

# Disclosure Brochure

March 3, 2011

## **Purkiss Capital Advisors, LLC**

*a Registered Investment Adviser*

62 Barry Avenue, Box 29  
Ridgefield, CT 06877

(203) 431-5862

[www.pcapadvisors.com](http://www.pcapadvisors.com)

This brochure provides information about the qualifications and business practices of Purkiss Capital Advisors, LLC (herein after "Purkiss Capital"). If you have any questions about the contents of this brochure, please contact R. Allen Purkiss at (203) 431-5862. The information in this brochure has not been approved or verified by the United States Securities and Exchange Commission or by any state securities authority. Additional information about Purkiss Capital Advisors, LLC is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov).

Purkiss Capital Advisors, LLC is an SEC registered investment adviser. Registration does not imply any level of skill or training.

## Item 2. Material Changes

This section of the brochure discusses only the material changes that have occurred since Purkiss Capital's last annual update dated February 17, 2010. Since this is Purkiss Capital's initial Disclosure Brochure, there are no material changes to report in this section.

Purkiss Capital does not have any material changes to disclose since its last annual update.

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### Supervised Person Brochure Supplement(s)

## Item 4. Advisory Business

Purkiss Capital is an investment adviser providing financial planning, consulting, and investment management services. Prior to engaging Purkiss Capital to provide any of the foregoing investment advisory services, the client is required to enter into one or more written agreements with Purkiss Capital setting forth the terms and conditions under which Purkiss Capital renders its services (collectively the “*Agreement*”). Neither Purkiss Capital nor the client may assign the *Agreement* without the consent of the other party. A transaction that does not result in a change of actual control or management of Purkiss Capital is not considered an assignment.

Purkiss Capital has been in business as an investment adviser since September 2003. From September 2001 to March 2003, Purkiss Capital operated under the entity “Purkiss Capital Advisors, Inc.” R. Allen Purkiss is the principal owner of Purkiss Capital. Purkiss Capital has \$131,936,268 of assets under management as of January 4, 2011, all of which are managed on a discretionary basis.

This disclosure brochure describes the business of Purkiss Capital. Certain sections will also describe the activities of *Supervised Persons*. *Supervised Persons* are any of Purkiss Capital’s officers, partners, directors (or other persons occupying a similar status or performing similar functions), or employees, or any other person who provides investment advice on Purkiss Capital’s behalf and is subject to Purkiss Capital’s supervision or control.

### Financial Planning and Consulting Services

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Purkiss Capital may provide its clients with a broad range of comprehensive financial planning and consulting services (which may include non-investment related matters). These services include retirement planning, investments, insurance, education, estate planning, and other areas that may be requested by the client.

In performing its services, Purkiss Capital is not required 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. Purkiss Capital may recommend the services of itself, and/or other professionals to implement its recommendations. Clients are advised that a conflict of interest exists if Purkiss Capital recommends its own services. The client is under no obligation to act upon any of the recommendations made by Purkiss Capital under a financial planning or consulting engagement or to engage the services of any such recommended professional, including Purkiss Capital itself. The client retains absolute discretion over all such implementation decisions and is free to accept or reject any of Purkiss Capital’s recommendations. Clients are advised that it remains their responsibility to promptly notify Purkiss Capital if there is ever any change in their financial situation or investment objectives for the purpose of reviewing, evaluating, or revising Purkiss Capital’s previous recommendations and/or services.

## **Investment Management Services**

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Clients can engage Purkiss Capital to manage all or a portion of their assets on a discretionary basis. Purkiss Capital primarily allocates clients' investment management assets among mutual funds, exchange traded funds ("ETFs"), and individual debt and equity securities in accordance with the investment objectives of the client. Purkiss Capital also provides advice about any type of investment held in clients' portfolios.

Purkiss Capital tailors its advisory services to the individual needs of clients. Purkiss Capital ensures that clients' investments are suitable for their investment needs, goals, objectives and risk tolerance.

Clients are advised to promptly notify Purkiss Capital if there are changes in their financial situation or investment objectives or if they wish to impose any reasonable restrictions upon Purkiss Capital's management services.

## **Additions and Withdrawals to Accounts**

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Clients may make additions to and withdrawals from their account at any time, subject to Purkiss Capital's right to terminate an account. Clients may withdraw account assets on notice to Purkiss Capital, subject to the usual and customary securities settlement procedures. However, Purkiss Capital designs its portfolios as long-term investments and the withdrawal of assets may impair the achievement of a client's investment objectives.

