

**Part 2A of Form ADV: Firm Brochure**

**Item 1:** Cover Page

Part 2 of Form ADV: Firm Brochure  
Dated: October 13, 2011

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This Brochure provides information about the qualifications and business practices of Harvest Capital Advisors Inc. If you have any questions about the contents of this brochure, please contact us at (425) 827-6236. 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 Harvest Capital Advisors Inc. is available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov)

Harvest Capital Advisors Inc. is a registered investment advisor with the Securities and Exchange Commission (SEC). This registration does not imply a level of skill or recommendation by the SEC; it simply means we are regulated by the SEC.

Item 2: Material Changes

The following is a list of material changes to Harvest Capital Advisors Inc (HCA) form ADV part 2 since the last annual update dated 3.31.2010

1. Fee structure for investment advisory fees
  - a. increased first year fee rates
2. Addition of financial planning fees

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Item 4: Advisory Business

Harvest Capital Advisors Inc. is fee-only investment management and financial planning firm established in 1994, incorporated on July of 2001, and registered with the SEC in April of 2003. Our principal owners are Robert O. Abbott III and Charles H. Royer.

Our areas of focus and specialty are:

1. Wealth preservation
2. Investment management
3. Income tax planning
4. Succession planning
5. Estate planning
6. Retirement planning

By gaining a thorough understanding of our Clients' lifestyles, financial positions, and goals, our team provides individualized counsel, education, and individualized investment recommendations to meet our Clients' objectives.

Our Clients may impose restrictions on the investment of their portfolio by restricting the buying and selling of specific securities, or the type (sector) of securities. Our Clients may also request that we receive preauthorization before purchasing or selling any security in our Clients' accounts.

Harvest does not participate in wrap fee programs.

Harvest invests our Clients' assets (assets under management or AUM), and following is a break out of our discretionary and non-discretionary AUM as of March 29, 2011.

1. of discretionary AUM
2. of non-discretionary AUM

Item 5: Fees & Compensation

Assets under Management Fees:

Harvest Capital Advisors is compensated for investment management services based on the value of assets under management (AUM) according to the following schedule:

<u>Account Balance</u>	<u>Up To</u>	<u>First Year Rate</u>	<u>Subsequent Year Rate</u>
	\$499,999	2.35%	1.75%
\$500,000	\$750,000	2.00%	1.45%
\$750,000	\$1,000,000	1.75%	1.15%
\$1,000,000	\$2,000,000	1.50%	1.00%
\$2,000,000	\$5,000,000	1.25%	.85%
\$5,000,000	And up	1.05%	.75%
Mutual funds only:		2.25%	1.25%

Notwithstanding the above, Advisors reserves the right to negotiate investment advisory fees as they deem appropriate.

For Clients receiving only AUM services, payments are invoiced to the Client and submitted to the account(s) custodian. The custodian debits the fees directly from the Client's accounts, and sends the funds to Harvest Capital Investment Advisors Inc. All AUM fees are paid quarterly.

Clients may incur fees or expenses directly from their custodian for items such as:

1. account servicing fees
2. cashiering, transferring or withdrawing money
3. custody fees
4. account activity, buying and selling securities
5. mutual fund expenses

All AUM fees are paid in advance. For Example, a fee billed on July 1st is for services rendered in July, August, and September.

Clients may terminate their relationship with Harvest at any time by delivering a signed, written notice to the Advisor as outlined in the Investment Advisory Agreement. No prepaid quarterly fee will be refunded, due to the administrative cost involved in the termination.

Occasionally we may offer investment opportunities for an asset to be directly owned by a qualified client and charge a review and oversight fee; the asset is treated as any other portfolio asset.

Harvest does not accept compensation for the sale of securities or any other investment product.

