additionally, Mr. Rutherford does not engage in other business activities outside of his position at Yosemite Capital Management, LLC, which represent a substantial source (*i.e.*, more than 10%) of his time or income.

Item 5: Additional Compensation

Mr. Rutherford does not receive any outside economic benefit from someone who is not a client for providing advisory services.

Item 6: Supervision

Lawrence Rutherford is an Investment Adviser Representative of Yosemite Capital Management, LLC. Paul H. Heckler is the Managing Director and Chief Compliance Officer of Yosemite Capital Management, LLC. As such, Mr. Heckler oversees all advice provided to clients. Mr. Heckler may be contacted at (714) 370-3310 or pheckler@yosemitcapital.com.

FACTS

WHAT DOES YOSEMITE CAPITAL MANAGEMENT, LLC DO WITH YOUR PERSONAL INFORMATION?

Why?

Financial companies choose how they share your personal information. Federal law gives consumers the right to limit some but not all sharing. Federal law also requires us to tell you how we collect, share, and protect your personal information. Please read this notice carefully to understand what we do.

What?

The types of personal information we collect and share depend on the product or service you have with us. This information can include:

- Social Security Number and Income
- Account Balances and Account Number
- Account Transactions and Assets

When you are *no longer* our customer, we continue to share your information as described in this notice.

How?

All financial companies need to share customers' personal information to run their everyday business. In the section below, we list the reasons financial companies can share their customers' personal information; the reasons Yosemite Capital Management, LLC chooses to share; and whether you can limit this sharing.

Reasons we can share your personal information	Does Yosemite Capital Management, LLC share?	Can you limit this sharing?
For our everyday business purposes— such as to process your transactions, maintain your account(s), respond to court orders and legal investigations, or at your request to other service providers you identify to us acting on your behalf.	Yes	No
For our marketing purposes— to offer our products and services to you	Yes	No
For joint marketing with other financial companies	No	We don't share
For our affiliates' everyday business purposes— information about your transactions and experiences	No	We don't share
For our affiliates' everyday business purposes— information about your creditworthiness	No	We don't share
For non-affiliates to market to you	No	We don't share

Questions?

Call Yosemite Capital Management, LLC at 714-730-3310 or contact Paul Heckler at pheckler@yosemitecapital.com.

Who we are

Who is providing this notice?

YOSEMITE CAPITAL MANAGEMENT, LLC

What we do

How does Yosemite Capital Management, LLC protect my personal information?

To protect your personal information from unauthorized access and use, we use security measures that comply with federal law. These measures include computer safeguards and secured files and buildings.

How does Yosemite Capital Management, LLC collect my personal information?

We collect your personal information, for example, when you:

- Enter into an Investment Advisory Contract or Deposit Money
- Open an Account or Seek Advice about your Investments
- Seek Financial Advice

Why can't I limit all sharing?

Federal law gives you the right to limit only:

- sharing for affiliates' everyday business purposes—information about your creditworthiness
- affiliates from using your information to market to you
- sharing for non-affiliates to market to you

State laws and individual companies may give you additional rights to limit sharing.

Definitions

Affiliates

Companies related by common ownership or control. They can be financial and nonfinancial companies.

- *Yosemite Capital Management, LLC does have an affiliated relationship with HMWC CPAs & Business Advisors.*

Non-affiliates

Companies not related by common ownership or control. They can be financial and nonfinancial companies.

- *Yosemite Capital Management, LLC does not share with non-affiliates so they can market to you.*

Joint marketing

A formal agreement between non-affiliated financial companies that together market financial products or services to you.

- *Yosemite Capital Management, LLC does not jointly market.*

Other Important information

Information for Vermont, California and Nevada Customers

In response to a Vermont regulation, if we disclose personal information about you to non-affiliated third parties with whom we have joint marketing agreements, we will only disclose your name, address, other contact information, and information about our transactions or experiences with you.

In response to a California law, we automatically treat accounts with California billing addresses as if you do not want to disclose personal information about you to non-affiliated third parties except as permitted by the applicable California law. We will also limit the sharing of personal information about you with our affiliates to comply with all California privacy laws that apply to us.

Nevada law requires us to disclose that you may request to be placed on our "do not call" list at any time by calling 1-831-759-6300. To obtain further information, contact the Bureau of Consumer Protection, Office of the Nevada Attorney General at 555 E. Washington Ave., Suite 3900, Las Vegas, NV 88101; phone 1-702-486-3132; email BCPINFO@ag.state.nv.us.