## Item 5. Fees and Compensation

Purkiss Capital offers its services on a fee basis which may include hourly and/or fixed fees as well as fees based upon assets under management or the performance of the client's portfolio.

### **Financial Planning and Consulting Fees**

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Purkiss Capital may charge a fixed fee and/or hourly fee for financial planning and consulting services. These fees are negotiable, but generally range from \$150 to \$200 on an hourly rate basis, depending upon the level and scope of the services and the professional rendering the financial planning and/or the consulting services. Alternatively, Purkiss Capital may offer a fixed fee based upon an estimate of the hours that will be required for the financial planning and/or consulting. If the client engages Purkiss Capital for additional investment advisory services, Purkiss Capital, in its sole discretion, may discount its financial planning fees.

Prior to engaging Purkiss Capital to provide financial planning and/or consulting services, the client is required to enter into a written agreement with Purkiss Capital setting forth the terms and conditions of the engagement. Generally, Purkiss Capital requires one-half of the financial planning and/or consulting fee (estimated hourly or fixed) payable upon entering the written agreement. The balance is generally due upon delivery of the financial plan or completion of the agreed upon services.

### **Investment Management Fee**

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In the event the client determines to engage Purkiss Capital to provide investment management services, Purkiss Capital does so on a fee basis. Purkiss Capital charges an annual fee based upon a percentage of the market value of the assets being managed by Purkiss Capital. Purkiss Capital's annual fee is exclusive of, and in addition to brokerage commissions, transaction fees, and other related costs and expenses which is incurred by the client. However, Purkiss Capital does not receive any portion of these commissions, fees, and costs. Purkiss Capital's annual fee is prorated and charged quarterly, in arrears, based upon the market value of the assets being managed by Purkiss Capital on the last day of the previous quarter. The annual fee varies depending upon the market value of the assets under management of the client as follows:

<b><u>PORTFOLIO VALUE</u></b>	<b><u>BASE FEE</u></b>
up to \$2,000,000	1.00%
\$2,000,001 - \$5,000,000	0.80%
\$5,000,001 - \$10,000,000	0.65%
Greater than \$10,000,000	0.50%

Purkiss Capital, in its sole discretion, may negotiate to charge a lesser management fee based upon certain criteria (i.e., anticipated future earning capacity, anticipated future additional assets, dollar amount

of assets to be managed, related accounts, account composition, pre-existing client, account retention, *pro bono* activities, etc.).

### **Fees Charged by Financial Institutions**

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As further discussed in response to Item 12 (below), Purkiss Capital generally recommends that clients utilize the brokerage and clearing services of Fidelity Institutional Wealth Services ("*Fidelity*") and/or Charles Schwab & Co., Inc. ("*Schwab*") for investment management accounts.

Purkiss Capital may only implement its investment management recommendations after the client has arranged for and furnished Purkiss Capital with all information and authorization regarding accounts with appropriate financial institutions. Financial institutions include, but are not limited to, *Fidelity*, *Schwab*, or any other broker-dealer recommended by Purkiss Capital, broker-dealer directed by the client, trust companies, banks etc. (collectively referred to herein as the "*Financial Institutions*").

Clients may incur certain charges imposed by the *Financial Institutions* and other third parties such as custodial fees, charges imposed directly by a mutual fund or ETF in the account, which shall be disclosed in the fund's prospectus (e.g., fund management fees and other fund expenses), deferred sales charges, odd-lot differentials, transfer taxes, wire transfer and electronic fund fees, and other fees and taxes on brokerage accounts and securities transactions. Additionally, for assets outside of any wrap fee programs, clients may incur brokerage commissions and transaction fees. Such charges, fees and commissions are exclusive of and in addition to Purkiss Capital's fee.

Purkiss Capital's *Agreement* and the separate agreement with any *Financial Institutions* may authorize Purkiss Capital to debit the client's account for the amount of Purkiss Capital's fee and to directly remit that management fee to Purkiss Capital. Any *Financial Institutions* recommended by Purkiss Capital have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Purkiss Capital.

### **Fees for Management During Partial Quarters of Service**

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For the initial period of investment management services, the fees shall be calculated on a *pro rata* basis.

The *Agreement* between Purkiss Capital and the client will continue in effect until terminated by either party pursuant to the terms of the *Agreement*. Purkiss Capital's fees shall be prorated through the date of termination and any remaining balance shall be charged or refunded to the client, as appropriate.