Item 5: Fees & Compensation Continued

Financial Planning Fees:

Harvest is compensated for financial planning services by annual retainer. The retainer fee is based on income, marketable assets, and levels of complexity. Income and marketable assets are defined as follows:

1. Income: Gross income from Client's most recent individual federal income tax return, (Form1040), including capital gains, business income.
2. Marketable Assets include: All of Client's assets including value of primary residence as well as any businesses and investment assets when applicable.

Fees are paid directly by the Client to Harvest Capital Advisors payable as follows: 25% at the time the contract is signed, with the balance due quarterly.

Clients may incur fees or expenses directly from their custodian for items such as:

1. account servicing fees
2. cashiering
3. custody fees
4. account activity
5. mutual fund expenses

Clients may incur fees directly from other professional advisors, such as Attorneys and CPAs, necessary to identifying and implementing optimal recommendations.

Clients may terminate the Financial Planning Agreement at any time by delivering a signed, written notice to the Advisor as outlined in the Financial Planning Agreement. No prepaid fee will be refunded.

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

Harvest does not accept performance-based fees, which are fees based on a share of capital gains or capital appreciation of a Client's assets; generally hedge fund or other pooled investment vehicles.

Harvest, nor any of its advisors, manages accounts that charge both a performance-based fee and other type fees such as hourly, flat fee, or asset-based fees.

Item 7: Types of Clients

Harvest provides investment management services, and or, financial planning services for individuals and families.

For new investment management clients the minimum portfolio value is \$100,000. Any managed portfolio which falls below \$50,000 will be reviewed for possible termination or a change to un-managed status. Minimums may be waived at the discretion of the Advisor.

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

Harvest Capital Advisors' portfolio managers build investment portfolios for each client based on three primary factors:

1. The need for current income. We work with our clients to determine their expected income needs for the next ten to twenty years. To ensure that income we purchase investment-grade bonds scheduled to mature in the year the income is needed. Depending on the amount of income needed, we may purchase more than one bond to mature per year in order to reduce risk of high concentration. Risks are primarily an issuer defaulting or changes in currency ratios between the bond's currency and the client's home currency.

We also use Bonds to secure future income needs that have been identified and must carry a degree of certainty unavailable in equities.

2. The need for principal and long-term growth to produce capital gains and dividend income, required for purchasing bonds in replacement of matured bonds spent for living expenses.
3. The expectation of a more expensive lifestyle. Once stated needs are met, many clients set goals to upgrade their life experiences. This may require additional equity investments with a higher expected return, accompanied by a higher level of risk. We review those risks and rewards with each client and attempt to reach their goals at a reasonable risk level. We decline to make purchases we think carry excessive risk.

We make every effort to avoid "playing the market". We do not allow margined purchases, short sales, futures or naked options transactions, or any other market-driven strategies to augment the portfolio's performance.

The safety of the investments is our overarching mandate. We try to determine the lowest rate of return and risk a client needs to reach his or her stated objectives. Protecting principal is our primary motivation.

Every investment carries a certain degree of volatility – the price movement of the security in the day-to-day markets. Harvest's managers are comfortable with volatility (as opposed to risk). We consider volatility a factor of human behavior and an opportunity to recognize irrational prices that invite buying or selling, approaching pricing opportunity on a holding by holding basis.

We consider volatility to be different than risk. Risk is the possibility of not recovering part or all of your original investment, and can not be eliminated completely. For a potential return greater than what's guaranteed by a 30 day US Treasury bill, risk increases with the potential reward. Rate of return, volatility, and risk are unavoidable and must be weighed carefully. By diversifying portfolios we strive to limit the risk posed by any one investment decision.

Portfolio performance is a combination of limits placed on asset selection by the client, the judgment of the advisor, performance of the securities, weighting of the portfolio, and shifts in the open markets. When hiring Harvest Capital Advisors, clients accept those risks and bear all of the risks and rewards.

