

**FORM ADV PART 2  
BROCHURE**

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**This brochure provides information about the qualifications and business practices of Beacon Consumer Insights, LLC. If you have any questions about the contents of this brochure, please contact us at [info@beaconconsumer.com](mailto:info@beaconconsumer.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.**

**Additional information about Beacon Consumer Insights is also available on the SEC's website at [www.adviserinfo.sec.gov](http://www.adviserinfo.sec.gov). The searchable IARD/CRD number for Beacon Consumer Insights is 128637.**

**Beacon Consumer Insights is a Registered Investment Adviser. Registration with the United States Securities and Exchange Commission or any state securities authority does not imply a certain level of skill or training.**

***Material Changes***

Form ADV Part 2A, Item 2

As of September 2013, Retail Intelligence Group, LLC changed its name to Beacon Consumer Insights, LLC.

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### ***Advisory Business***

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A) Beacon Consumer Insights, LLC ("BCI") filed Articles of Organization with the Florida Secretary of State on August 13, 2003. The Operating Agreement of the firm, among other things, provides that the sole member of the applicant firm is Largo Music Inc., a New York corporation, which is a wholly owned subsidiary of Lebhar-Friedman, Inc., a New York corporation. Lebhar-Friedman, Inc. engages in publishing and other business activities, none of which are securities related.

B) BCI provides research and analysis pertaining to the retail and restaurant industries. The firm advises institutional investors of current trends and investment opportunities involving equities in the consumer sector. BCI provides coverage research reports, customized proprietary studies, and advisory services to its clients, and does not provide advice on non-consumer sector companies.

C) BCI tailors its advisory services to the needs of its clients in various ways, particularly in terms of the selection of reports and investment ideas to highlight to particular clients based on their investment styles and focus. BCI clients can also commission customized research studies involving equities of interest to them.

D) BCI does not provide portfolio management services or wrap fee programs.

E) BCI does not manage client assets.

### ***Fees and Compensation***

Form ADV Part 2A, Item 5

- A) BCI is compensated for its advisory services through negotiable subscription fees or on a per-project basis.
- B) BCI bills its clients for incurred fees, either directly or through a broker as directed by the client. Most BCI clients are billed either quarterly or semi-annually.
- C) BCI clients do not incur any other fees in connection with our advisory services.
- D) Most BCI clients pay their subscription fees in advance. Clients may cancel their BCI subscription upon receipt of each invoice. Refunds of pre-paid subscription fees are based upon the number of percentage of the service term already provided, with a deduction for customized research studies completed.
- E) BCI does not sell securities or other investment products.

***Performance-Based Fees and Side-By-Side Management***

Form ADV Part 2A, Item 6

BCI neither accepts performance-based fees nor manages any client accounts.

### ***Types of Clients***

Form ADV Part 2A, Item 7

BCI provides investment advice to institutional clients particularly hedge funds and investment companies.

BCI does not have any requirements for its clients.

### ***Methods of Analysis, Investment Strategies and Risk of Loss***

Form ADV Part 2A, Item 8

A) BCI formulates its investment advice through primary research efforts, particularly “channel check” surveys and analyst field visits. BCI covers over 50 major retailers, restaurant chains, and consumer products manufacturers, and conducts research on dozens of other consumer-sector companies each year. Research includes both growth and value stocks, and small, mid, and large market caps. BCI evaluates the business performance, competitive positioning, and consumer trends of specific companies and sector segments based on a mix of survey data, market visits, and analysts’ industry knowledge. For most reports, BCI will take either a “positive” or “negative” view of the company based upon current research findings and analyst perspective of its outlook. BCI analysts deliver data, analysis and advice to clients through reports, written communications, and verbal discussions. Though much care is taken and effort is made in BCI research and analysis, investment in securities involves risk of loss that clients should be prepared to bear.

B) BCI analysis and investment advice relies heavily on the research findings based on a small percentage of our covered securities’ operations. There are material risks that this sample of survey respondents and visited locations may not be representative of the overall company performance. Additionally, BCI analysis does not include such important factors as financial analysis, technical analysis, and supply chain research.

C) BCI primarily provides advice regarding equities. This type of security faces a wide number of material risks.



### ***Disciplinary Information***

Form ADV Part 2A, Item 9

A. Neither BCI nor any of its management persons have been in a criminal or civil action in a domestic, foreign or military court of competent jurisdiction in which BCI or a management person

1. was convicted of, or pled guilty or nolo contendere ("no contest") to (a) any felony; (b) a misdemeanor that involved investments or an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, or extortion; or (c) a conspiracy to commit any of these offenses;
2. is the named subject of a pending criminal proceeding that involves an investment-related business, fraud, false statements or omissions, wrongful taking of property, bribery, perjury, forgery, counterfeiting, extortion, or a conspiracy to commit any of these offenses;
3. was found to have been involved in a violation of an investment-related statute or regulation; or
4. was the subject of any order, judgment, or decree permanently or temporarily enjoining, or otherwise limiting, the firm or a management person from engaging in any investment-related activity, or from violating any investment-related statute, rule, or order.