Additions may be in cash or securities provided that Purkiss Capital reserves the right to liquidate any transferred securities or decline to accept particular securities into a client's account. Purkiss Capital may consult with its clients about the options and ramifications of transferring securities. However, clients are advised that when transferred securities are liquidated, they are subject to transaction fees, fees assessed at the mutual fund level (i.e. contingent deferred sales charge) and/or tax ramifications.

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If assets are deposited into or withdrawn from an account after the inception of a quarter, the fee payable with respect to such assets will not be adjusted or based on the number of days remaining in the quarter.



### **Item 6. Performance-Based Fees and Side-by-Side Management**

Purkiss Capital does not provide any services for performance-based fees. Performance-based fees are those based on a share of capital gains on or capital appreciation of the assets of a client.

## Item 7. Types of Clients

Purkiss Capital provides its services to individuals, pension and profit sharing plans, trusts, estates, charitable organizations, corporations and business entities.

### Minimum Fee

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As a condition for starting and maintaining a relationship, Purkiss Capital generally imposes a minimum annual fee of \$10,000. This minimum fee may have the effect of making Purkiss Capital's service impractical for clients, particularly those with portfolios less than \$1,000,000 under Purkiss Capital's management. Purkiss Capital, in its sole discretion, may waive its minimum annual fee based upon certain criteria including anticipated future earning capacity, anticipated future additional assets, dollar amount of assets to be managed, related accounts, account composition, pre-existing client, account retention, and *pro bono* activities.

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

Purkiss Capital's primary method of analysis is a fundamental approach.

*Fundamental analysis* involves the fundamental financial condition and competitive position of a company. Purkiss Capital will analyze the financial condition, capabilities of management, earnings, new products and services, as well as the company's markets and position amongst its competitors in order to determine the recommendations made to clients. The primary risk in using fundamental analysis is that while the overall health and position of a company may be good, market conditions may negatively impact the security.

Purkiss Capital focuses on absolute returns over relative returns, while considering the appropriate risk level for each client. When measuring risk for clients, Purkiss Capital considers many factors including age, income need, number of dependents, investment experience, future plans, and health.

Furthermore, Purkiss Capital regularly monitors client accounts to ensure the asset allocation matches the goals of the client. Such allocation is generally a mix of stocks (mutual funds) and bonds. The allocation mix is periodically adjusted to reflect changes in either the market conditions or the client situations.

### **Mutual Funds and Exchange Traded Funds (ETFs)**

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Purkiss Capital selects mutual funds based on several factors, particularly those relevant to the reputation of the mutual fund manager. Purkiss Capital considers the experience and track record of the manager, quality of client communication, the manager's personal exposure to the fund, fund compensation scheme, and costs. Generally, Purkiss Capital prefers to invest in those funds where the manager is focused on absolute returns rather than surpassing the index. In addition, Purkiss Capital prefers a manager who has his/her interests aligned with those of Purkiss Capital's clients and who is personally involved in the management process. In addition to mutual funds, Purkiss Capital also invests client assets in ETFs using a similar strategy.

An investment in a mutual fund or ETF involves risk, including the loss of principal. Mutual funds and ETFs are subject to secondary market trading risks. Shares of mutual funds and ETFs will be listed for trading on an exchange, however, there can be no guarantee that an active trading market for such shares will develop or continue. There can be no guarantee that a mutual funds' and ETFs' exchange listing or ability to trade its shares will continue or remain unchanged. Shares of the mutual fund or ETF may trade on an exchange at prices at, above or below their most recent net asset valuation (NAV), which is the price that an investor would buy or sell the mutual fund or ETF at. The per share NAV of a mutual fund or ETF is calculated at the end of each business day, and fluctuates with changes in the market value of the mutual fund's or ETF's holdings. The trading prices of a mutual fund's or ETF's shares may differ significantly from NAV during periods of market volatility, which may, among other factors, lead to the mutual fund's ETF's shares trading at a premium or discount to NAV.

### **Market Risks**

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The profitability of a significant portion of Purkiss Capital's recommendations may depend to a great extent upon correctly assessing the future course of price movements of stocks and bonds. There can be no assurance that Purkiss Capital will be able to predict those price movements accurately.

Investing in securities involves the risk of loss. Clients should be prepared to bear such loss.

### **Item 9. Disciplinary Information**

Purkiss Capital is required to disclose the facts of any legal or disciplinary events that are material to a client's evaluation of its advisory business or the integrity of management. Purkiss Capital does not have any required disclosures to this Item.