We analyze the issuers of stocks and bonds in the same manner, by examining the current and historical financial position of the company, going back a minimum of ten years in nearly all cases. We establish a predictable trend of earnings growth based on:

1. The company's history
2. Comparing the company to its peers
3. An analysis of the industry
4. The overall role the company plays in the economy future.

We then establish a stock price or bond yield based in those earnings we feel a company's projected performance justifies in the open marketplace.

We continually monitor every investment we hold for clients. For equities we:

1. Update the current price daily to determine the potential gain to the established target price.
2. Daily monitor news about each company for disruptions that can affect their futures, often focused on management changes and problems or industry and economic shifts.
3. Quarterly review each company's financial condition to confirm our assumptions about its growth potential.
4. Adjust our assumptions of future earnings and use the new projection to justify selling, holding, or adding to a position.

We diversify portfolios across different industries and countries with the intent of reducing volatility and minimizing the impact of negative events in any one company, industry, or political jurisdiction.

Each client's portfolio can hold a blend of cash, bonds, and/or stocks that address their need for safety, income, and/or capital appreciation, tempered by their tolerance for volatility. The blend also reflects the manager's opinion of risk presented by current market pricing in light of both historical record and current/projected economic conditions.

Allocations are always adjusted to minimize the risk of losing principal, and so there are no set allocations for the equity portion of a portfolio. Changes in the allocation are driven by the sale of current holdings and lack of new opportunities, and are not established by any arbitrary allocation.

For portfolios exceeding \$100,000 we recommend individual positions as the primary type of holding. If a client's holdings are lower, or entirely funded by ongoing qualified plan contributions, managers will select mutual funds based on the funds' stated objectives, long-term history, management tenure, risk level and, whenever possible, personal interviews with the fund managers.



By using individual assets, we attempt to reduce administrative costs. Employing mutual funds or third party managers creates an additional layer of compensation.

Investing in multiple funds may create portfolios which hold so many positions they approach the characteristics of indexes, but at a far higher cost of management. Harvest Capital Advisors takes the position that by actively managing a focused group of bonds and equities, a targeted return can be achieved with a lower level of overall risk.

Item 9: Disciplinary Information

There are no legal or disciplinary events that are material to a Client's, or prospective Client's, evaluation of Harvest's business, or the integrity of our management.

Item 10: Other Financial Industry Activities & Affiliations

Harvest, nor any of our employees, is registered or has an application pending to register as a broker-dealer or a registered representative of a broker-dealer.

Harvest, nor any of our employees, is registered or has an application pending to register as a futures commission merchant, commodity pool operation, a commodity trading advisor, or an associated person of the foregoing entities.

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

Harvest adopted a Code of Ethics ("Code") which is designed to comply with Rule 204A-1 under the Investment Advisers Act of 1940 ("Advisers Act").

This code establishes rules of conduct for all employees and is intended to govern trading in employees' accounts, trading in the accounts of employees' immediate families, and trading in accounts where employees have a beneficial interest, to avoid:

1. Conflict of interest, such as serving their own personal interests ahead of Clients
2. Taking inappropriate advantage of their position with the firm
3. Insider trading
4. Other forms of prohibited or unethical business conduct.

The code states that Harvest and its employees are subject to the following fiduciary obligations when dealing with Clients:

1. The duty to have a reasonable, independent basis for the investment advice provided
2. The duty to obtain best execution for a Client's transactions where the Firm is in a position to direct brokerage transactions for the Client

3. The duty to ensure that investment advice is suitable to meeting the Client's individual objectives, needs and circumstances
4. A duty to be loyal to Clients.

Harvest's policy mandates that employees and related persons acquire pre-approval from the portfolio manager before trading equities in their accounts or in the accounts of a related person. This policy is intended to address possible conflict of interests where such trading could possibly drive up or reduce the price of a security before Client trades are placed.

To uphold this policy employees' brokerage account statements are reviewed regularly for trading activity. Possible termination can result if any employee fails to seek pre-approval in compliance with our policy.