B. Neither BCI nor any of its management persons have been in an administrative proceeding before the SEC, any other federal regulatory agency, any state regulatory agency, or any foreign financial regulatory authority in which the firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of an investment-related statute or regulation and was the subject of an order by the agency or authority
  - (a) denying, suspending, or revoking the authorization of the firm or a management person to act in an investment-related business;
  - (b) barring or suspending the firm's or a management person's association with an investment-related business;
  - (c) otherwise significantly limiting the firm's or a management person's investment-related activities; or
  - (d) imposing a civil money penalty of more than \$2,500 on the firm or a management person.

C. Neither BCI nor any of its management persons have been in a self-regulatory organization (SRO) proceeding in which the firm or a management person

1. was found to have caused an investment-related business to lose its authorization to do business; or
2. was found to have been involved in a violation of the SRO's rules and was: (i) barred or suspended from membership or from association with other members, or was expelled from membership; (ii) otherwise significantly limited from investment-related activities; or (iii) fined more than \$2,500.

### ***Other Financial Industry Activities and Affiliations***

Form ADV Part 2A, Item 10

A) Neither BCI nor its management persons are registered, or have an application pending to register, as a broker-dealer or a registered representative of a broker-dealer.

B) Neither BCI nor its management persons are registered, or have an application pending to register, as a futures commission merchant, commodity pool operator, a commodity trading advisor, or an associated person of the foregoing entities.

C) BCI and its management persons do not have any material relationship or arrangement that is material to its advisory business or to its clients with any related person listed below.

1. broker-dealer, municipal securities dealer, or government securities dealer or broker
2. investment company or other pooled investment vehicle (including a mutual fund, closed-end investment company, unit investment trust, private investment company or "hedge fund," and offshore fund)
3. other investment adviser or financial planner
4. futures commission merchant, commodity pool operator, or commodity trading advisor
5. banking or thrift institution
6. accountant or accounting firm
7. lawyer or law firm
8. insurance company or agency
9. pension consultant
10. real estate broker or dealer
11. sponsor or syndicator of limited partnerships.

D) BCI does not recommend or select other investment advisers for its clients, nor does BCI have business relationships with other investment advisers.

***Code of Ethics, Participation or Interest in Client Transactions and Personal Trading***

Form ADV Part 2A, Item 11

A) BCI adopted a code of ethics pursuant to SEC rule 204A-1, and will provide a copy to any client or prospective client upon request. BCI's code of ethics contains guidelines for professional standards, personal trading policies and reporting requirements, insider trading policies and procedures, and other matters. It is discussed with new related persons upon employment, and reviewed annually with all related persons.

B) BCI and its related persons do not recommend, buy from, or sell to clients any securities in which BCI or its related persons have a material financial interest.

C) BCI and its related persons are prohibited from investing in the same or related consumer-sector securities that BCI or its related persons recommend to clients. BCI and its related persons are embargoed from trading any securities mentioned in a BCI research report. BCI requires its related persons to promptly disclose their securities holdings upon employment and annually, and to promptly disclose covered securities quarterly and any transactions of covered securities within ten days.

***Brokerage Practices***

Form ADV Part 2A, Item 12

BCI does not select or recommend broker-dealers for client transactions.

***Review of Accounts***

Form ADV Part 2A, Item 13

BCI does not manage client accounts or review clients' financial plans.

### ***Client Referrals and Other Compensation***

Form ADV Part 2A, Item 14

A) BCI does not receive an economic benefit from anyone for providing investment advice or other advisory services to its clients.

B) Since July 2006, Spartan Institutional Research Corp. has provided BCI with sales, marketing, and related administrative services. Spartan retains a portion of the advisory fees it collects from referred clients on behalf of BCI.

***Custody***

Form ADV Part 2A, Item 15

BCI does not take custody of client assets.

***Investment Discretion***

Form ADV Part 2A, Item 16

BCI does not manage client assets.



***Voting Client Securities***

Form ADV Part 2A, Item 17

BCI does not accept authority to vote client securities.

BCI does not manage client assets.

***Financial Information***

Form ADV Part 2A, Item 18

It is the policy of BCI to invoice clients on a quarterly basis.

### ***Additional Information***

In late November 2010, BCI was sued by Big Lots, Inc. in connection with our report dated October 20, 2010. The Complaint was filed in the Circuit Court in and for Hillsborough County, Tampa, Florida (Case No. 1000022707, Division G) and alleged that BCI violated the Florida Uniform Trade Secrets Act, tortuously interfered with employment relations, and aided and abetted in the breach of fiduciary relations. BCI denied all of these allegations. The lawsuit was dismissed with prejudice in February 2011. BCI and Big Lots entered into a settlement agreement that involves no payment and no finding whatsoever that BCI's research processes were in any way illegal or in violation of any rules or regulations.