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

Purkiss Capital is required to disclose any relationship or arrangement that is material to its advisory business or to its clients with certain related persons. Purkiss Capital does not have any required disclosures to this Item.

### Item 11. Code of Ethics

Purkiss Capital and persons associated with Purkiss Capital ("Associated Persons") are permitted to buy or sell securities that it also recommends to clients consistent with Purkiss Capital's policies and procedures.

Purkiss Capital has adopted a code of ethics that sets forth the standards of conduct expected of its associated persons and requires compliance with applicable securities laws ("*Code of Ethics*"). In accordance with Section 204A of the Advisers Act, its *Code of Ethics* contains written policies reasonably designed to prevent the unlawful use of material non-public information by Purkiss Capital or any of its associated persons. The *Code of Ethics* also requires that certain of Purkiss Capital'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 Purkiss Capital's *Code of Ethics*, none of Purkiss Capital'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 Purkiss Capital's clients.

When Purkiss Capital is purchasing or considering for purchase any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the purchase or until a decision has been made not to purchase such security. Similarly, when Purkiss Capital is selling or considering the sale of any security on behalf of a client, no *Access Person* may effect a transaction in that security prior to the completion of the sale or until a decision has been made not to sell such security. These requirements are not applicable to: (i) direct obligations of the Government of the United States; (ii) money market instruments, bankers' acceptances, bank certificates of deposit, commercial paper, repurchase agreements and other high quality short-term debt instruments, including repurchase agreements; (iii) shares issued by mutual funds or money market funds; and (iv) shares issued by unit investment trusts that are invested exclusively in one or more mutual funds.

Clients and prospective clients may contact Purkiss Capital to request a copy of its *Code of Ethics*.

## Item 12. Brokerage Practices

As discussed above, in Item 5, Purkiss Capital shall generally recommend that clients utilize the brokerage and clearing services of *Fidelity* and/or *Schwab*.

Factors which Purkiss Capital considers in recommending *Fidelity* and/or *Schwab* or any other broker-dealer to clients include their respective financial strength, reputation, execution, pricing, research and service. *Fidelity* and/or *Schwab* enable Purkiss Capital to obtain many mutual funds without transaction charges and other securities at nominal transaction charges. The commissions and/or transaction fees charged by *Fidelity* and/or *Schwab* may be higher or lower than those charged by other *Financial Institutions*.

The commissions paid by Purkiss Capital's clients comply with Purkiss Capital's duty to obtain "best execution." Clients may pay commissions that are higher than another qualified *Financial Institution* might charge to effect the same transaction where Purkiss Capital determines that the commissions are reasonable in relation to the value of the brokerage and research services received. In seeking best execution, the determinative factor is not the lowest possible cost, but whether the transaction represents the best qualitative execution, taking into consideration the full range of a *Financial Institution's* services, including among others, the value of research provided, execution capability, commission rates, and responsiveness. Purkiss Capital seeks competitive rates but may not necessarily obtain the lowest possible commission rates for client transactions.

Transactions may be cleared through other *Financial Institutions* with whom Purkiss Capital and the *Financial Institutions* have entered into agreements for prime brokerage clearing services. Purkiss Capital periodically and systematically reviews its policies and procedures regarding its recommendation of *Financial Institutions* in light of its duty to obtain best execution.

The client may direct Purkiss Capital in writing to use a particular *Financial Institution* to execute some or all transactions for the client. In that case, the client will negotiate terms and arrangements for the account with that *Financial Institution*, and Purkiss Capital will not seek better execution services or prices from other *Financial Institutions* or be able to "batch" client transactions for execution through other *Financial Institutions* with orders for other accounts managed by Purkiss Capital (as described below). 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, Purkiss Capital may decline a client's request to direct brokerage if, in Purkiss Capital's sole discretion, such directed brokerage arrangements would result in additional operational difficulties.