Harvest will provide a copy of the Code to any Client or prospective Client upon request.

#### Item 12: Brokerage Practices

Harvest uses its discretion in selecting or recommending a broker-dealer and will comply with our fiduciary duty to obtain best execution. Quality and speed of trade executions, reporting, and responsiveness to problems are key factors in brokerage selection.

We consider transaction costs to be a low priority. Assuming a \$5 spread for transaction fees among the leading custodians, the total annual expense vary by an estimated \$25 to \$45/year for the entire Client portfolio. Since most individual asset portfolios are over \$100,000, the cost difference is a non-issue.

##### 1. Research and other Soft Dollar Benefits:

Values of products, research, and services given to Harvest or a related person are not factors in considering a broker/dealer. We are a fee-only RIA, and do not participate in any sort of transaction fee sharing arrangement or soft dollar arrangement

##### 2. Brokerage for Client Referrals

We do not consider, or give relevance to, whether Harvest or a related person, would receive client referrals when recommending a broker-dealer to our Clients,

##### 3. Direct Brokerage

Harvest does not recommend, request, or require our Clients to direct us to execute transactions through a specific broker-dealer.

Clients may choose to select where transactions are executed through. However, doing so may result in Harvest being unable to achieve favorable execution of transactions. Specifically a Client may pay higher trade costs and brokerage commissions because we may not be able to place block trades or receive institutional pricing.

Harvest performs aggregates trading in the form of block trades. Block trades allow Harvest to buy or sell securities held in multiple Client accounts in one transaction; something normally only institutional investors undertake. Clients participating in block trades receive an average price for the trade, which reduces possible price fluctuation

from market movement.

Item 13: Review Of Accounts

At the Client level investment advisory accounts are reviewed quarterly for anomalies created through sales, contributions, or withdrawals and advisors review cash flow reports weekly. Additionally, reviews may be triggered by changes in an account holder's personal tax or financial status. All decisions are based on a current Client profile maintained by the Advisor, required by the Investment Manager.

At the global level, the Investment Manager annually reviews all mutual fund holdings against a selected peer group with emphasis on long-term stability and the mutual fund manager experience. All individual publicly traded equities and fixed income asset issuers are reviewed daily on a variety of specific financial formulas and current events, once at the beginning of the day, and at the end of each day.

Financial plans are reviewed only upon request unless the Advisor is retained to update the plan on a continuous basis.

Brokerage statements are generated no less than quarterly, sent directly from the custodian to clients. 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 by the Client

Item 14: Client Referrals & Other Compensation

Harvest may pay a fee to an individual who identifies and refer new Clients to us. Such persons are commonly called "solicitors". Possible conflicts of interest in referral arrangements are:

1. Soft dollars
2. Referral fees or finder fees
3. Any sales awards or other prize for referrals

Harvest does not participant in any such practices listed above. All solicitors engaged in referring Clients to Harvest receive a share or percentage of the assets under management fee charged to the client, derived from the fee schedule referenced in item five (5) of this brochure.

Further more, Clients referred to Harvest by solicitors are required to sign an acknowledgment which discloses the fee sharing arrangement between the solicitor and Harvest, as well as the percentage of the fee to be paid to the solicitor.

Harvest acts as a sub-advisor on a set group of accounts and charges a reduced fee for our investment management services, which paid to directly by the primary Advisor on the accounts; we do not directly debit theses accounts for fees.

Item 15: Custody

Harvest Capital Advisors does not have custody of any Client accounts. All Client accounts are held in custody at a broker-dealer recommended to the Client by the Advisor, or in some cases, a broker-dealer chosen specifically by the Client.

Item 16: Investment Discretion

Harvest accepts discretionary authority of client accounts. We request discretion for the selling of managed securities so we can act immediately when the Investment Manager feels it's in the client's best interest to do so.