Transactions for each client generally will be effected independently, unless Purkiss Capital decides to purchase or sell the same securities for several clients at approximately the same time. Purkiss Capital may (but is not obligated to) combine or "batch" such orders to obtain best execution, to negotiate more favorable commission rates, or to allocate equitably among Purkiss Capital's clients differences in prices



and commissions or other transaction costs that might have been obtained had such orders been placed independently. Under this procedure, transactions will generally be averaged as to price and allocated among Purkiss Capital's clients pro rata to the purchase and sale orders placed for each client on any given day. To the extent that Purkiss Capital determines to aggregate client orders for the purchase or sale of securities, including securities in which Purkiss Capital's *Supervised Persons* may invest, Purkiss Capital shall generally do so in accordance with applicable rules promulgated under the Advisers Act and no-action guidance provided by the staff of the U.S. Securities and Exchange Commission. Purkiss Capital shall not receive any additional compensation or remuneration as a result of the aggregation. In the event that Purkiss Capital determines that a prorated allocation is not appropriate under the particular circumstances, the allocation will be made based upon other relevant factors, which may include: (i) when only a small percentage of the order is executed, shares may be allocated to the account with the smallest order or the smallest position or to an account that is out of line with respect to security or sector weightings relative to other portfolios, with similar mandates; (ii) allocations may be given to one account when one account has limitations in its investment guidelines which prohibit it from purchasing other securities which are expected to produce similar investment results and can be purchased by other accounts; (iii) if an account reaches an investment guideline limit and cannot participate in an allocation, shares may be reallocated to other accounts (this may be due to unforeseen changes in an account's assets after an order is placed); (iv) with respect to sale allocations, allocations may be given to accounts low in cash; (v) in cases when a pro rata allocation of a potential execution would result in a *de minimis* allocation in one or more accounts, Purkiss Capital may exclude the account(s) from the allocation; the transactions may be executed on a pro rata basis among the remaining accounts; or (vi) in cases where a small proportion of an order is executed in all accounts, shares may be allocated to one or more accounts on a random basis.

Consistent with obtaining best execution, brokerage transactions may be directed to certain broker-dealers in return for investment research products and/or services which assist Purkiss Capital in its investment decision-making process. Such research generally will be used to service all of Purkiss Capital'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. The receipt of investment research products and/or services as well as the allocation of the benefit of such investment research products and/or services poses a conflict of interest because Purkiss Capital does not have to produce or pay for the products or services.

### **Software and Support Provided by Financial Institutions**

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Purkiss Capital may receive from *Fidelity* and/or *Schwab*, without cost to Purkiss Capital, computer software and related systems support, which allow Purkiss Capital to better monitor client accounts maintained at *Fidelity* and/or *Schwab*. Purkiss Capital may receive the software and related support without cost because Purkiss Capital renders investment management services to clients that maintain assets at *Fidelity* and/or *Schwab*. The software and related systems support may benefit Purkiss Capital, but not its clients directly. In fulfilling its duties to its clients, Purkiss Capital endeavors at all times to put

the interests of its clients first. Clients should be aware, however, that Purkiss Capital's receipt of economic benefits from a broker-dealer creates a conflict of interest since these benefits may influence Purkiss Capital's choice of broker-dealer over another broker-dealer that does not furnish similar software, systems support, or services.

Additionally, Purkiss Capital may receive the following benefits from *Fidelity* through the Fidelity Registered Investment Advisor Group and/or *Schwab* through its Schwab Institutional division: receipt of duplicate client confirmations and bundled duplicate statements; access to a trading desk that exclusively services its Fidelity Registered Investment Advisor Group or Schwab Institutional participants; access to block trading which provides the ability to aggregate securities transactions and then allocate the appropriate shares to client accounts; and access to an electronic communication network for client order entry and account information.

### Item 13. Review of Accounts

For those clients to whom Purkiss Capital provides investment management services, Purkiss Capital monitors those portfolios as part of an ongoing process while regular account reviews are conducted on at least a quarterly basis. For those clients to whom Purkiss Capital provides financial planning and/or consulting services, reviews are conducted on an “as needed” basis. Such reviews are conducted by the Principal of Purkiss Capital, R. Allen Purkiss. All investment advisory clients are encouraged to discuss their needs, goals, and objectives with Purkiss Capital and to keep Purkiss Capital informed of any changes thereto. Purkiss Capital shall contact ongoing investment advisory clients at least annually to review its previous services and/or recommendations and to discuss the impact resulting from any changes in the client’s financial situation and/or investment objectives.

Unless otherwise agreed upon, clients are provided with transaction confirmation notices and regular summary account statements directly from the broker-dealer or custodian for the client accounts. Those clients to whom Purkiss Capital provides investment advisory services will also receive a report from Purkiss Capital that may include such relevant account and/or market-related information such as an inventory of account holdings and account performance on a quarterly basis.

Those clients to whom Purkiss Capital provides financial planning and/or consulting services will receive reports from Purkiss Capital summarizing its analysis and conclusions as requested by the client or otherwise agreed to in writing by Purkiss Capital.

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

Purkiss Capital is required to disclose any relationship or arrangement where it receives an economic benefit from a third party (non-client) for providing advisory services. In addition, Purkiss Capital is required to disclose any direct or indirect compensation that it provides for client referrals. Purkiss Capital does not have any required disclosures to this Item.

Purkiss Capital may receive economic benefits from non-clients for providing advice or other advisory services to clients. This type of relationship poses a conflict of interest and any such relationship is disclosed in response to Item 10, above.

### Item 15. Custody

Purkiss Capital's *Agreement* and/or the separate agreement with any *Financial Institution* may authorize Purkiss Capital through such *Financial Institution* to debit the client's account for the amount of Purkiss Capital's fee and to directly remit that management fee to Purkiss Capital in accordance with applicable custody rules.

The *Financial Institutions* recommended by Purkiss Capital have agreed to send a statement to the client, at least quarterly, indicating all amounts disbursed from the account including the amount of management fees paid directly to Purkiss Capital. In addition, as discussed in Item 13, Purkiss Capital also sends periodic supplemental reports to those clients receiving investment advisory services. Clients should carefully review the statements sent directly by the *Financial Institutions* and compare them to those received from Purkiss Capital.

### Item 16. Investment Discretion

Purkiss Capital is given the authority to exercise discretion on behalf of clients. Purkiss Capital is considered to exercise investment discretion over a client's account if it can effect transactions for the client without first having to seek the client's consent. Purkiss Capital is given this authority through a power-of-attorney included in the agreement between Purkiss Capital and the client. Clients may request a limitation on this authority (such as certain securities not to be bought or sold). Purkiss Capital takes discretion over the following activities:

- The securities to be purchased or sold;
- The amount of securities to be purchased or sold; and
- When transactions are made.

### Item 17. Voting Client Securities

Purkiss Capital may vote client securities (proxies) on behalf of its clients. When Purkiss Capital accepts such responsibility, it will only cast proxy votes in a manner consistent with the best interest of its clients. Absent special circumstances, which are fully- described in Purkiss Capital's Proxy Voting Policies and Procedures, all proxies will be voted consistent with guidelines established and described in Purkiss Capital's Proxy Voting Policies and Procedures, as they may be amended from time-to-time. Clients may contact Purkiss Capital to request information about how Purkiss Capital voted proxies for that client's securities or to get a copy of Purkiss Capital's Proxy Voting Policies and Procedures. A brief summary of Purkiss Capital's Proxy Voting Policies and Procedures is as follows:

- Purkiss Capital has formed a Proxy Voting Committee that will be responsible for monitoring corporate actions, making voting decisions in the best interest of clients, and ensuring that proxies are submitted in a timely manner.
- The Proxy Voting Committee will generally vote proxies according to Purkiss Capital's then current Proxy Voting Guidelines. The Proxy Voting Guidelines include many specific examples of voting decisions for the types of proposals that are most frequently presented, including: composition of the board of directors; approval of independent auditors; management and director compensation; anti-takeover mechanisms and related issues; changes to capital structure; corporate and social policy issues; and issues involving mutual funds.
- Although the Proxy Voting Guidelines are followed as a general policy, certain issues are considered on a case-by-case basis based on the relevant facts and circumstances. Since corporate governance issues are diverse and continually evolving, Purkiss Capital devotes an appropriate amount of time and resources to monitor these changes.
- Clients cannot direct Purkiss Capital's vote on a particular solicitation but can revoke Purkiss Capital's authority to vote proxies.

In situations where there may be a conflict of interest in the voting of proxies due to business or personal relationships that Purkiss Capital maintains with persons having an interest in the outcome of certain votes, Purkiss Capital takes appropriate steps to ensure that its proxy voting decisions are made in the best interest of its clients and are not the product of such conflict.

### **Item 18. Financial Information**

Purkiss Capital does not require or solicit the prepayment of more than \$1,200 in fees six months or more in advance. In addition, Purkiss Capital is required to disclose any financial condition that is reasonably likely to impair its ability to meet contractual commitments to clients. Purkiss Capital has no disclosures pursuant to this Item



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62 Barry Avenue, Box 29  
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(203) 431-5862

[www.pcapadvisors.com](http://www.pcapadvisors.com)

Prepared by:



**MARKETCOUNSEL®**  
*The Adviser's Adviser®*