Clients may denote an entire account or specific securities in their account(s) as unmanaged, limiting Harvest's authority to buy or sell. Unmanaged securities and/or accounts are segregated from the managed portion of a Client's portfolio and not reviewed by the Investment Manager.

In order for Harvest to assume discretionary authority clients sign limited power of attorney forms (LPOA) for each managed account, which are then submitted to the custodian, thereby allowing us to trade on the behalf of our clients. LPOA can be revoked by the client at any time, directly through the client's custodian, without any prior notice to Harvest.

Harvest places no limitations on the amount of the securities to be bought or sold in a Client's managed account.

Item 17: Voting Client Securities

Harvest Capital Advisors will not accept authority to vote Client proxies. All transactions in the Client's account(s) will be made according to the directions and preferences provided to Harvest by the Client.

Harvest does not have authority to vote Clients' proxies, and clients receive their proxies or other solicitations directly from their custodian or transfer agent. Harvest will discuss and answer Client questions regarding securities voting

Item 18: Financial Information

Harvest Capital Advisors is not required to provide financial information.

Item 19: Requirements for State Registered Advisors

Harvest Capital Advisors is not a State-Registered Adviser.

Part 2B of Form ADV: *Brochure Supplement*

Supervised Person: Charles H Royer  
Firm Name: Harvest Capital Advisors Inc.  
11000 NE 33<sup>rd</sup> Place, Suite 301  
Bellevue, WA 98004  
Date: July 31 2011

This brochure supplement provides information about *Charles H Royer* that supplements the Harvest Capital Advisors brochure. You should have received a copy of that brochure. Please contact Harvest if you did not receive our brochure or if you have any questions about the contents of this supplement.

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

Educational Background and Business Experience:

Charles attended University of Portland from 1961 to 1965 where he studied Political Science. Charles later studied for his masters in political science at University of California Riverside from 1965 – 1966.

The following is an accounting of Charles' work history:

- Harvest Capital Advisors, Principal (2000 – Present)
- Pacific West Financial Consultants, Registered Representative & Advisory Associate (2000 – 2003)
- Pacific West Securities Inc, Registered Representative (2000-2003)
- Lincoln Financial Advisors, Registered Representative (1993 – 2000)
- The Lincoln National Life Insurance Company, Registered Representative (1993 – 2000)
- Independent Insurance Agent (1978 – 1993)
- Lincoln National Life, Insurance Agent (1974 – 1978)
- Continental Illinois National Bank , Corporate Cash Management (1970-1974)

Charles currently holds a Series 65 Investment Adviser Law Examination designation which he obtained in 1998. The Series designation is obtained by passing a 140 question competency exam in under 180 minutes on subject matter pertaining to state security law, economics, investment vehicles, investment strategies, analysis, retirement planning, fiduciary obligations, and ethics.

There are no legal or disciplinary events, past, current or pending, against Charles.

Part 2B of Form ADV: *Brochure Supplement*

Supervised Person: Robert O Abbott III  
Firm Name: Harvest Capital Advisors Inc.  
11000 NE 33<sup>rd</sup> Place, Suite 301  
Bellevue, WA 98004  
Date: July 31 2011

This brochure supplement provides information about *Robert O Abbott III* that supplements the Harvest Capital Advisors brochure. You should have received a copy of that brochure. Please contact Harvest if you did not receive our brochure or if you have any questions about the contents of this supplement

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

Educational Background and Business Experience:

Robert attended University of Cal Berkeley from 1964 to 1966 where he studied Chemical Engineering. In 1966 Robert changed his focus and studied Finance at Northeastern University from 1966 to 1969. Robert studied Financial Planning at The American College from 1982 to 1989.

The following is an account of Robert's work history:

- Harvest Capital Advisors Inc, Principal (2000 – Present)
- Harvest Financial Advisors Inc, Principal (1994 -2000)
- Pacific West Securities Inc, Registered Representative (1998 – 2003)
- Financial Network Investment Corp, Registered Representative & Advisory Associate (1994 – 1998)
- Manequity Inc, Registered Representative (1994 – 1998)
- CIGNA Financial Advisors Inc, Registered Representative & Advisory Associate (1973 – 1994)

Robert currently holds a CLU designation, a Chartered Life Underwriter. The CLU program requires candidates to pass and complete five fundamental courses of curriculum and two elective courses. The five fundamental courses are fundamentals of Insurance planning, Individual Life Insurance, Life Insurance Law, Fundamentals of Estate Planning and, Planning for Business Owners and Professionals. Robert must attend continuing education classes to maintain his CLU designation. Robert also holds a ChFC designation, The Chartered Financial Consultant. To receive the ChFC® designation an applicant must successfully complete all courses in their selected program, meet experience requirements and ethics standards, and agree to comply with The American College Code of Ethics and Procedures.

There are no legal or disciplinary events, past, current or pending, against Robert.

Part 2B of Form ADV: *Brochure Supplement*

Supervised Person: Lynette A. Johnson  
Firm Name: Harvest Capital Advisors Inc.  
11000 NE 33<sup>rd</sup> Place, Suite 301  
Bellevue, WA 98004  
Date: July 31 2011

This brochure supplement provides information about *Lynette A Johnson* that supplements the Harvest Capital Advisors brochure. You should have received a copy of that brochure. Please contact Harvest if you did not receive our brochure or if you have any questions about the contents of this supplement.

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

Educational Background and Business Experience:

Lynette attended Spokane Falls Community College from 1972 to 1974 and Washington State University from 1974 to 1978; her major courses of study were Nursing and Business. The following is an account of Lynette's work history:

- Harvest Capital Advisors, Advisor & Director of Client Relationships (2001 – Present)
- Pacific West Securities Inc, Registered Representative (2000 – 2002)
- George R Pierce & Associates, Administration and Office Manager (1998 – 2001)
- Diagnostic Ultrasound, Dir. of Human Resources & VP Operations (1991 – 1998)
- Independent Consultant (1989 – 1991)
- Murphy Favre, Registered Senior Assistant (1979 – 1989)

Lynette currently holds a Series 65 Investment Adviser Law Examination designation which she obtained in 2009. The Series designation is obtained by passing a 140 question competency exam in under 180 minutes on subject matter pertaining to state security law, economics, investment vehicles, investment strategies, analysis, retirement planning, fiduciary obligations, and ethics.

There are no legal or disciplinary events, past, current or pending, against Lynette.

Part 2B of Form ADV: *Brochure Supplement*

Supervised Person: Robert E Keilin  
Firm Name: Harvest Capital Advisors Inc.  
11000 NE 33<sup>rd</sup> Place, Suite 301  
Bellevue, WA 98004  
Date: July 31 2011

This brochure supplement provides information about *Robert E Keilin* that supplements the Harvest Capital Advisors brochure. You should have received a copy of that brochure. Please contact Harvest if you did not receive our brochure or if you have any questions about the contents of this supplement.

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

Educational Background and Business Experience:

Bob attended California State University Fullerton from 1983 to 1986; his major courses of study were Communications & American Studies. From 1986 to 1988 Robert attended Washington State University where he furthered his studies in Communications.

The following is an accounting of Robert's career history:

- Harvest Capital Advisors, Advisor (2010 – Present)
- Leigh Stowell & Company, Research & Consulting (1999 – 2007)
- KCPQ TV, Marketing & Promotions (1988 – 1998)

Bob passed the comprehensive CFP examination in 2008. He is currently satisfying the three years of full-time relevant personal financial planning experience required to attain his CFP® certification. All Certificates must pass CFP Board's *Fitness Standards for Candidates and Registrants*, agree to abide by CFP Board's *Code of Ethics and Professional Responsibility*, and comply with the *Financial Planning Practice Standards*.

There are no legal or disciplinary events, past, current or pending, against Bob.